



ANNUAL REPORT

2021

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NOTICE OF EIGHTEENTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Eighteenth (“18th”) Annual General Meeting (“AGM”) of BSL Corporation Berhad (“BSLCORP” or the “Company”) will be held on a virtual basis through live streaming and online remote participation and voting from the broadcast venue at Level 10, Tower 11, Avenue 5, No. 8, Jalan Kerinchi, Bangsar South, 59200 Kuala Lumpur, Wilayah Persekutuan (KL) on **Friday, 28 January 2022 at 10.30 a.m.** or at any adjournment thereof to transact the following businesses:-

AGENDA

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements of the Company for the financial year ended 31 August 2021 together with the Report of the Directors and Auditors thereon. (Please refer to Explanatory Note 11)
2. To approve the payment of Directors’ fees for an amount not exceeding RM350,000 for the financial year ending 31 August 2022. (Ordinary Resolution 1)
(Please refer to Explanatory Note 12)
3. To approve the payment of Directors’ fees for an amount not exceeding RM350,000 for the financial year ending 31 August 2023. (Ordinary Resolution 2)
(Please refer to Explanatory Note 12)
4. To approve the payment of Directors’ benefits for an amount not exceeding RM100,000 from 29 January 2022 until the next AGM of the Company. (Ordinary Resolution 3)
(Please refer to Explanatory Note 12)
5. To re-elect the following Directors who retire pursuant to Clause 76(6) of the Company’s Constitution and who being eligible, have offered themselves for re-election:-
 - i. Mr. Hoo Wai Keong (Ordinary Resolution 4)
 - ii. Mr. Andrew Ho Tho Kong (Ordinary Resolution 5)
 - iii. Mr. Chong Kwang Fock (Ordinary Resolution 6)
 - iv. Mr. Wong Boon Peng (Ordinary Resolution 7)
 - v. Mr. Chew Khai Liong (Ordinary Resolution 8)
6. To re-appoint Mazars PLT as Auditors of the Company for the financial year ending 31 August 2022 and to authorise the Directors to fix their remuneration. (Ordinary Resolution 9)

AS SPECIAL BUSINESS

To consider and, if thought fit, pass with or without any modifications, the following resolution:-

7. **Authority to Allot and Issue Shares pursuant to Sections 75 and 76 of the Companies Act 2016 (“CA 2016”)** (Ordinary Resolution 10)
(Please refer to Explanatory Note 13)

“**THAT** pursuant to Sections 75 and 76 of the CA 2016 and subject to the approvals of the relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered 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 always that the aggregate number of shares issued pursuant to this resolution does not exceed twenty percent (20%) of the total number of issued shares (excluding treasury shares) of the Company for the time being to be utilised as empowered by Bursa Malaysia Securities Berhad (“**Bursa Securities**”) pursuant to Bursa Malaysia Berhad’s letter dated 23 December 2021 to grant additional temporary relief measures to listed issuers and thereafter does not exceed ten percent (10%) or up to the threshold as approved by Bursa Securities of the total number of issued shares of the Company for the time of issuance and such authority under this resolution shall continue in force until the conclusion of the Nineteenth (19th) AGM or when it is required by law to be held, whichever is earlier, **AND THAT** the Directors be and are empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities.”
8. To transact any other business for which due notice shall have been given in accordance with the Company’s Constitution and/or the CA 2016.

NOTICE OF EIGHTEENTH ANNUAL GENERAL MEETING (CONT'D)

By Order of the Board

BSL CORPORATION BERHAD

WONG YUET CHYN (MAICSA 7047163) (SSM PC NO. 202008002451)

THONG PUI YEE (MAICSA 7067416) (SSM PC NO. 202008000510)

Company Secretaries

Kuala Lumpur

30 December 2021

Notes:-

- (1) *In view of the Covid-19 pandemic and as part of the Company's safety measures to curb the spread of Covid-19, the AGM will be held on a virtual basis through live streaming and online remote voting by using the Remote Participation and Voting ("RPV") facilities.*
- (2) *The broadcast venue is strictly for the purpose of complying with Section 327(2) of the CA 2016 which requires the Chairman to be present at the main venue of the AGM.*

No members / proxies / corporate representatives / attorneys from the public shall be physically present at the broadcast venue on the day of the AGM.

Please read and follow the procedures as set out in the Administrative Guide of the AGM which can be downloaded from Company's announcement Bursa Malaysia Berhad's website at www.bursamalaysia.com or Company's website at www.bslcorp.com.my in order to register, participate and vote remotely via the RPV facilities.

- (3) *For the purpose of determining a member who shall be entitled to attend the AGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company, a general meeting Record of Depositors as at 19 January 2022. Only a member whose name appears on the Record of Depositors as at 19 January 2022 shall be entitled to attend the said meeting or appoint proxies to attend, speak and vote on his/her/its behalf.*
- (4) *A member entitled to attend and vote at this general meeting is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend, participate, speak and vote in his place. A proxy may but need not be a member of the Company.*
- (5) *A member of the Company who is entitled to attend and vote at a general meeting of the Company may appoint not more than two (2) proxies to attend, participate, speak and vote instead of the member at the general meeting.*
- (6) *Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("Central Depositories Act"), 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.*
- (7) *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one 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. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.*
- (8) *Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.*
- (9) *The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the general meeting or adjourned general meeting at which the person named in the appointment proposes to vote:-*

(i) *In hard copy form*

In the case of an appointment made in hard copy form, the proxy form must be deposited with the Company's share registrar at No. 2-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur, Wilayah Persekutuan (KL), Malaysia.

(ii) *By electronic form*

The proxy form can be electronically lodged with the Company's share registrar via fax to 03-6201 3121 or e-mail to ir.bsl@shareworks.com.my.

Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.

- (10) *Pursuant to Paragraph 8.29A of the Main Market Listing Requirements ("MMLR") of Bursa Securities, all the resolutions set out in this Notice of AGM will be put to vote by way of poll.*

NOTICE OF EIGHTEENTH ANNUAL GENERAL MEETING (CONT'D)

Explanatory Notes on Ordinary Business

(11) Audited Financial Statements for financial year ended 31 August 2021

The Audited Financial Statements are laid in accordance with Section 340(1)(a) of the CA 2016 for discussion only under Agenda 1. They do not require shareholders' approval and hence, will not be put for voting.

(12) Proposed Directors' Fees and Benefits

Pursuant to Section 230(1) of the CA 2016, the fees of the directors and any benefits payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting.

The proposed Ordinary Resolutions 1 and 2 are to facilitate the payment of Directors' fees for the financial year ending 31 August 2022 and 31 August 2023. In the event the Directors' fees proposed are insufficient (due to enlarged Board size), approval will be sought at the next AGM for additional fees to meet the shortfall.

The payment of fees to the Non-Executive Members of the Board is on a monthly basis. This is to commensurate and compensate the Non-Executive Members for their time and effort contributed to the Company on an on-going basis throughout the year.

The proposed Ordinary Resolution 3 for the Directors' benefits are benefit payable to the Executive or Non-Executive Directors and meeting allowances. Meeting allowances are calculated based on the current Board size and the number of scheduled Board and Committee meetings for the period from 29 January 2022 up to the next AGM. In the event the proposed amount is insufficient (e.g. due to more meetings or enlarged Board size), approval will be sought at the next AGM for the shortfall.

Explanatory Note on Special Business

(13) Authority to Allot and Issue Shares pursuant to Sections 75 and 76 of the CA 2016

The proposed Ordinary Resolution 10, is proposed for the purpose of renewing the general mandate for issuance of shares by the Company under Sections 75 and 76 of the CA 2016. The Ordinary Resolution 10, if passed, will give the Directors, from the date of this AGM, the authority to allot and issue shares up to an amount not exceeding 20% of the total number of issued shares (excluding treasury shares) of the Company for the time being to be utilised, after that, the 10% limit under Paragraph 6.03 of MMLR of Bursa Securities will be reinstated, or up to the threshold as approved by Bursa Securities (hereinafter referred to as the "General Mandate").

As part of the initiative from Bursa Securities to aid and facilitate listed issuers in sustaining their business or easing their compliance with Bursa Securities' rules, amid the unprecedented uncertainty surrounding the recovery of the COVID-19 outbreak and Movement Control Order imposed by the Government, Bursa Securities had vide Bursa Malaysia Berhad's letter dated 23 December 2021 allow a listed issuer to seek a higher General Mandate under Paragraph 6.03 of MMLR of Bursa Securities of not more than 20% of the total number of issued shares (excluding treasury shares) for the general issue of new securities.

As at the date of this Notice, no shares had been allotted and issued since the General Mandate granted to the Directors at the last AGM held on 3 February 2021 and this authority will lapse at the conclusion of the 18th AGM of the Company.

The General Mandate will provide flexibility to the Company to raise additional funds expeditiously and efficiently during this challenging time, to meet its funding requirements including but not limited to funding future investment project(s), working capital and/or acquisitions. The Board, having considered the current and prospective financial position, needs and capacity of the Group, is of the opinion that the General Mandate is in the best interests of the Company and its shareholders.

ADMINISTRATIVE GUIDE FOR SHAREHOLDERS ATTENDING THE 18TH ANNUAL GENERAL MEETING ("AGM" OR "MEETING") OF BSL CORPORATION BERHAD

<u>Date</u>	<u>Time</u>	<u>Broadcast Venue</u>
28 January 2022 (Friday)	10.30 a.m.	Level 10, Tower 11, Avenue 5 No. 8, Jalan Kerinchi, Bangsar South 59200 Kuala Lumpur Wilayah Persekutuan (KL)

MODE OF MEETING

In view of the Covid-19 outbreak and as part of the safety measures, the AGM will be conducted entirely through live streaming from the broadcast venue.

The broadcast venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which stipulates that the Chairman of the Meeting shall be present at the broadcast venue of the AGM. Shareholders of the Company ("**Shareholders**" or "**Members**") are **NOT REQUIRED** to be physically present **NOR ADMITTED** at the broadcast venue on the day of the AGM.

Members whose names appear on the General Meeting Record of Depositors on 19 January 2022 shall be eligible to participate in the AGM remotely by using the Remote Participation and Voting ("**RPV**") Facilities as per the details set out below.

RPV

The AGM will be conducted entirely through live streaming and online remote voting. Members are encouraged to participate in the AGM by using the RPV Facilities. With the RPV Facilities, Members may exercise their rights to participate (including to pose questions to the Board of Directors ("**Board**") and the Management of the Company) and vote at the AGM.

Individual Members are strongly encouraged to take advantage of RPV Facilities to participate and vote remotely at the AGM.

If an Individual Member is unable to participate the AGM, he/she is encouraged to appoint proxy(ies) or the Chairman of the Meeting to participate on his/her behalf and indicate the voting instructions in the Form of Proxy in accordance with the notes and instructions printed therein.

Corporate Members (through Corporate Representative(s) or appointed proxy(ies)) are also strongly advised to participate and vote remotely at the AGM using the RPV Facilities. Corporate Members who wish to participate and vote remotely at the AGM, shall contact the Poll Administrator, ShareWorks Sdn. Bhd. according to the details set out below and Members are required to provide the following documents to the Company not later than **Wednesday, 26 January 2022 at 10.30 a.m.**:

- i. Certificate of Appointment of its Corporate Representative or Form of Proxy under the Seal of the Corporation;
- ii. Copy of the Corporate Representative's or Proxy's MyKad (front and back) / Passport; and
- iii. Corporate Representative's or Proxy's email address and mobile phone number.

Upon receipt of such documents, ShareWorks Sdn. Bhd. will respond to the remote participation request.

If a Corporate Member (through Corporate Representative(s) or appointed Proxy(ies)) is unable to participate in the AGM, the Corporate Member is encouraged to appoint the Chairman of the Meeting as its proxy and indicate the voting instructions in the Form of Proxy in accordance with the notes and instructions printed therein.

In respect of Member who is an Authorised Nominee and Exempt Authorised Nominee ("**Nominee Company**"), the beneficial owners of the shares under a Nominee Company's CDS account are also strongly advised to participate and vote remotely at the AGM using RPV Facilities. Beneficial owners who wish to participate and vote remotely at the AGM can request its Nominee Company to appoint him/her as a proxy to participate and vote remotely at the AGM. A Nominee Company shall contact the Poll Administrator, ShareWorks Sdn. Bhd., according to the details set out below and are required to provide the following documents to the Company not later than **Wednesday, 26 January 2022 at 10.30 a.m.**:

- i. Form of Proxy under the Seal of the Nominee Company;
- ii. Copy of the Proxy's MyKad (front and back) / Passport; and
- iii. Proxy's email address and mobile phone number.

ADMINISTRATIVE GUIDE (CONT'D)

FOR SHAREHOLDERS ATTENDING THE 18TH ANNUAL GENERAL MEETING ("AGM" OR "MEETING") OF BSL CORPORATION BERHAD

Upon receipt of such documents, ShareWorks Sdn. Bhd. will respond to the remote participation request.

If a beneficiary owner is unable to participate in the AGM, it is encouraged to request its Nominee Company to appoint the Chairman of the Meeting as its proxy and indicate the voting instructions in the Form of Proxy in accordance with the notes and instructions printed therein.

The procedures for the RPV Facilities in respect of the live streaming and remote voting at the AGM are as follows:

Procedures		Action
Before AGM		
1.	Register as participant in AGM 	- Using your computer, access the registration website at https://rebrand.ly/BSL-AGM - If you are using mobile devices, you can also scan the QR provided on the left to access the registration page. Click Register and enter your email followed by Next to fill in your details to register for the AGM session. - Upon submission of your registration, you will receive an email notifying you that your registration has been received and is pending verification. - The event is powered by Cisco Webex. You are recommended to download and install Cisco Webex Meetings (available for PC, Mac, Android and iOS). Please refer to the tutorial guide posted on the same page for assistance.
2.	Submit your online registration	- Shareholders who wish to participate and vote remotely at the AGM via RPV Facilities are required to register prior to the Meeting. The registration will open from 10.30 a.m. on 30 December 2021 and close at 10.30 a.m. on 26 January 2022. - Clicking on the link mentioned in item 1 will redirect you to the AGM event page. Click on the Register link for the online registration form. - Complete your particulars in the registration page. Your name MUST match your CDS account name (not applicable for proxy). - Insert your CDS account number(s) and indicate the number of shares you hold. - Read and agree to the Terms & Conditions and confirm the Declarations. - Please ensure all information given is accurate before you click Submit to register your remote participation. Failure to do so will result in your registration being rejected. - System will send an email to notify that your registration for remote participation is received and will be verified. - After verification of your registration against the General Meeting Record of Depositors of the Company as at 19 January 2022, the system will send you an email to notify you if your registration is approved or rejected after 20 January 2022. - If your registration is rejected, you can contact the Company's Poll Administrator for clarifications or to appeal.
On the day of AGM		
3.	Attending AGM	- Two reminder emails will be sent to your inbox. First is one day before the AGM day, while the 2nd will be sent 1 hour before the AGM session. - Click Join Event in the reminder email to participate the RPV.
4.	Participate with live video	- You will be given a short brief about the system. - Your microphone is muted throughout the whole session. - If you have any questions for the Chairman/Board, you may use the Q&A panel to send your questions. The Chairman/Board will try to respond to relevant questions if time permits. All relevant questions will be collected throughout the session and replied later through your registered email. - The session will be recorded. - Take note that the quality of the live streaming is dependent on the bandwidth and stability of the internet connection at your location.
5.	Online Remote Voting	- The Chairman will announce the commencement of the voting session and the duration allowed at the respective AGM. - The list of resolutions for voting will appear at the right-hand side of your computer screen. You are required to indicate your votes for the resolutions within the given stipulated time frame. - Click on the Submit button when you have completed. - Votes cannot be changed once it is submitted.

ADMINISTRATIVE GUIDE (CONT'D)

FOR SHAREHOLDERS ATTENDING THE 18TH ANNUAL GENERAL MEETING ("AGM" OR "MEETING") OF BSL CORPORATION BERHAD

Procedures	Action
On the day of AGM	
6. End of RPV Facility	Upon the announcement by the Chairman on the closure of the AGM, the live session will end.

PROXY

Members who appoint proxy(ies) to participate via RPV Facilities in the AGM shall deposited the completed duly executed Form of Proxy at registered office of the Company at No. 2-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur, Wilayah Persekutuan (KL) or fax to 03-6201 3121 or by email to ir.bsl@shareworks.com.my, not later than **Wednesday, 26 January 2022 at 10.30 a.m.**

Please note that if an Individual Member who has submitted his/her Form of Proxy prior to the AGM and subsequently decides to personally participate in the AGM via RPV Facilities, the Individual Member shall inform ShareWorks Sdn. Bhd. using the contact details set out below to revoke the appointment of his/ her proxy(ies) not later than **Wednesday, 26 January 2022 at 10.30 a.m.**

POLL VOTING

The voting at the AGM will be conducted by poll in accordance with Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The Company has appointed ShareWorks Sdn. Bhd. as Poll Administrator to conduct the poll by way of electronic means and SharePolls Sdn. Bhd. as Scrutineers to verify the poll results.

The Scrutineers will verify the poll results and the Chairman will declare whether the resolutions are duly passed or otherwise.

NO RECORDING OR PHOTOGRAPHY

Strictly **NO** recording or photography of the proceedings of the AGM is allowed.

NO BREAKFAST/LUNCH PACKS, DOOR GIFTS OR FOOD VOUCHERS

There will be **NO** distribution of breakfast / lunch packs, door gifts or food vouchers to the Members or Proxy(ies) who participate in the AGM.

ENQUIRY

If you have any enquiry prior to the virtual meeting, please contact the following officers during office hours from 9.00 a.m. to 5.30 p.m. on Monday to Friday (except public holidays) at:

For registration, logging in and system related:

MLABS Research Sdn. Bhd.

Name : Mr. Bryan / Mr. Hong / Ms. Eris
Telephone : 03-7688 1013
Email : vgm@mlabs.com

For Proxy(ies) and other matters:

ShareWorks Sdn. Bhd.

Name : Mr. Kou Si Qiang / Mr. Fong Wee Liam
Telephone : 03-6201 1120
Email : ir@shareworks.com.my

PRE-MEETING SUBMISSION OF QUESTIONS TO THE BOARD

To administrate the proceedings of the AGM in orderly manner, the Members may before the AGM, submit questions to the Board via ir@shareworks.com.my not later than **Wednesday, 26 January 2022 at 10.30 a.m.** The Board will endeavour to address the questions received at the AGM.

CORPORATE INFORMATION

Board of Directors

Hoo Wai Keong

Executive Director

Andrew Ho Tho Kong

Executive Director

Chong Kwang Fock

Independent Non-Executive Director

Wong Boon Peng

Independent Non-Executive Director

Chew Khai Liong

Independent Non-Executive Director

Audit and Risk Management Committee

Chong Kwang Fock

Chairman / Independent Non-Executive Director

Wong Boon Peng

Member / Independent Non-Executive Director

Chew Khai Liong

Member / Independent Non-Executive Director

Nomination Committee

Wong Boon Peng

Chairman / Independent Non-Executive Director

Chong Kwang Fock

Member / Independent Non-Executive Director

Chew Khai Liong

Member / Independent Non-Executive Director

Remuneration Committee

Chew Khai Liong

Chairman / Independent Non-Executive Director

Chong Kwang Fock

Member / Independent Non-Executive Director

Wong Boon Peng

Member / Independent Non-Executive Director

Company Secretaries

Wong Yuet Chyn

MAICSA 7047163

Thong Pui Yee

MAICSA 7067416

Principal Place of Business

Lot 4220, Persimpangan Jalan Batu Arang/
Lebuhraya PLUS,
48000 Rawang,
Selangor Darul Ehsan, Malaysia.
Tel: 03-6091 9148
Fax: 03-6092 0727
Email: info@bsli.com.my
Website: www.bslcorp.com.my

Registered Office

No. 2-1, Jalan Sri Hartamas 8,
Sri Hartamas,
50480 Kuala Lumpur,
Wilayah Persekutuan (KL), Malaysia.
Tel: 03-6201 1120
Fax: 03-6201 3121

Share Registrar

ShareWorks Sdn. Bhd.
No. 2-1, Jalan Sri Hartamas 8,
Sri Hartamas,
50480 Kuala Lumpur,
Wilayah Persekutuan (KL), Malaysia.
Tel: 03-6201 1120
Fax: 03-6201 3121

Auditors

Mazars PLT (AF001954)
Wisma Golden Eagle Realty,
11th Floor, South Block,
142-A, Jalan Ampang,
50450 Kuala Lumpur,
Wilayah Persekutuan (KL), Malaysia.
Tel: 03-27025222

Principal Bankers

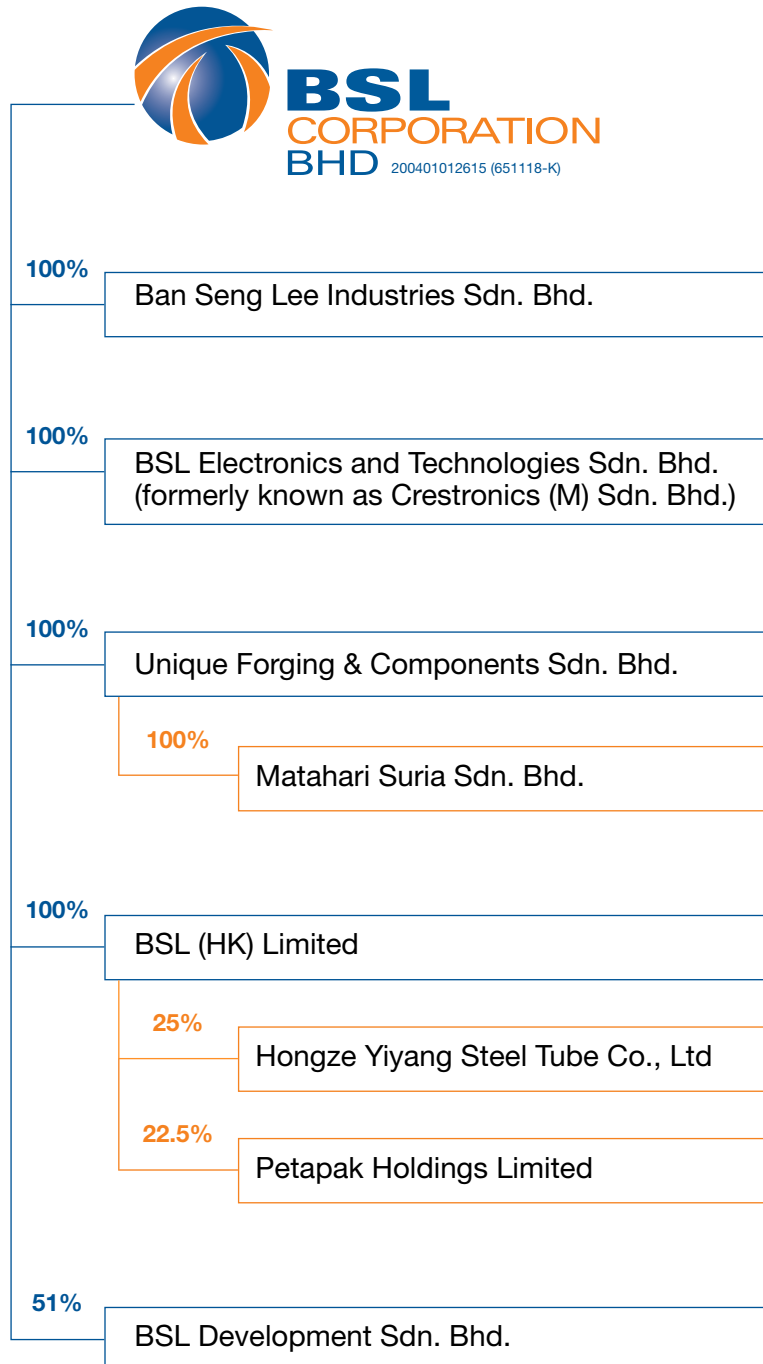
OCBC Bank (M) Bhd

Stock Exchange Listing

Main Market of Bursa Malaysia Securities Berhad
Stock name: BSLCORP
Stock code: 7221

CORPORATE STRUCTURE

As at 20 December 2021



PROFILE OF DIRECTORS

HOO WAI KEONG

Aged 45, Male, Malaysian
Executive Director

Qualification:

Mr. Hoo Wai Keong (“**Mr. Brian**”) holds the following qualifications:-

- a) Higher Diploma in Industries Studies and Industrial Automation Control Systems from Singapore Nanyang Polytechnics.

Working Experience:

Mr. Brian was appointed to the Board of BSL Corporation Berhad (“**BSLCorp**”) on 5 August 2021 as an Executive Director.

He has over 22 years of working experiences in engineering services and involvement in top management level operation as well as full operation experiences in various industries and different sectors from contract manufacturing to components fabrication, design & build for Industrial 4.0, renewable energy saving engineering in commercial and industrial, construction engineering and building automation smart technology system in commercial and infrastructure which he also specializing in business development, strategic planning and consultancy and corporate advisory in merger & acquisition and joint venture across Malaysia, Singapore, Europe, US and China.

He started his career in Singapore as a mechanical engineer in factory automation machinery & system company which he in-charged the design & building automation system and electronics, project management and installation, testing and commissioning. He then appointed as a mechanical strategic buyer for audio electronics systems for MNC company, which involved in strategic sourcing and negotiating, perform cost analysis and cost saving program under products value analysis, managing JIT on vendors daily delivery operation. He proceeds his career as a Sales and Project Development Manager for semiconductors electronics equipment, where he handled daily customer service, new project development and ensure all specification meet customers’ requirements and manage the whole supply chain in order to fulfil customers delivery schedule.

In year 2005, he setup his own company in Singapore which deals with engineering fabrication ranging from precision machinery spare parts and components to fabrication of higher precision for banking machines, semiconductor equipment and automotive components. He extended his business and factory setup in China in year 2009, where he has full range of facilities in terms of CNC machineries, sheet metal fabrication, plastics moulding production, sub-assembly services and cosmetics secondary processes. He was the managing director of the company until 2018. After he left his own company, he joined Metronic Global Berhad where he currently acts as the Executive Director cum Chief Executive Officer.

Other Directorships of Public Companies:

Metronic Global Berhad

Details of Any Other Board Committee:

None

No. of Board Meetings attended in the financial year:

1/1

PROFILE OF DIRECTORS (CONT'D)

ANDREW HO THO KONG

Aged 55, Male, Malaysian
Executive Director

Qualification:

Mr. Andrew Ho Tho Kong ("Mr. Andrew") holds the following qualifications:-

- Bachelor of Accountancy from National University of Singapore;
- Chartered Accountant from the Institute of Singapore Chartered Accountants; and
- Chartered Financial Analyst.

Working Experience:

Mr. Andrew was appointed to the Board of BSLCorp on 5 August 2021 as an Executive Director.

He has extensive experience with over 30 years in accounting, investment banking and private equity. Currently he is a Partner in Nautilus Capital Asia, a boutique corporate advisory house providing advisory services for initial public offerings, buyouts, mergers and acquisitions and fund raising.

Prior to founding Nautilus Capital Asia, he was the acting Chief Executive Officer for Maybank Private Equity in 2012. Before his tenure with Maybank Private Equity, Mr. Andrew was a director with Kenanga Investment Bank, from 2008 to 2011, where he headed the Private Equity Department and subsequently, the investment banking office.

His experience extends to Venture Capital, with particular focus in the technology sector in the region. He served as Senior Vice President with Malaysia Venture Capital Company (MAVCAP). In addition, during his employment with the UEM Group from 2001 to 2007, he was attached to Optixlab, the private equity division of UEM Group. While in the UEM Group, he was also involved in Business Development with Time Engineering where he was primarily responsible for the overseeing of overseas acquisitions and partnerships for the group, and had oversight of the technology business strategy within the UEM group of companies.

Due to his industry experience, he is actively involved in numerous global volunteer programs administered by the CFA institute; and also serves as a founding committee member of the National University of Singapore (NUS) Kuala Lumpur Alumni.

He also sits on the Board of Pegasus Heights Berhad as an Independent Non-Executive Director.

Other Directorships of Public Companies:

Pegasus Heights Berhad

Details of Any Other Board Committee:

None

No. of Board Meetings attended in the financial year:

1/1

CHONG KWANG FOCK

Aged 42, Male, Malaysian
Independent Non-Executive Director

Qualification:

Mr. Chong Kwang Fock ("Mr. Chong") holds the following qualifications:-

- Association of Chartered Certified Accountants (ACCA);
- Member of Malaysian Institute of Accountants (MIA); and
- Member of ASEAN CPA.

Working Experience:

Mr. Chong was appointed on the Board of BSLCorp on 5 August 2021.

He is presently practising as an auditor and Partner of Chartered Accounts firm in Kuala Lumpur. He has more than 15 years of working experience in auditing. His experience includes auditing of public listed companies, multinational companies and private limited companies in various industries. He also has experience conducting audit for companies in China.

He has vast experience in corporate exercises where his experiences include being a reporting accountant for initial public offering and funds raising exercises, due diligence and reviewing of financial forecasts and projections.

Other Directorships of Public Companies:

None

Details of Any Other Board Committee:

He currently sits on the following Board Committees of the Company:-

- Chairman of the Audit and Risk Management Committee;
- Member of the Nomination Committee; and
- Member of the Remuneration Committee.

No. of Board Meetings attended in the financial year:

1/1

PROFILE OF DIRECTORS (CONT'D)

WONG BOON PENG

Aged 40, Male, Malaysian
Independent Non-Executive Director

Qualification:

Mr. Wong Boon Peng ("Mr. Wong") holds the following qualifications:-

- Diploma in Electronic Engineering from Informatics College;
- Higher Diploma in Computer Science with HELP Institute; and
- Construction project management course with TAR College.

Working Experience:

Mr. Wong was appointed on the Board of BSLCorp on 5 August 2021.

He currently serves as an Advisor and Strategic Business Consultant for Earthtech Energy Sdn. Bhd. (formerly known as Dehui Energy (M) Sdn. Bhd.) to provide advisory services to the management and various companies in the renewable energy segment.

He was previously involved in corporate finance work from 2010 to 2015.

Other Directorships of Public Companies:

None

Details of Any Other Board Committee:

He currently sits on the following Board Committees of the Company:-

- Chairman of the Nomination Committee;
- Member of the Audit and Risk Management Committee; and
- Member of the Remuneration Committee.

No. of Board Meetings attended in the financial year:

1/1

CHEW KHAI LIONG

Aged 33, Male, Malaysian
Independent Non-Executive Director

Qualification:

Mr. Chew Khai Liong ("Mr. Chew") holds the following qualifications:-

- Bachelor Degree in Chemical Engineering from Western Australia Curtin University.

Working Experience:

Mr. Chew was appointed to the Board of BSLCorp on 5 August 2021.

He started his career with Sembcorp Marine Jurong shipyard in 2012 as an engineer. He spent 9 years in the group in various roles such as project management, plant operation processes, engineering design, procurement, and construction and commissioning.

Throughout his career, he has led several offshore platform construction projects for the global oil and energy giant such as Shell, ExxonMobil, and Modec. In 2017, he was presented the SHARP award by Singapore WSH Council, with support from Ministry of Manpower, in recognition of his high standard of workplace safety and health practice during the construction period. He has extensive knowledge for metal fabrication processes starting from material selection, plates lofting, CNC cutting, plates bending and rolling, metal forging, specialized metal welding standards. He participated in CSWIP certification for American welding standard (AWS D1.1) and Non-destructive test.

He currently works in Metronic Global Berhad as operation manager on building automation business. He has established his strengths around understanding customer needs and efficiency of service, which are both the cornerstones of any customer-facing business.

Other Directorships of Public Companies:

None

Details of Any Other Board Committee:

He currently sits on the following Board Committees of the Company:-

- Chairman of the Remuneration Committee;
- Member of the Audit and Risk Management Committee; and
- Member of the Nomination Committee.

No. of Board Meetings attended in the financial year:

1/1

Other Information

1. Family Relationship

The above Directors have no family relationship with any Director and/or major shareholder of BSLCorp during the financial year 2021.

2. Conflict of Interest

None of the Directors has any conflict of interest with BSLCorp.

3. Conviction of Offences

None of the Directors has been convicted for any offences within past 5 years other than traffic offences, if any.

PROFILE OF THE KEY SENIOR MANAGEMENT

NGIAM TEE WEE

Aged 53, Male, Malaysian
Managing Director – Ban Seng Lee Industries Sdn. Bhd.

Qualification:

Mr. Ngiam Tee Wee (“**Mr. Richard**”) holds the following qualifications of Bachelor of Land Surveying Degree from University of Melbourne, Australia.

Working Experience:

Mr. Richard was appointed as the Managing Director of Ban Seng Lee Industries Sdn. Bhd. (“**BSLI**”) on 15 October 2021. He started his career in 1993 as the Factory Manager of Unique Forging & Components Sdn. Bhd., a subsidiary of BSL Corporation Berhad (“**BSL Corp**”). In 1995, he was transferred to BSLI as Operations Manager. In 1998, one year after he completed his ISO9000 Lead Assessor training, he led BSLI to ISO9002 certification. He was promoted to General Manager in the year 2000 where his responsibilities included overseeing daily operations, sales and marketing, R&D and engineering.

He was appointed as an Executive Director of BSL Corp on 28 April 2005 and resigned from that position on 5 August 2021. He was also formerly the Group Chief Executive Officer of BSL Corp.

NGIAM TEE YANG

Aged 55, Male, Malaysian
Managing Director – BSL Electronics & Technologies Sdn. Bhd. (f.k.a Crestronics (M) Sdn. Bhd.) (“**BSLET**”)

Qualification:

Mr. Ngiam Tee Yang (“**Mr. TY**”) holds the following qualifications:-

- a) Bachelor of Engineering Degree from National University of Singapore.
- b) Diploma in Sales & Marketing Management from Temasek Polytechnic, Singapore

Working Experience:

Mr. TY 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 as the Deputy Managing Director of BSLET. His duties include managing the day-to-day operations and business development for BSLET. He was promoted in year 2005 and currently the Managing Director of BSLET.

He was appointed as an Executive Director of BSL Corp on 28 April 2005 and resigned from that position on 5 August 2021. He was also formerly the Deputy Chairman of BSL Corp.

Other Information

1. **Family Relationship**
The above Key Senior Managements have no family relationship with any Director and/or major shareholder of BSL Corp during the financial year 2021.
2. **Conflict of Interest**
None of the Key Senior Managements have any conflict of interest with BSL Corp.
3. **Other Directorships of Public Companies**
None of the Key Senior Managements have any other directorship in public companies and listed issuers.
4. **Conviction of Offences**
None of the Key Senior Managements have been convicted for any offences within past 5 years other than traffic offences, if any.

MANAGEMENT DISCUSSION



AND ANALYSIS

The Year In Review

The past year was one of major challenges brought about by the pandemic. Despite the numerous Movement Control Orders (MCOs) imposed by the Government, BSL Corporation Berhad (“**BSL**”) managed to adapt to the ever-changing situation and navigate through the challenges. Overall, the Group managed to improve its performance post the imposition of MCO 1.0 in March 2020.

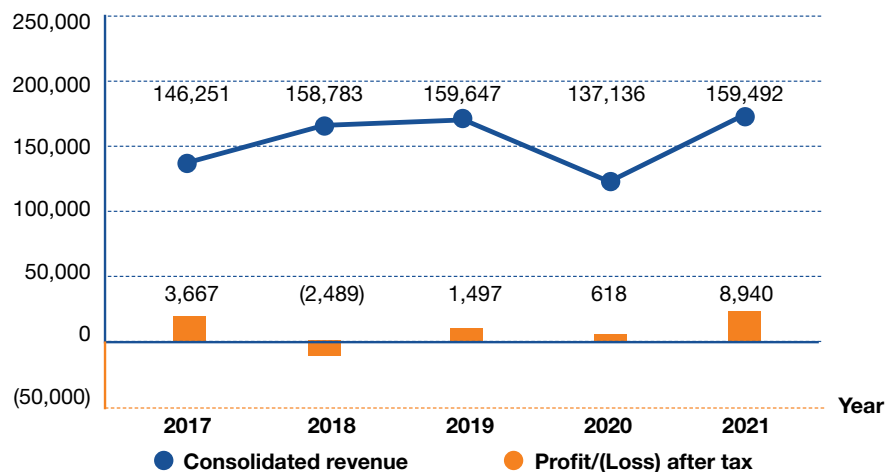
Revenue and profitability improved partially due to the fulfillment of backlog orders after MCO 1.0 and strong demand from our electrical & electronic, agriculture and industrial client base. However the Group’s final quarter for the financial year was affected by the sudden ‘hard-stop’ order from the imposition of MCO 3.0 and subsequently Enhancement Movement Control Order (EMCO) in July 2021.



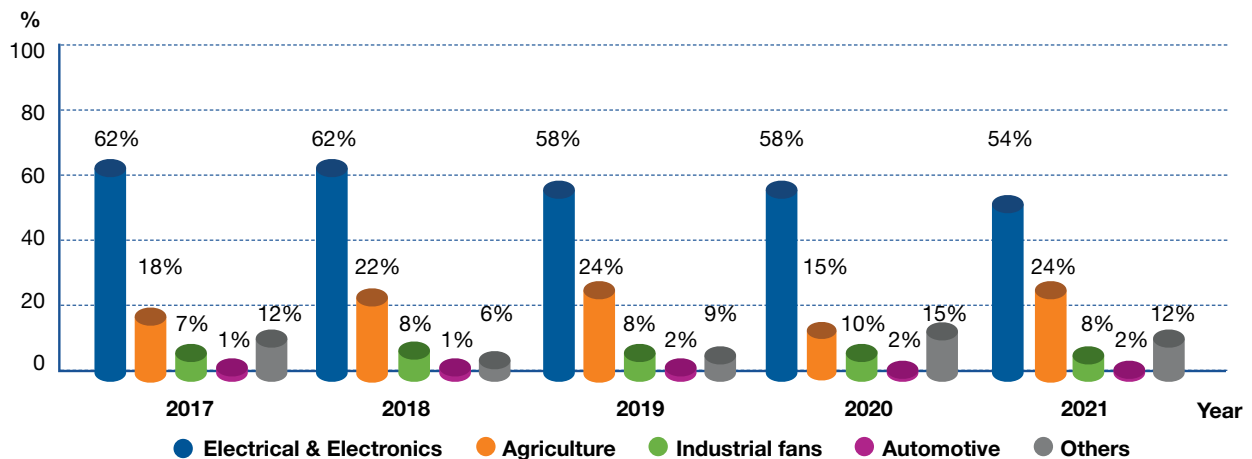
MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

Financial Review

RM'000	2017	2018	2019	2020	2021
Group					
Revenue	146,251	158,783	159,647	137,136	159,492
Profit/(Loss) after tax	3,667	(2,489)	1,497	618	8,940
Metal division					
Revenue	121,170	140,545	138,566	119,518	140,661
Profit after tax	3,825	6,415	3,366	1,114	2,222
PCB Assembly division					
Revenue	13,879	15,498	13,145	11,947	14,828
(Loss)/Profit after tax	(507)	(1,852)	(1,625)	(284)	22
Renewable Energy Division					
Revenue	20,422	2,098	7,938	5,672	6,099
Profit/(Loss) after tax	2,230	(2,153)	141	4	(858)
Others					
Revenue	874	834	13,600	0	0
Profit/(Loss) after tax	362	(11,952)	12,778	(9,666)	(1,115)
Consolidation entries/Minority interest					
Revenue	(10,094)	(193)	(13,602)	0	(2,096)
Profit/(Loss) after tax	(2,243)	7,053	(13,163)	9,450	8,670



Group Revenue Contribution By Key Customer Segment



MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

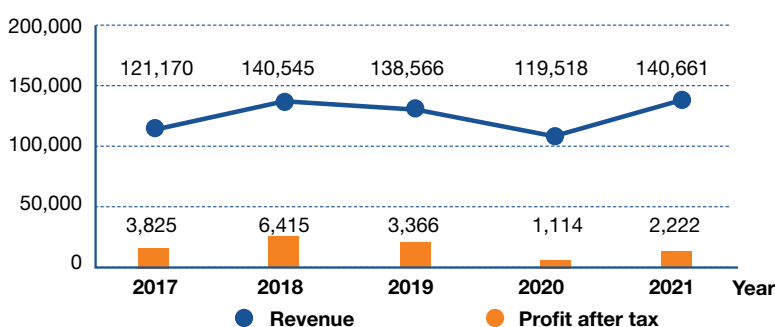
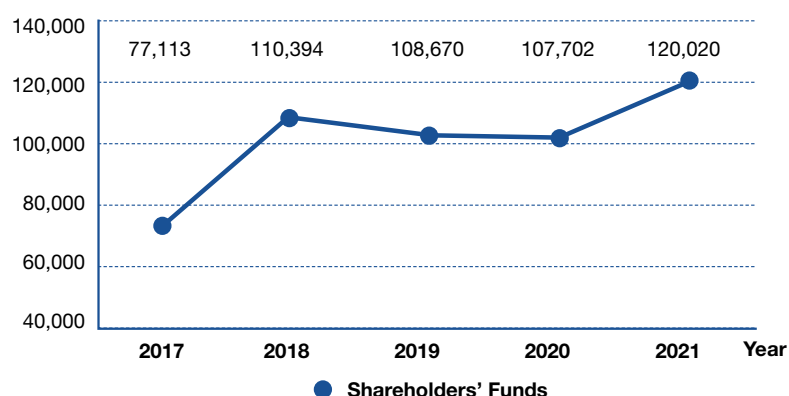
For the financial year under review, the Group recorded a revenue of RM159.49 million, a 16% increase from prior year of RM137.14 million. Sales were higher across all segments with manufacturing volumes normalizing to pre-pandemic levels; in spite of the 'hard-stop' in July. The overall demand from our major client base remained robust.

The Group reported a more than 14-fold increase in profit after tax of RM8.94 million compared to RM0.62million in financial year ended 31 August 2020 ("FY2020"). The profit after tax for the year was contributed from operations, share of profit from associate as well as fair value gains on investment. Profits after tax from operations was RM3.14 million, a 400% increase after stripping out the fair value gain and share of associate profit.

Capital structure and capital expenditures

The Group's equity attributable to the owners of the Company increased 11% to RM120.0 million from the prior year. The Group balance sheet is robust backed by our property and building value and a net current assets of RM33.4 million.

During the financial year under review, the Group incurred capital expenditures of approximately RM2.35 million financed via hire purchase arrangements and internally generated funds. These capex was mainly for upgrading of machines to improve the operational capabilities and capacity. In addition, the waste water treatment facility was completed during the year to complement our existing powder coating line as part of our commitment to sustainable manufacturing.



Operational review

Metal Division

Revenue increase 18% to RM140.7 million in financial year ended 31 August 2021 ("FY2021"); while profit after tax was jumped 100% to RM2.22 million from RM1.11 million in FY2020.

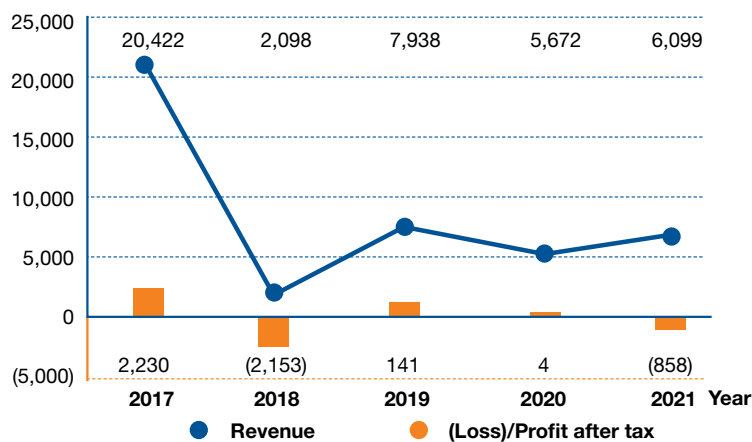
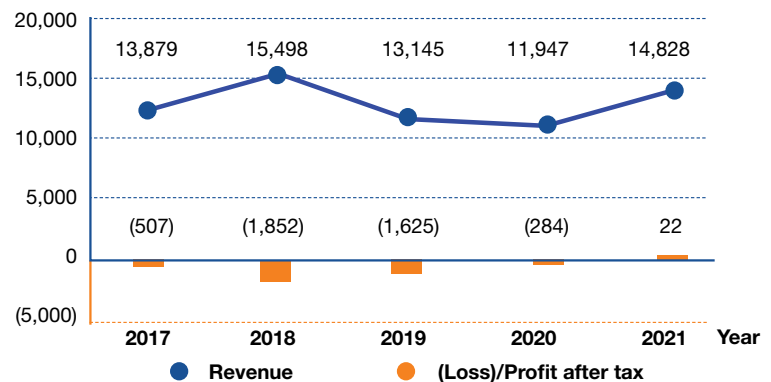
The agricultural segment was a key growth driver with its revenue jumping 32%. Contribution to total turnover for the Group was 24%, an increase of 9% from the prior year. Revenue from the electrical & electronics segment grew over 7% but total contribution to Group revenue declined 4% to 54% for the financial year under review.

The revenue profile is evolving with the agriculture and industrial segment becoming more prominent acting as a counter-balance to the electrical & electronics segment. The Metal division is still evolving as management has plans to broaden client base.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

PCB Assembly (PCBA) Division

Revenue for our PCBA division increased 24.3% to RM14.8 million compared to RM11.9 million in the prior year. The division turned around in the current financial year with a marginal profit for FY 2021. The turnaround was a result of the addition of new customers as well as optimizing the cost structure for the PCBA operations.

**Renewable Energy Division**

Revenue was largely flat at RM6.1 million. It registered a loss after tax of RM0.9 million in the current year largely affected by the stoppage for construction related activities for most of our financial year.

Others

Others consist of mainly the Holding Company cost; provisioning for intercompany balances; and non-operating profits derived from the share of profit from associate and fair value gain upon recognition of other investment.

Moving forward

The current pandemic has been the major “black swan” event globally with supply chains, manufacturing, farming, and business activities thrown into disarray. Whilst BSL has been fortunate to have navigated the challenges thrown by the pandemic in FY2021, the outlook remains very cloudy. The situation is now complicated with the discovery of the highly transmissible Omicron variant; especially with governments around the world starting to tighten restrictions.

Notwithstanding the cloudy outlook, the management team has started to execute the 3-year revitalization plan to pivot the Group in enhancing the value of the Group's product and service offerings. The initial step has already been announced with the acquisition of 51% in SD Unify (SDU) in Singapore. SDU is a key leverage point in jump-starting BSL's foray into the semiconductor Automatic Test and Equipment (ATE) market given their approved vendor list status for several major ATE manufacturers.

In addition, the divestment of our Renewable Energy division is completed allowing the management to focus back on its core competency in Metal and PCBA. The disposal has resulted in the Group's gearing to be lowered while cashflow can be better utilized in the manufacturing operations.

The operations is also being reviewed with the aim of cost and operational optimization to bring the overall cost structure in line with current market and peer group. Labor especially foreign workers has been in the forefront recently, as such we have implemented impact sourcing to balance our reliance on foreign labor workforce whilst providing employment opportunities to underserved and underprivileged segment of the society. The combination is expected to result in cost improvements while increase our local work force participation.

The management is cautiously confident as we execute the revitalization plan, however there is no way of expecting the next challenge(s) arising from the evolving pandemic. Hence the only thing certain moving into the new year is change.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

Anticipated or known risks

COVID-19 has also brought new risks to the Group's operations and a new dimension to the working culture. The Group implemented strict Standard Operating Procedures to minimize the risk of infection spreading among our staff and also to comply with government's initiative of social distancing. The use of the MySejahtera app and temperature monitoring is now a daily norm.

We have an outstanding bills of demand amounting to RM11.1 million issued by the Royal Malaysian Customs in 19 December 2014, largely relating to import duty and sales tax arising from PCBA activities for Panasonic Manufacturing Malaysia Berhad ("PMMA"). The management is committed to resolving this in the shortest possible time and are in the process of initiating discussions with PMMA and the Royal Malaysian Customs as it is not in the Group's interest to prolong the current situation.

Dividend

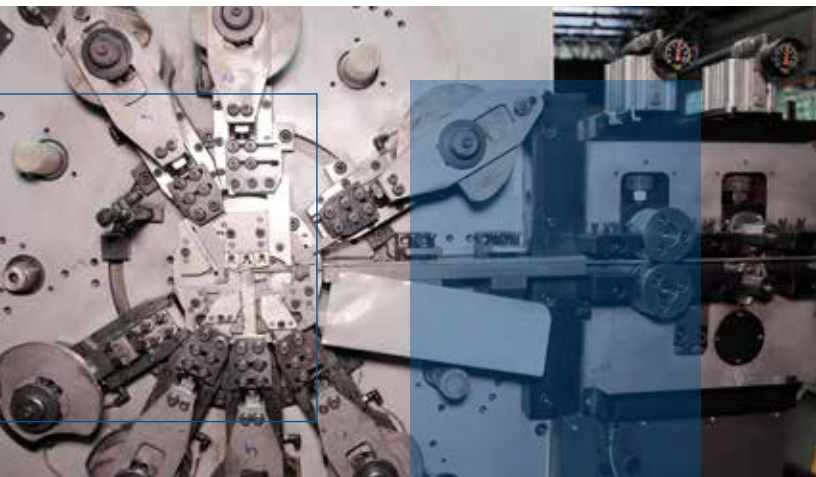
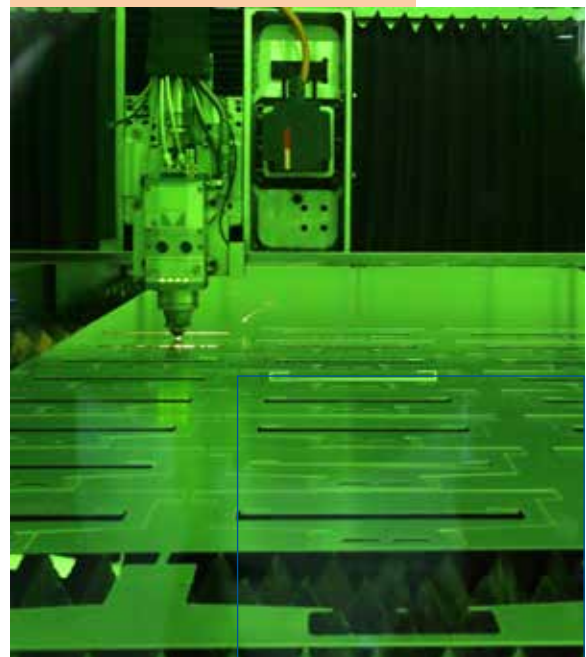
The Board does not recommend any dividend payment in respect of FY2021.

Appreciation

On behalf of the Board, we would like to express our sincere gratitude and acknowledge the contribution by all the Directors, management team and employees of BSL for their continuous support and commitment towards the growth of the Group. We would also like to thank our loyal shareholders, customers, business associates, partners, suppliers, financiers, relevant government authorities and all other stakeholders for their continuing trust and support to the Group.

Thank you.

Hoo Wai Keong
Executive Director
BSL Corporation Berhad



CREATING
VALUE
FOR OUR
CUSTOMERS

SUSTAINABILITY STATEMENT



SUSTAINABILITY STATEMENT

CORPORATE SUSTAINABILITY REPORT

SUSTAINABILITY STATEMENT

BSL recognizes that its sustained growth is co-dependent on economic, environmental and social growth of our stakeholders. Our business strategies take into account the risk and opportunities affecting the organization and industry while taking into account the evolving stakeholders' expectations on sustainable practices. The information in this report provides an overview of our sustainability practices for the financial year ended 2021.

SUSTAINABLE COMMITMENT



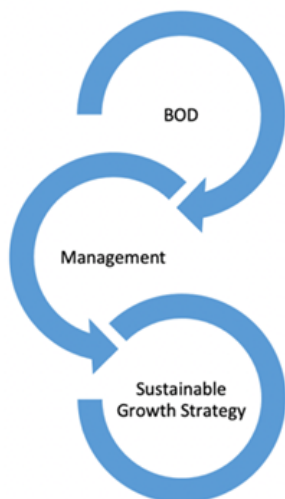
We remain committed in ensuring our business activities are performed with high standards of social and environmental conduct to maximize long-term value creation for all stakeholders. This includes ensuring our operating assets and businesses are carried out in a manner that generates positive environmental outcomes in creating a sustainable manufacturing environment, impact sourcing, best business practices and supporting our local businesses and communities.

Our commitment extends to the day-to-day operations with high work ethics and values to achieve short and long-term goals. This includes engaging actively with our business partners and employees.

GOVERNANCE STRUCTURE

Our Board of Directors set out the overall business strategy and its performance. The management team is tasked with executing the strategy in a sustainable manner. This process is continuously being monitored and refined as we strive towards achieving our economic, environmental, and social goals.

GOVERNANCE STRUCTURE



CONTINUOUS ASSESSMENT



A strong governance structure enables us to implement our sustainable strategy across the Group, strengthen relations with stakeholders as well as ensure overall accountability.

SUSTAINABILITY STATEMENT (CONT'D)

OUR VISION, MISSION AND VALUES



VISION

Continuously improve core competencies to be a leading contract manufacturer

MISSION

- Focusing on people by practicing meritocracy, emphasizing on human development and enhancing morale.
- Encouraging innovation and creative technical improvements.
- Prioritizing operational efficiency.
- Be prepared for the future.

VALUES

We strive to maximize value for our shareholders and stakeholders.

STRATEGIES AND DIRECTIONS

Despite the challenging operating environment, BSL continues to practice prudence and stay focused in delivering quality growth, while being watchful of emerging risks. As a manufacturer, we are continually investing in our people, manufacturing capabilities, and surrounding environment and communities.

KEY MATERIALITY

The materiality factors are based on the priority of the to both internal and external stakeholders. We review sustainability related matters as part of our risk assessment. This process is to ensure our sustainability practice continues to address our key sustainability concerns.

The materiality matrix is used to identify Sustainability Matters during the assessment. The following material Sustainability Matters have been identified and are continuously monitored and reassessed.



SUSTAINABILITY STATEMENT (CONT'D)

STAKEHOLDERS' ENGAGEMENT

Constant engagement with stakeholders helps keep us abreast of their current situation and provides a feedback loop in putting in place a wholistic strategy in enhancing the value of the group and achieving our overall sustainable growth strategy. We have taken various initiatives to actively engage with our stakeholders by creating multiple effective communication channels to facilitate communications.

This has enabled us to identify and understand our stakeholders' needs and concerns, which is incorporated into our growth strategies.

Stakeholders Engagement

Stake Holder Group	Engagement Approach	Engagement Focus & Objective	Frequency/ Initiative
Customers	- Yearly customer satisfaction survey for key customers Survey covers 4 key areas - quality, service, delivery, and pricing. - Key PIC allocated for each customer as the mode of contact. - Bi-monthly internal sales meeting for each PIC to update on their respective customers situation. - Product improvements suggestion to customers - Increase our new processes offerings to customers. - Corporate Website	- Customer satisfaction - Customer retention - Increase branding and customer awareness - To reduce dependency on certain market segments - To increase market share. - Pricing - Quality - Customer service and experience.	Yearly
Employees	- Employee orientation - Yearly appraisals - Improvement through internal and external trainings - Employee whistle blowing reporting on the website. - Informal management meetings with employees	- Employee's familiarization - Employee's career progression and satisfaction - Corporate direction and growth plans - Job stability - Remuneration and benefits - Career development and training opportunities - Workplace health and safety - Labour and human rights	Yearly and as and when new employee joins the Company
Suppliers	- Supplier evaluations and selection - Request for proposals - Existing suppliers –monitor performance – monthly - Monitoring of Non-use warranty of Hazardous substance (NUW) – as at when there is an update in materials, forms are sent out to all suppliers. - Maintenance of Approved Vendor Monthly review for lab test report (ROHS Dept.) + mill certificate/ inspection data (every incoming) validity for all material suppliers - Contract negotiation	- Vendor assessment form / review - Payment method/delivery terms - Vendor performance review - Procedures - Cost savings, KPI reviews - Legal compliance - Payment schedule - Pricing of services - Product quality and inventory/ supply commitment	- Yearly / and when there are new suppliers. - For pricing of new enquiries, we will compare at least 2 vendors for cost, quality and delivery.

SUSTAINABILITY STATEMENT (CONT'D)

Stake Holder Group	Engagement Approach	Engagement Focus & Objective	Frequency/ Initiative
Regulators	Audits by the following bodies: 1. ISO 2. Department of Environment (DOE) 3. Department of Safety and Health Malaysia (DOSH) 4. Suruhanjaya Perkhidmatan Air Negara (SPAN) 5. Compliance with regulatory requirements 6. Site inspections	1. Compliance with the relevant authority requirements.	As required
Shareholders	1. Quarterly result announcements 2. Adhoc company announcements 3. Annual General Meeting 4. Corporate governance policies 5. Annual Report 6. Audited Report 7. Managers	1. Information on Bursa website 2. IR website 3. Q&A session with shareholders during the AGM 4. Risk management 5. Meeting with Fund Managers and Analyst	Timely updates on Bursa Malaysia through announcements made as and when required.



SUSTAINABILITY STATEMENT (CONT'D)



ECONOMIC

Economic consideration remains our core tenet in formulating our growth strategy. Management takes into account current and expected market conditions, and global developments to identify potential headwinds facing the Group. Monthly and ad-hoc meetings with the leadership team are conducted to formulate, review and re-assess the Group's strategy.

FINANCIAL SUSTAINABILITY

Our commitment to business excellence is focused on strong corporate governance and prudent financial management in view of the challenging market environment. We strive to achieve the following financial goals:

- Maintain and grow the turnover and operating cash flow
- Improve operation efficiency
- Broaden income generating sources
- Enhance and strengthen our core businesses

CORPORATE GOVERNANCE AND COMPLIANCE

BSL strives to comply with the best practices of good governance, guided by the Malaysian Code on Corporate Governance, throughout its operations. The Group has established standard operating policies and procedures, discretionary authority levels, and guidelines for recruitment and human capital development amongst others. These policies, procedures and guidelines are subject to regular reviews, and have been communicated to all staff levels.

In relation to risk management and controls, the Group has put in place the following policies:

- Board Charter;
- Code of Ethics and Conduct;
- External Auditors' Assessment Policy;
- Whistleblowing Policy

Details of our corporate governance framework and practices are elaborated in the Corporate Governance Overview Statement in page 34 of the Annual Report. Below are selected segments:

• CODE OF ETHICS AND CONDUCT

The Code of Ethics and Conduct adopted by the Board provide guidance to all the Directors and personnel within the Group in identifying and dealing with ethical issues, outlines mechanisms to report unethical conduct and helps foster an honest and accountable working culture.

• WHISTLE-BLOWER POLICY

The Whistle-blower Policy adopted by the Board serves to provide an effective mechanism for employees and other stakeholders of the Group to raise concerns regarding any illegal conduct or malpractice. The policy also allows such concerns to be raised without being subject to victimization, harassment, or discriminatory treatment, and ensures that the concerns are properly channeled to the right party for investigation and follow up action.

• OUR SUPPLY CHAIN

Supply Chain management is an integral part of our business and key to optimum performance. Accordingly, BSL places great emphasis on its suppliers' economic, environmental, and social credentials in the lifecycle of supply chain when making responsible sourcing decisions.

SUSTAINABILITY STATEMENT (CONT'D)



EXCELLENCE

We continue to raise the bar in product and service excellence

• COMMITMENT TO QUALITY

BSL has policies, procedures and best practices in place to deliver products and services of outstanding quality. Furthermore, regular reviews, process improvements and quality control assessments are in place to ensure that our processes remain in compliance and are continually enhanced.

Our production and quality management system in the manufacturing plants are in compliance with regulatory requirements and are subjected to periodic review for certificates and licenses renewal.



TEAMWORK

We work as a team, sharing our knowledge and experience to leverage best practices, and staying passionate in all that we do

• COMMITMENT TO OURSELVES

At every level of our business, our people and teamwork is key. When ideas are freely shared, we all benefit. This philosophy is at the heart of how we operate, and we never stop looking for ways to foster open communications with our staff, thus providing them opportunities to share with us their creativity, innovation and commitment to excellence. Making sure our people have what they need to reach their full potential – a supportive culture, access to training and technology required, healthy working conditions, and more – is a priority.

We constantly strive to improve our expertise and leverage research and development to improve our offerings. Ultimately all this will lead us to deliver innovative products and value to our customers and stakeholders.



CUSTOMER PASSION

We are customer-focused and passionate about delivering the customer WOW

• COMMITMENT TO CUSTOMERS

We see our customers as more than just people who purchase our products and services; they are integral to everything we do at BSL. Their evolving needs and insights inspire us to improve our own performance. We are committed to delivering excellence and value in a way that not only meets our customers' needs but exceeds them.

• CUSTOMER SATISFACTION

Customer satisfaction and engagement is another priority and knowing what customers expect from us will improve our bottom line and strengthen our brand and reputation in the long term. Our Group has in placed customer satisfaction survey process to improve and enhance our services to customers.

• RISK MANAGEMENT

A comprehensive risk management framework enables BSL to identify and manage risks in a systematic and consistent manner. In driving risk awareness, decision-making and business processes are put through prudent risk assessment. Fraud, corruption and economic value-added risks have been identified as material to ensure business sustainability.

• BUSINESS CONDUCT

We strive to be environmentally responsible and encourage all our stakeholders to do the same. Consequently, they need to use sustainable materials whenever they are cost-effective.

• SAFETY AND HEALTH

It is one of our key priorities to maintain a safe and healthy work environment for our workforce. We also believe in providing a comfortable and conducive working environment for our employees.

SUSTAINABILITY STATEMENT (CONT'D)



ENVIRONMENT

BSL is committed to reduce our impact on the environment by minimizing our operational carbon footprint where possible. We actively promote the responsible use of resources and the importance of environmental protection among our employees and stakeholders.

At BSL, we recognize the potential environmental impacts of our operations and are committed to operate in a manner which minimizes the negative impact towards the environment.

ENVIRONMENTAL

COMPLIANCE

BSL is assessed yearly based on the ISO9001 & ISO14001 standards and any non-compliance noted will be addressed immediately. In addition, BSL also complies with Department of Environment (“DOE”), Department of Safety and Health Malaysia (“DOSH”) and Suruhanjaya Perkhidmatan Air Negara (“SPAN”) requirements and no major non-compliance were noted for the past years. Lean manufacturing can be practiced in many ways. For us to achieve a sustainable production, it means operating in an environmentally sustainable way. This philosophy guides us in principle as we strive to improve in all aspects of our operations by utilizing ‘lean and green’ thinking.

We continue to set a target for our energy consumption as well as resources such as water and paper usage, as we continue to review our processes to find more sustainable ways of doing things.

EMISSIONS

Our operations do not produce any significant gas emission. The only emission noted are from our vehicles, forklifts and ovens (heat). We continue to avoid processes that emits harmful gases to the air.

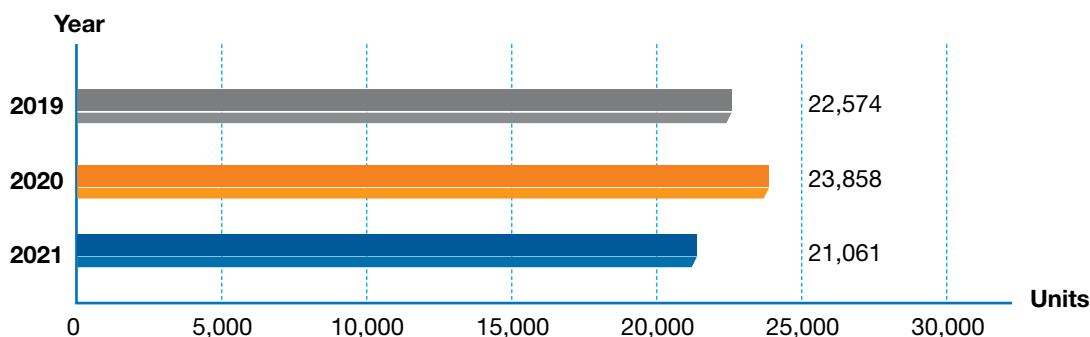
WATER MANAGEMENT & CONSUMPTION

We promote the water saving practices among employees and adopt water efficient technologies and equipment wherever possible. We have taken small steps to control the water usage to be in line with the sustainability efforts, which includes:

- Seeking out any water leakages
- Conducting checks and fixing leaks immediately
- Installing water savings devices

The data presented below is our water consumption statistics. We have managed to reduce the water consumption in 2021 with better control and increased awareness from the staff.

Water consumption (units)



SUSTAINABILITY STATEMENT (CONT'D)

ENERGY MANAGEMENT & CONSUMPTION

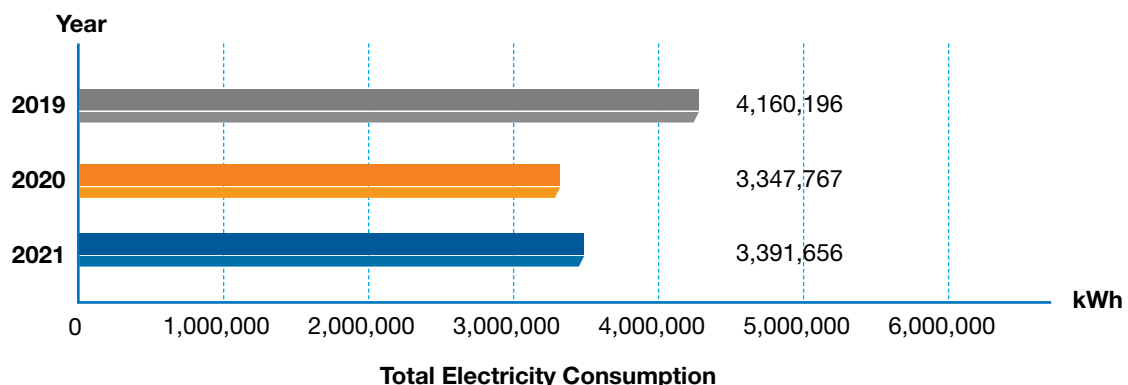
We understand that the energy management is essential for combating climate change and for lowering our Group's environmental footprint. Our electricity supply is from the Tenaga Nasional Bhd, and we aim to minimize the energy usage in our head office where we are in the midst of installation of a 1,000 kWp Solar PV system on the roof of its factory to reduce energy consumption from Tenaga and thus contribute to a greener environment and save on electricity cost. The Solar PV systems is expected to provide up to 25% of our total electricity consumption. Upon completion, below is the expected savings:



Other efforts in the energy management includes:

- A lighting schedule across key areas in our head office to switch off lights during certain hours of least use.
- Ensure machines and fans are switched off during non-operating hours.
- Maintenance and replacement of electrical equipment and light fittings to maximize energy efficiency
- Campaign to remind all staff to switch off the lighting, water dispenser, air conditioning, or other electrical appliances in office and pantry when they are not required.

The table below shows the total electricity consumption in BSL's:



SUSTAINABILITY STATEMENT (CONT'D)

WASTE MANAGEMENT

BSL acknowledges that the environmental impact of paper usage is significant. The Group's approach to waste management is to avoid unnecessary paper consumption and waste generation, where possible and appropriate, to reduce the wastage. BSL is always mindful to reduce the usage of paper where possible.

We minimise production waste by:

- Training and retraining of our employees
- Ensuring our manufacturing processes are stable, controlled and closely monitored
- Machines, tools and equipment are well maintained and in optimal condition

Generally the Group practises the following on the paper management initiatives:

- Reducing paper usage - avoid any printing and photocopying, where possible, and encourage paperless and electronic modes of usage
- Re-using one-sided printed papers- by printing on the other side
- Recycling papers-by having proper recycling bins

BSL's nature of business also results in scheduled wastes such as used grease and oil, hydraulic oil, coolant and used gloves and rags. As such, BSL has a full time Competent Person to manage the scheduled wastes and to comply with all the necessary regulations.

BSL has also set up its own powder coating line during the previous financial year to expand our service offerings to our customers. For the powder coating line, the by-product has to be treated prior to release. Hence, BSL has installed and commissioned a waste water treatment system to treat all the by-products of the powder coating line. We have a full time competent person to manage the waste water treatment to ensure we comply with all the necessary regulatory requirements.

STORAGE AND COLLECTION OF PRODUCTION WASTE AND RECYCLABLES

BSL has carried out some initiatives for storage and collection of production waste and recyclables. The initiative includes:

- Providing dedicated areas and storage bins for non-hazardous material for recycling
- Designating a dedicated area where "on-site" sorted waste materials can be stored in a safe and contained manner while waiting for licensed contractor to collect for proper disposal.

SUSTAINABILITY STATEMENT (CONT'D)

**SOCIAL**

Co-existing and contributing to the local communities is an integral part of ensuring sustainability. To appreciate and to give back to the society, starts from the employees. The following efforts are emphasised under the social aspect:

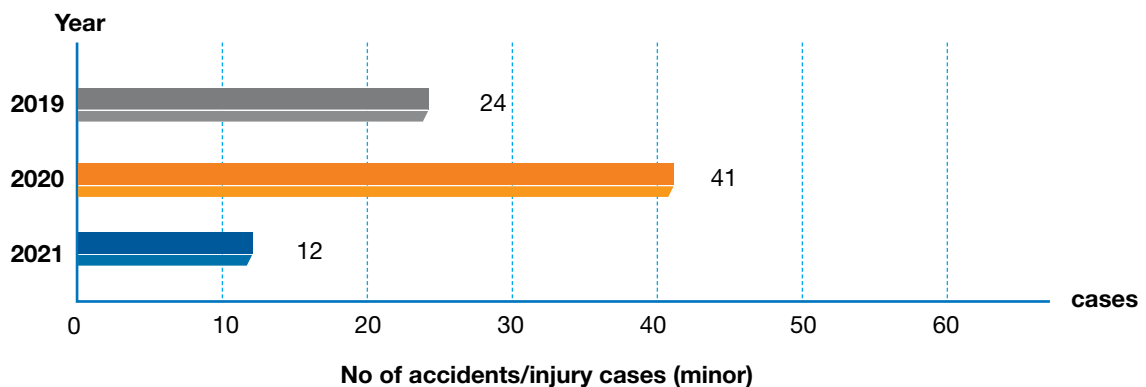
WORKPLACE

Our employees play a vital role in the success and sustainability of our Company. We strive to create a work environment that is conducive and supportive, as we continue to improve on our organisational structure, processes and employee mind set to help our Group scale.

- **Safe, Healthy and Conducive Work Environment**

BSL places great emphasis on safety and health of its employees while maintaining a comfortable and conducive work environment through the following initiatives:

- Setting up an Occupational Safety and Health Committee to initiate various health and safety programmes to enhance employees' awareness in work place;
- Full time employment of a Safety Officer;
- Conducting quarterly safety and health audit;
- Ensuring a safe workplace with 24 hours' security surveillance;
- Constant updating and promoting the awareness of safety precautions and health issues;
- Yearly talk on fire safety and prevention and fire drill exercise;
- Employees are required to wear safety gears (PPE) at work place to minimize work injuries;
- Fogging/fumigation of work sites to prevent spreading of diseases by mosquitoes and rodents; and
- Maintaining a workplace that is free from theft, violence, harassment, intimidation and other unsafe and disruptive influences due to internal and external conditions.



We have maintained ZERO cases of major injuries and fatality during the year. The overall incidences of minor injury cases has more halved from the prior year.

BSL places great emphasis in-terms of safety of its staff and visitors from COVID-19. We implemented the mandatory temperature check daily on all employees and visitors as well as checking of MySejahtera status before entering the premise. BSL distributes face masks to all its employees on a daily basis as well as preparing hand sanitizers in all common areas. We also frequently sanitize areas which are prone to human touch and traffic.

SUSTAINABILITY STATEMENT (CONT'D)

• Impact sourcing

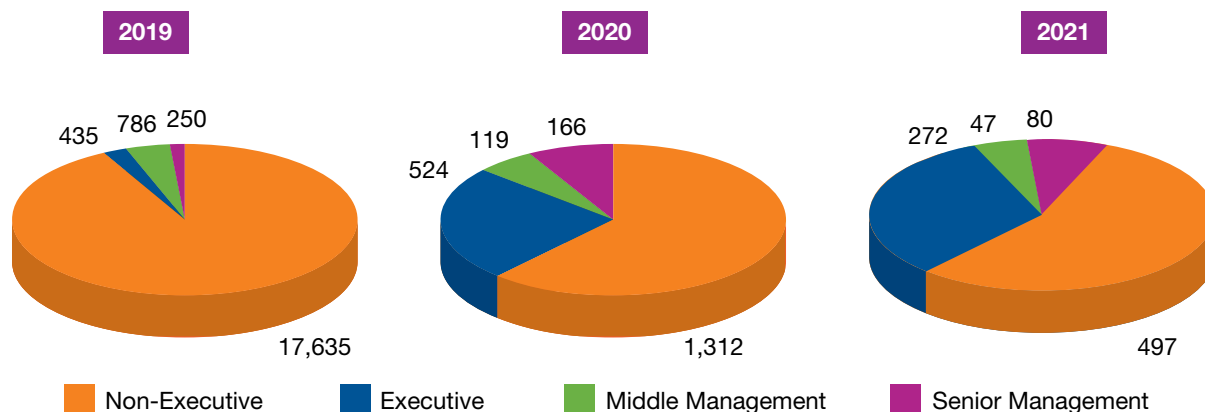
BSL recognises the importance of creating opportunities equally for the people. Hence, we have embarked on an impact sourcing programme where BSL will create opportunities for underserved communities where high unemployment rate exists and also for individuals with high potential but disadvantaged economically and/or socially. The impact sourcing also helps reduce reliance on foreign labour and concurrently lowers our average cost per worker. Over time, we expect to increase the headcount via our impact sourcing programme.

• Training and Development

Employees are a vital component and their performance, commitment and loyalty is a critical factor in achieving the Group's goals and objectives long-term growth. In this respect, BSL continues to build and upgrade its employees to ensure that they can realize their full potential with the following efforts:

- Engage in external training workshops for employees on both technical related skills and soft management skills;
- Participate in external trainings and activities to broaden the knowledge base and exposure of its employees to keep abreast on new developments in their respective field of expertise;
- New employees will participate in new employees' orientation as well as on-site visit to get clear insights into the Group's operations and its product range;
- Competency tests are structured in each department to help new staff understand the requirements of their respective roles.

Below is a summary of the training hours. The training hours has reduced in 2021 due to fewer physical trainings to comply with COVID-19 prevention activities, however, the management always encourages the staff to improve themselves via self improvement and on the job training.



• Creating a Sustainable Workforce

Under our succession and talent management initiatives, a phase of talent profiling was successfully carried out where key staff were identified and have been briefed on their areas of development and strengths that they should leverage on, in order to achieve their maximum potential.

A succession management programme to develop the next line of leaders is also in place. Higher learning programmes for leadership development, in particular, have been earmarked for the talent pipeline.

BSL has also stepped up its efforts to mobilize internal talents to fill up positions which became vacant during the year under review. This was a conscious move to promote internally and to deploy talent to suitable positions across the organization. This initiative offers growth opportunities to employees.

SUSTAINABILITY STATEMENT (CONT'D)

Employee Engagement

BSL provides various avenues for our staff to get together and forge a strong bond with each other. Celebrating successes and festivals together is also part of BSL's culture. When permitted, BSL organises yearly celebration of Chinese New Year, Hari Raya as well as Myanmar New Year for all of its staff.

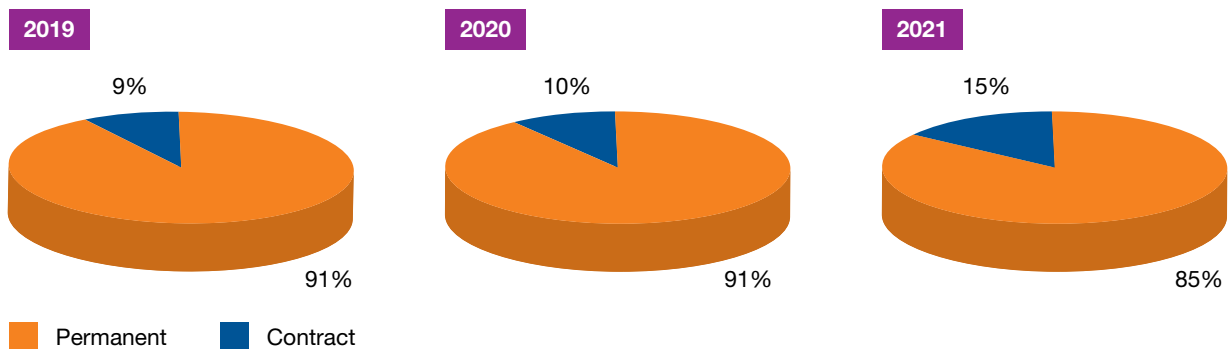
Rewards and Performance Management

Formal and informal recognition have been put in place to ensure there are rewards for the motivation and sustenance of a harmonious working environment.

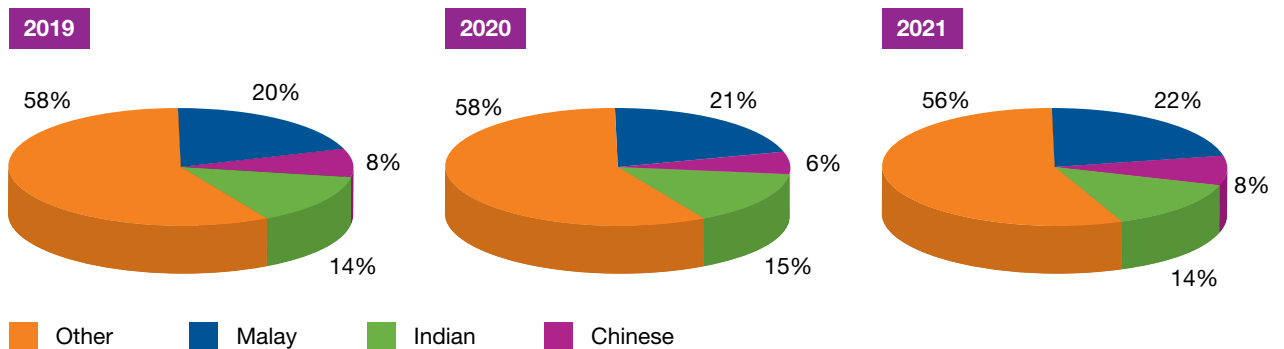
Quarterly rewards including monetary are handed out for recognising improvement and disciplinary work carried out at our work place.

In line with our philosophy, BSL has instituted initiatives that encourage staff to lead a balanced lifestyle. The following graphs are illustrated based on the social segment in the organisation.

Total Employees by Employment Contract

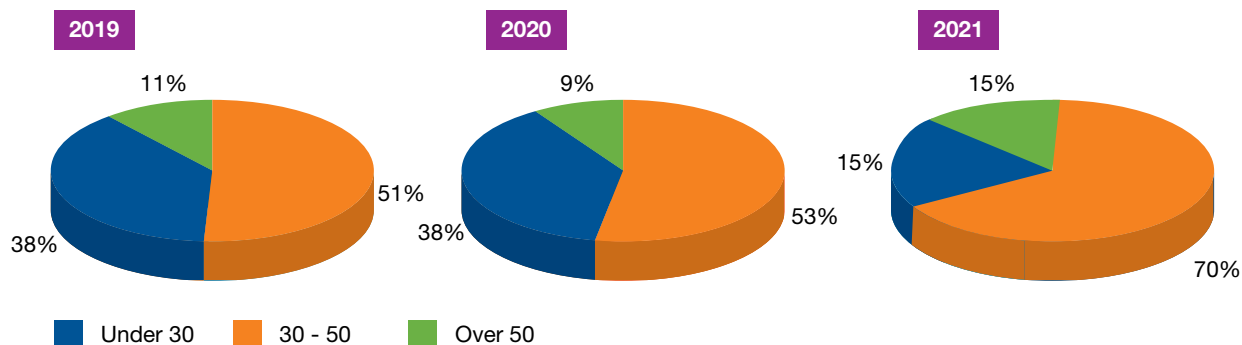


Breakdown of Total Employees by Race

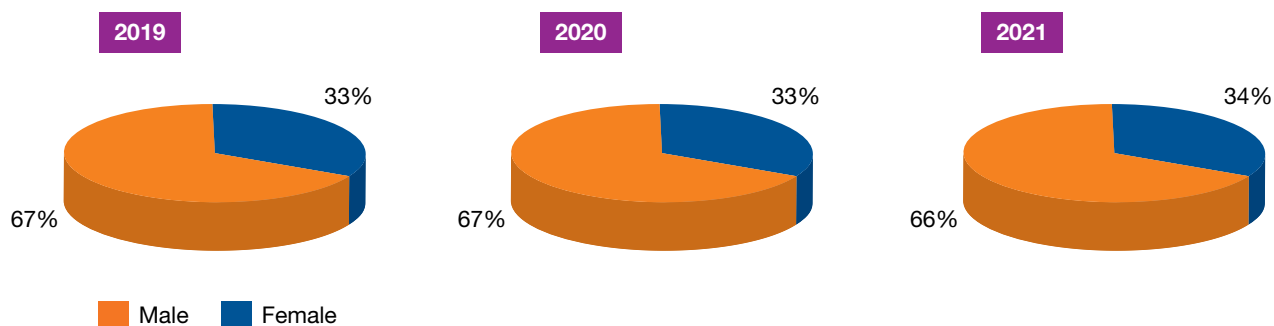


SUSTAINABILITY STATEMENT (CONT'D)

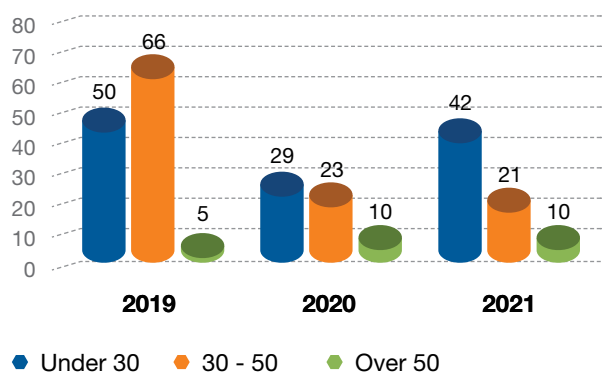
Breakdown of Total Employees by Age



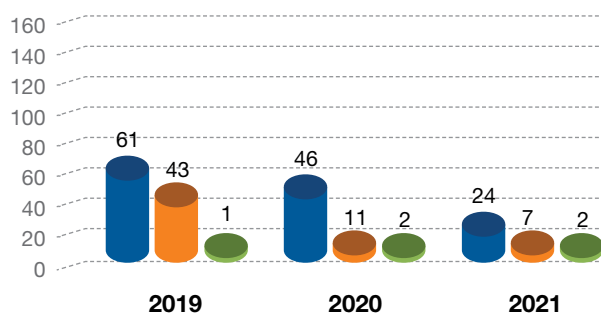
Breakdown of Total Employees by Gender



Attrition by Age Group



New Hires By Age Group



MOVING FORWARD

We continue to recognise the importance of sustainability in our business and strive to seek improvements over time.

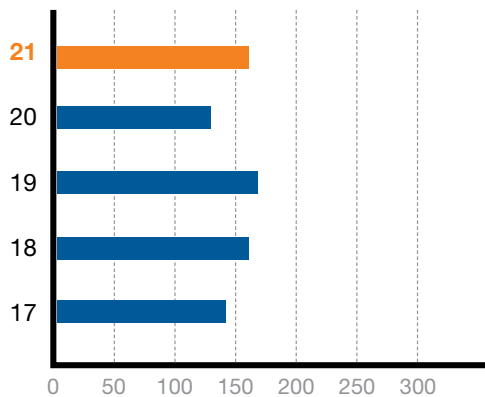
This Statement has been approved by the Board and is current as at 20 December 2021.

GROUP FINANCIAL HIGHLIGHTS

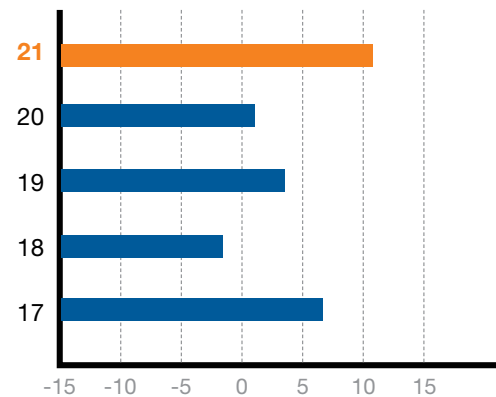
FIVE-YEARS PERFORMANCE HIGHLIGHTS

	2021 RM'000	2020 RM'000	2019 RM'000	2018 RM'000	2017 RM'000
Income					
Revenue	159,492	137,136	159,647	158,783	146,251
Profit / (Loss) Before Tax	10,521	1,418	4,526	(2,122)	6,484
Profit / (Loss) Attributable to Shareholders	9,299	370	1,354	(1,116)	3,202
Balance Sheet					
Total Assets	171,244	152,587	154,811	162,493	131,482
Shareholders' Funds	120,020	107,702	108,670	110,394	77,113
Paid-up Capital	50,767	50,767	50,767	49,000	49,000
Financial Ratios					
Return on Shareholders' Funds (%)	7.75	0.34	1.25	(1.01)	4.15
Earnings / (Loss) per Share (sen)	9.62	0.38	1.41	(1.15)	3.31
Net Assets per Share (sen)	124.2	111.5	112.5	114.2	79.8

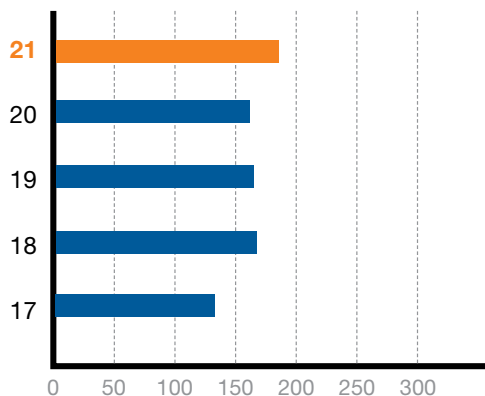
Revenue (RM'Million)



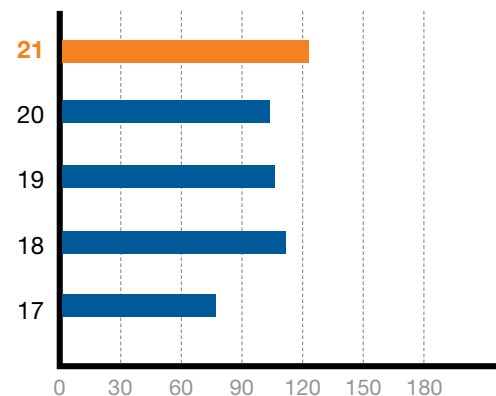
Profit / (Loss) Before Tax (RM'Million)



Total Assets (RM'Million)



Net Assets per Share (sen)



CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

Below is the approach of the Company’s Corporate Governance Overview Statement with respect to the Principles and Practices of the Malaysian Code on Corporate Governance (the “**Code**”) and the Main Market Listing Requirements (“**MMLR**” or “**Listing Requirements**”) of Bursa Malaysia Securities Berhad (“**Bursa Securities**”). The detailed application of each practice as set out in the Code is disclosed in the Corporate Governance Report, announced together with this Annual Report to Bursa Securities, and is available in the Company’s website at www.bsllcorp.com.my.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

1) Board Responsibilities

Clear Functions of the Board and Management

The Company 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.

The Management conducts the daily operation of the companies guided by internally developed Key Performance Index (“**KPIs**”) and ISO 9001 and ISO 14001 principles. Meetings are conducted on monthly basis to review the KPIs results and to seek constant improvement. The Executive Directors then report to the Board on a quarterly basis.

All Board Committees have written terms of reference which are approved by the Board. The Chairman of the Audit and Risk Management Committee (“**ARMC**”), Nomination Committee (“**NC**”) and Remuneration Committee (“**RC**”) 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.

Clear Roles and Responsibilities

The Board recognises the key role it plays in charting the strategic direction of the Groups 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;
- The Management devise action plans in accordance to the business plan and works towards achieving the targets. Review meetings are carried out to track progress and identify gaps;
- 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 Groups and the Company’s assets. The Board analyses the financial results periodically and seek clarification on any anomaly. Besides explaining on the deviation, the Management also required to have rectification plans whenever necessary. Further meetings will be conducted to follow up on the effectiveness of the rectification plans;
- 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;

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

1) Board Responsibilities (Cont'd)

Clear Roles and Responsibilities (Cont'd)

- 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;
- Ensuring that the statutory accounts of the Company and of the 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. The Board periodically reviews the status of succession of key positions. Whenever the need arises, the Board considers creating a deputy position to ensure continuity;
- 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 recognises the need to keep shareholders informed on key or material development. Majority of the communication was done through announcements made to Bursa Securities. General information has been provided on the Company's website and is constantly updated. Further important explanations such as condition of business, business direction, status of certain projects, etc are explained in the Management Discussion and Analysis section in the Annual Report. Annual General Meeting is held once a year and Extraordinary General Meetings will be held whenever the needs arise.

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.

Formalised Ethical Standards through Code of Conduct and Ethics

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

The Group is committed to conduct its businesses and operations with integrity, openness and accountability and also to conduct its affairs in an ethical, responsible and transparent manner. In order 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.

The Group encourages employees who are facing conflicts to discuss accordingly with their superior to solve the matter in a peaceful manner. The Group CEO is always available to be contacted by any employees in regards to matters regarding any known corrupt practices, unethical behavior, misuse of Company's assets or any non compliance with rules and regulations.

The Group has an official policy on whistle blowing plus various adherences to Labour Law, Clean Procurement and Race and Religious impartiality stated in its Corporate Social Responsibility Policy. Both internal staff and external contractors/suppliers are able to submit report anonymously of any wrong doings or breach. Reports can be submitted via emails and phone numbers stated in the policy and confidentiality are assured. The person in charge is the Chairman of the Audit and Risk Management Committee, Chong Kwang Fock whose contact detail is stated in the whistle blowing policy. The policy is published in the Company's website at www.bslcorp.com.my.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

1) Board Responsibilities (Cont'd)

Access to Information and Advice

Generally, seven (7) days 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. The signed minutes are being kept in the minutes books. Management has been 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.

Qualified and Competent Company Secretaries

Directors have direct access to the advice and services of the Company Secretaries. The Company Secretaries are qualified to act in accordance with the requirements of the Companies Act 2016. The Board is advised and updated on statutory and regulatory requirements pertaining to their duties and responsibilities as well as appropriate procedures for management of meetings. The Board is supported to ensure adherence to board policies and procedures, rules, relevant laws and best practices on the Code.

The Company Secretaries also have undertaken the following functions, among others:

- i. advise and remind the Directors of their obligations to disclose their interest in securities, any conflict of interest and related party transactions;
- ii. advise the Directors of their duties and responsibilities;
- iii. advise and remind the Directors on the prohibition on dealing in securities during closed period and the restriction on disclosure of price sensitive information;
- iv. prepare agenda items of meetings for Board and Board Committees and send to the respective Board and Board Committees; and
- v. attend all Board and Board Committees meetings and to ensure that meetings are properly convened, and that accurate and proper records of the proceedings and resolution passes are made and maintained accordingly.

The Company Secretaries are suitably qualified and have attended relevant training and seminars to keep abreast with the statutory and regulatory requirements' updates.

Board Charter

The Board has adopted a Board Charter to promote the standards of corporate governance and clarifies, amongst others, the role and responsibilities of the Board. The details of the Board Charter are available for reference at www.bsllcorp.com.my.

Any amendment to the Board Charter can only be approved by the Board. The Board Charter was last reviewed on 9 October 2019 and would be reviewed and updated periodically 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.

2) Compositions, Independence and Diversity of the Board

Composition of the Board

The Board currently has five (5) members; comprising two (2) 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 Company is in compliance with Paragraph 15.02 of the MMLR of Bursa Securities that two directors or one-third (1/3) of the Board, whichever is the higher, are independent directors. If the number of directors of the listed issuer is not 3 or a multiple of 3, then the number nearest 1/3 must be used.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

2) Compositions, Independence and Diversity of the Board (Cont'd)

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 brief profile of each Director is presented on pages 10 to 12 of the Annual Report.

The Code states that at least half of the board comprises Independent Directors. The current composition of the Board has met this best practice, the Board also practices the need to inform and obtain perspectives and insights from the Independent Directors prior to executing any major decisions for the Group.

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 have upon their annual assessment in year 2021, 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 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.

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) Board Committees

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. Wong Boon Peng - Chairman, Independent Non-Executive Director
- ii. Chong Kwang Fock - Independent Non-Executive Director
- iii. Chew Khai Liong - Independent Non-Executive Director

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

3) Board Committees (Cont'd)

NC (Cont'd)

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

- i. To develop, maintain and review the criteria to be used in the recruitment process and annual assessment of directors.
- ii. To evaluate the re-appointment of any Non-Executive Director at the conclusion of their specific term of office.
- iii. To regularly 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.

The Terms of Reference of the NC is included in the Board Charter and available on the Company's website at www.bsllcorp.com.my.

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. There were (2) NC meetings held during the financial year which were fully attended by all members of the NC.

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/CEO, 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 program is in place for future new recruits to the Board.

(b) Gender, Ethnicity and Age Group Diversity Policy

The Board noted the Code recommended the establishment of boardroom gender diversity and Company to take steps to ensure that women candidates are sought in its recruitment exercise for both board and senior management positions. The Board does not have a specific policy on gender, ethnicity and age group for candidates to be appointed to the Board and senior management level. 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 and senior management level, the NC will consider candidates on merit against objective criteria and with due regard for the benefits of diversity on the Board and senior management level.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

3) Board Committees (Cont'd)

Develop, Maintain and Review Criteria for Recruitment and Annual Assessment of Directors (Cont'd)

(c) Annual Assessment

The NC had on 20 December 2021 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 Directors eligible for re-election.

Peer evaluations had been conducted by each Individual Director and Independent Director and a summary of the evaluations was furnished to the NC prior to the NC meeting. The evaluations of the Board Committees, Independent Directors and the individual Directors produced positive results on the performance of the Board and each Director.

RC

The 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 should only consist of Non-Executive Directors and a majority of them must be Independent Directors as recommended by the Code. The members of the RC during the financial year are:-

- i. Chew Khai Liong - Chairman, Independent Non-Executive Director
- ii. Chong Kwang Fock - Independent Non-Executive Director
- iii. Wong Boon Peng - Independent Non-Executive Director

There were two (2) remuneration meeting held during the financial year with full attendance from all the members of the RC.

The remuneration package of each individual Executive Director and Senior Management is structured to reflect his experience, performance and scope of responsibilities. The remuneration of Non-Executive Directors is 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 entitled with meeting allowances based on their attendance of meeting.

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.

Directors who are shareholders should abstain from voting at general meetings to approve their fees and/or benefits. Similarly, Executive Directors shall abstain from the deliberation and voting on decisions in respect of their own remuneration package which comprise monthly salary, bonuses, benefits-in-kind and other benefits. Executive Directors are not entitled to meetings allowance for the Board and Committee meetings that he attended. 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 endorsed by the Board for the approval by the shareholders at general meeting. 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 members in consultation with the Board.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

3) Board Committees (Cont'd)

RC (Cont'd)

The aggregate remuneration of Directors received from the Company and its subsidiary companies for the financial year ended 31 August 2021 are set out as below:

Name of Director	Salaries	Fees	Bonus	Other emolument	Benefit-in-kind	Total
Hoo Wai Keong (Appointed on 5th August 2021)	-	2,516	-	-	-	2,516
Andrew Ho Tho Kong (Appointed on 5th August 2021)	-	2,516	-	-	-	2,516
Chong Kwang Fock (Appointed on 5th August 2021)	-	2,258	-	-	-	2,258
Chew Khai Liong (Appointed on 5th August 2021)	-	2,258	-	-	-	2,258
Wong Boon Peng (Appointed on 5th August 2021)	-	2,258	-	-	-	2,258
Datuk Dr Syed Muhamad Bin Syed Abdul Kadir (Resigned on 5th August 2021)	-	42,784	-	1,800	-	44,584
Ngiam Tong Kwan (Resigned on 5th August 2021)	-	27,902	-	-	-	27,902
Ngiam Tee Wee (Resigned on 5th August 2021)	-	48,923	-	-	-	48,923
Ngiam Tee Yang (Resigned on 5th August 2021)	-	27,902	-	-	-	27,902
Teh Yoon Loy (Demised on 21 December 2020)	-	8,333	-	-	-	8,333
Ng Wai Pin (Resigned on 5th August 2021)	-	38,320	-	1,800	-	40,120
To' Puan Rozana Bte Tan Sri Redzuan (Resigned on 5th August 2021)	-	38,320	-	1,800	-	40,120
Subtotal	-	244,290	-	5,400	-	249,690
Subsidiaries						
Hoo Wai Keong (Appointed on 5th August 2021)	9,808	-	-	1,188	-	10,996
Andrew Ho Tho Kong (Appointed on 5th August 2021)	-	-	-	-	-	-
Chong Kwang Fock (Appointed on 5th August 2021)	-	-	-	-	-	-
Chew Khai Liong (Appointed on 5th August 2021)	-	-	-	-	-	-
Wong Boon Peng (Appointed on 5th August 2021)	-	-	-	-	-	-
Datuk Dr Syed Muhamad Bin Syed Abdul Kadir (Resigned on 5th August 2021)	-	-	-	-	-	-
Ngiam Tong Kwan (Resigned on 5th August 2021)	277,000	-	11,700	16,622	-	305,322
Ngiam Tee Wee (Resigned on 5th August 2021)	264,000	-	11,700	39,804	21,250	336,754
Ngiam Tee Yang (Resigned on 5th August 2021)	195,000	-	-	27,677	-	222,677
Teh Yoon Loy (Demised on 21 December 2020)	-	-	-	-	-	-
Ng Wai Pin (Resigned on 5th August 2021)	-	-	-	-	-	-
To' Puan Rozana Bte Tan Sri Redzuan (Resigned on 5th August 2021)	-	-	-	-	-	-
Subtotal	745,808	-	23,400	85,291	21,250	875,749
Grand total:	745,808	244,290	23,400	90,691	21,250	1,125,439

The RC would meet and review and recommend to the Board, the remuneration package for the Chairman, Chief Executive Officer and Executive Directors of the Company, Directors' fees as well as Directors' benefits. 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/her own fees. The Board has endorsed the recommendation by RC on the remuneration package for Executive Directors and further recommended the directors' fees and benefits to the shareholders for approval at the Company's forthcoming 18th Annual General Meeting ("AGM").

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

3) Board Committees (Cont'd)

RC (Cont'd)

The Code also recommended the Board to disclose on a named basis the top five senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000. However, the Board are of the view that this disclosure is disadvantageous to the Company as it could potentially give rise to security concerns, staff poaching by competitors and conflict between staffs. As an alternative for this disclosure, the Board views that the aggregate remunerations of the key management personnel is suffice as follows:

	Total (RM)		
	Salary, EPF and bonuses	Benefit-in-kind	Total
Key management personnel	723,811	13,800	737,611

Board meetings

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 six (6) 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 in compliance with Paragraph 15.06 of the MMLR of Bursa Securities on the restriction on the number of directorships in listed companies held by the Directors where none of the Company Directors holds more than five (5) directorships in Malaysian public listed companies. All Directors have complied with the minimum 50% attendance as stipulated by Paragraph 15.05(3)(c) of the MMLR of Bursa Securities and 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 for the financial year ended 31 August 2021 is contained in the table below:

Number of Board of Directors' Meetings		
Board of Directors		Attendance
Ngiam Tong Kwan (resigned on 5 August 2021)	Chairman	5/5
Ngiam Tee Wee (resigned on 5 August 2021)	Member	5/5
Ngiam Tee Yang (resigned on 5 August 2021)	Member	5/5
Teh Yoon Loy (Demised on 21 December 2020)	Member	2/2
Datuk Dr. Syed Muhamad Bin Syed Abdul Kadir (Resigned on 5 August 2021)	Member	5/5
To' Puan Rozana Bte Tan Sri Redzuan (Resigned on 5 August 2021)	Member	5/5
Ng Wai Pin (Resigned on 5 August 2021)	Member	5/5
Hoo Wai Keong (Appointed on 5 August 2021)	Member	1/1
Andrew Ho Tho Kong (Appointed on 5 August 2021)	Member	1/1
Chong Kwang Fock (Appointed on 5 August 2021)	Member	1/1
Wong Boon Peng (Appointed on 5 August 2021)	Member	1/1
Chew Khai Liong (Appointed on 5 August 2021)	Member	1/1

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

3) Board Committees (Cont'd)

Directors' Training

The external training programmes, seminars and/or conferences attended by the Directors in office at the end of financial year ended 31 August 2021 were as follows:

No.	Name of Director	Type of Training
1.	Hoo Wai Keong	Strategic Planning Theories, Tools and Practice for Business
2.	Andrew Ho Tho Kong	- ICDM Post-Budget Breakfast Talk - Bounce Back Together II: Reimagine and Rebuild - Innovate for Exponential Growth - One Year On: Taking your MACC Act Section 17A Programme to the Next Level - China HK Conference – Formulating Hong Kong's Emergence Out of Crisis - MCCG Revision 2021 – Changing the Game in Corporate Governance
3.	Chong Kwang Fook	- The Audit Principles – Guidelines & Practices - MIA webinar series - Covid-19 : Financial Reporting on Going Concern, Risk and Viability - MIA webinar series: MPERS: Practical Issues and Fair Value Measurements - Professional Writing Skill Webinar - Covid 19 Annual Report Disclosure - MIA Webinar Series: Determining Materiality in Audit - Deferred Tax Under MFRS 112 - MFRS Updates 2021

*Mr. Chong Kwang Fook, Mr. Chew Khai Liong and Mr. Wong Boon Peng will be attending the Mandatory Accreditation Programme after financial year ended 31 August 2021.

The Board (via the NC and with assistance of the Company Secretaries) shall continue to evaluate and determine the training needs of the Directors to build their knowledge so that they can be up-to-date with the development of the Group's business and industry that may affect their roles and responsibilities.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

1) ARMC

The ARMC comprises of three (3) members, all of whom are Independent Non-Executive Directors of which the terms of reference was approved by the Board and a copy of the terms of reference can be found in the Board Charter which is available on the Company website at www.bslcorp.com.my. In order to ensure the overall effectiveness and independence of the ARMC, the positions of the Chairman of the Board and Chairman of the ARMC are held by different persons.

The Board is assisted by the ARMC 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 Bursa Securities and the annual audited financial statements. A Statement by the Board of its responsibilities (Directors' Responsibility Statement) in respect of the preparation of the annual audited financial statements is set out on page 52 of this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

1) Audit and Risk Management Committee (“ARMC”) (Cont'd)

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.

The ARMC 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. The representatives of Messrs Mazars PLT were invited to the ARMC meetings to present annual audit findings for the respective reporting period specifically on financial matters and the integrity of systems that relate to financial aspects of the Group and of the Company from time to time. Key features underlying the relationship between the ARMC and the External Auditors are included in the ARMC’s Report as detailed on pages 50 to 51 of the Annual Report.

The Company has a policy that requires former key audit partner of the External Auditors to observe a cooling-off period of at least two (2) years before being appointed as a member of the ARMC. Presently, no former key audit partner is appointed as a member of the ARMC.

The ARMC assisted by the management, had on 20 December 2021 undertaken an annual assessment of the suitability and independence of the External Auditors. The assessment of the External Auditors was conducted by completing personalised evaluation form. The factors considered by the ARMC in its assessment include, adequacy of professionalism and experience of the staff, the resources of the external auditors, the fees and the independence of and the level of non-audit services rendered to the Group. The ARMC has assessed and is satisfied with the suitability and the written confirmation provided by the external auditors that they had complied with the ethical requirements regarding independence and objectivity with respect to the audit of the Group in accordance with all relevant professional and regulatory requirements. The ARMC has recommended to the Board the re-appointment of Messrs Mazars PLT as the External Auditors for the financial year ending 31 August 2022, upon which the shareholders’ approval will be sought at the forthcoming Eighteenth (18th) AGM. The External Auditors had attended the Company’s Seventeenth AGM to provide its report to the shareholders and attended to the issues raised on the conduct of the statutory audit and the preparation as well as the content of their audit report. The External Auditors also may provide certain non-audit services. The ARMC will ensure that provision of these services do not compromise the External Auditors’ independence.

2) Risk Management and Internal Control

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 meeting held during the financial year. Kindly refer to pages 47 to 49 of the Annual Report on the Statement on Risk Management and Internal Control for more information.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

1) Communication with Stakeholders

The Board acknowledges the importance of accountability and timely communications with its shareholders and stakeholders and recognizes their rights to be well informed on the activities and performance of the Group and to make their own evaluation and investment decision. The Board would ensure compliance with the disclosure requirements as set out in the MMLR of Bursa Securities at all time. The Annual Report and announcements in Bursa Securities remains the principal form of communication by providing shareholders and stakeholders with an overview of the Group's activities and performances. The Company dispatches its Annual Report to shareholders within the stipulated time. All information to shareholders is available electronically as soon as it is announced or published. Other modes of communications are via the AGM as well as the Group's website at www.bslcorp.com.my.

2) Conduct of General Meeting

The AGM and any other general meeting are 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-eight (28) days prior to the scheduled AGM and any other general meetings, unless otherwise required by laws, in order to provide sufficient time to shareholders to understand and evaluate the matters involved as well as to make necessary arrangements to attend, participate and vote either in person, by corporate representative, by proxy or by attorney, to exercise their ownership rights on an informed basis during the AGM and any other general meeting. 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.

At the previous AGM which was conducted virtually, the 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.

Shareholders are entitled to appoint proxy/proxies to vote on their behalf in their absences. All resolutions set out in the notice of AGM and any other general meetings will be voted by poll. Independent Scrutineers will be appointed to conduct the polling process and to verify the results of the poll. The Scrutineers confirms the results for each resolution which include votes in favour and against and the results of the poll will be announced by the Chairman. The outcome of AGM and any other general meeting will be announced to Bursa Securities via Bursa Link on the same day the general meeting is held. Board members are also available before and after these general meeting for informal discussion.

OTHER COMPLIANCE INFORMATION

a) Utilisation of proceeds

The Company did not raise any proceeds from corporate proposals during the financial year ended 31 August 2021.

b) Sanctions and / or penalties

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

On 19 December 2014, Crestronics (M) Sdn. Bhd. (n.k.a. BSL Electronics & Technologies Sdn. Bhd.) (“CMSB”) received bills of demand from the relevant authority demanding payment of sales tax and import duty amounting to RM11,100,000 for the period from December 2011 to July 2014 of which CMSB disputed. The directors have been in discussion with the relevant authority and have provided all necessary documentation to support their view. The directors of the Company have obtained advice from a consultant, and based on the advice received, the directors are of the view that CMSB should only be liable for up to RM200,000 and a provision for this had been made in the financial statements (Note 25). The remaining balance of the claim of RM10,900,000 represents a contingent liability which is subject to appeal to the authority.

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

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

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

On 5 July 2018, CMSB, through its appointed solicitor filed in an application for judicial review to the High Court. During the leave hearing for judicial review held on 19 September 2018, the High Court granted leave and an interim stay for the enforcement of bills of demand until the disposal of the inter-partes stay hearing. The High Court has fixed for the Minister of Finance to file its affidavit in reply by 21 December 2018 whereas CMSB is required to file its further affidavit in reply by 11 January 2019. The High Court also fixed for case management on 28 January 2019.

On 28 January 2019, the High Court fixed for CMSB to file its affidavit in reply by 21 February 2019. CMSB, Minister of Finance and Director-General of Customs, Royal Malaysia Customs Department are required to attend another case management on 15 March 2019 and hearing on 29 March 2019.

On 22 March 2019, the High Court had adjourned the hearing to 21 May 2019.

On 21 May 2019, the High Court fixed the decision date to be held on 9 July 2019 but subsequently adjourned to 17 October 2019 after a few adjournments.

On 17 October 2019, the High Court set another case management on 5 November 2019 for the new judge to decide whether to hear the case afresh or to deliver the decision based on notes prepared by the previous judge whom had been elevated to the Court of Appeal.

On 5 November 2019, the High Court has set 6 January 2020 for further clarification and to deliver the decision.

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

The High Court has set a case management on 6 February 2020.

On 6 February 2020, the High Court fixed for Minister of Finance and Director-General of Customs, Royal Malaysia Customs Department to file an affidavit in reply by 20 February 2020 and CMSB to file its affidavit in reply by 5 March 2020. CMSB, Minister of Finance and Director-General of Customs, Royal Malaysia Customs Department are required to file written submission and to attend case management on 13 April 2020 and hearing on 29 April 2020.

On 14 April 2020, the High Court has vacated the hearing on 29 April 2020 and fixed a case management on the same date.

OTHER COMPLIANCE INFORMATION (CONT'D)

b) Sanctions and / or penalties (cont'd.)

On 30 April 2020, the High Court has instructed CMSB, Minister of Finance and Director-General of Customs, Royal Malaysia Customs Department to file the written submission and written submission in reply, if any by 3 June 2020 and 11 June 2020 respectively, attend a case management on 11 June 2020 and hearing on 16 June 2020.

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

On 14 October 2020, the Court of Appeal has instructed all parties to file their written submissions within the stipulated time and fixed the hearing date on 17 August 2021.

On 18 December 2020, CMSB had filled and served an Originating Summons (“**OS**”) against Panasonic Manufacturing Malaysia Berhad (“**PMMA**”) in the High Court of Malaya in Kuala Lumpur for a total amount of RM9,431,695 being import duties and sales tax arises from the economic transactions between CMSB and PMMA during the period from December 2011 to July 2014 which led to the majority of the total claim of import duties and sales tax from the authority on CMSB. CMSB had filed the OS for declaratory relief concerning PMMA’s liability to pay import duties and sales tax to CMSB in the event CMSB’s appeal against the levy of the import duties and sales tax at the Court of Appeal fails and also to preserve its cause of action against PMMA prior to expiry. CMSB’s solicitors had attempted to serve the OS onto PMMA premises, however the said service was not successful as PMMA’s premises were closed. Thus, CMSB’s solicitors had served the OS by hand to PMMA’s solicitors on 29 December 2020. The High Court of Malaya had set a case management on 5 January 2021 for the OS filed by CMSB.

On 15 February 2021, PMMA had filed in an application to strike off the OS raised by CMSB (“**PMMA’s Application**”) at the Kuala Lumpur High Court and the hearing for the PMMA’s Application was set on 3 May 2021. However, the hearing was converted into a case management and during the case management, the High Court had adjourned the hearing for the PMMA’s Application to 30 September 2021.

On 6 August 2021, PMMA had filed to the Court of Appeal a notice of motion (“**Motion**”) to intervene in the appeal proceedings commenced by CMSB at the Court. At a case management held on 11 August 2021, the Court instructed the following:

1. The appeal hearing initially scheduled on 17 August 2021 will be vacated;
2. The hearing for the Motion to intervene is fixed on 1 November 2021; and
3. CMSB and PMMA to submit their affidavits and written submissions within the stipulated time.

On 30 September 2021, the Court fixed the decision date in regards to the application by PMMA to strike-out CMSB’s OS on 6 October 2021.

On 6 October 2021, the Court had decided to allow PMMA’s application and struck off CMSB’s OS. However, CMSB intends to appeal to the Court of Appeal against the High Court’s decision.

On 11 October 2021, a notice of appeal was filed by CMSB in relation to the Kuala Lumpur High Court’s decision to allow PMMA’s application to strike out CMSB’s OS.

On 1 November 2021, the Court of Appeal has allowed PMMA’s Motion to intervene CMSB’s appeal proceedings at the Court.

On 30 November 2021, CMSB has filed an application for leave to appeal to the Federal Court against the Court of Appeal’s decision to allow PMMA’s Application to intervene in the Court of Appeal.

c) Audit and Non-audit fees

The total fees paid to the External Auditors for the financial year ended 31 August 2021 are as follows:-

(1) Audit Fees

The total audit fees (including both statutory and non-statutory audits) charged by the External Auditors for the financial year ended 31 August 2021 exclusive of expenses and applicable taxes, were amounted to RM162,300.

(2) Non-audit Fees

The total non-audit fees charged by the External Auditors for other services performed for the financial year ended 31 August 2021, exclusive of expenses and applicable taxes, were amounted to RM5,000.00.

d) Material contracts or loans

There were no material contract entered into by the Group and by the Company which involved Directors’ and major shareholders’ interest, either still subsisting at the end of the financial year ended 31 August 2021 or, if not then subsisting, entered into since the end of the previous financial year.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Introduction

The Malaysian Code on Corporate Governance requires the Board of Directors (“**Board**”) of listed companies to establish a sound risk management and internal control system to safeguard shareholders’ investment and assets of BSL Corporation Berhad and its subsidiary companies (the “**Group**”). Under Paragraph 15.26(b) of Bursa Malaysia Securities Berhad’s (“**Bursa Securities**”) Main Market Listing Requirements (“**MMLR**”), the Board of listed companies is required to produce a statement on the state of the Group’s internal control as a group in their Annual Report. In this regards, the Board is pleased to set out below the statement on risk management and internal control for the Group. Associated company and joint venture are excluded from this Statement as the Group does not have full management and control over them.

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 no 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 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 and Risk Management Committee (“**ARMC**”) 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 ARMC at meetings on a quarterly basis.

During the financial year ended 31 August 2021, the reviews covered the following areas:

- Credit management process, particularly on the policy and procedures in place and testing of operating controls, segregation of duties, internal review on debt monitoring.
- Asset management process, particularly on the internal control processes, segregation of duties and safeguarding of assets.
- Human resource and payroll management process, particularly on internal controls, review of the recruitment, resignation, overtime, and disciplinary action process amongst others.
- Payment management process, particularly on relevant policies and procedures, the effectiveness and efficiency of the payment process and segregation of duties amongst others.

The ARMC 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.

In addition, the Internal Auditors also presents their Audit Plan for the financial year prior to commencement which details the key areas to audit for the ARMC to approve.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

(CONT'D)

Key elements of internal controls

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

- **Organisation structure**

The Board has in place an organisation structure with well-defined delegation of responsibilities and accountabilities within the Group's senior management. The roles and responsibilities are clearly established in the respective job description list in order to enhance the internal control system of the Group's various operations.

- **Board committee**

Board Committees such as ARMC, Nomination Committee and Remuneration Committee are established with formal terms of references clearly outlining their functions and duties delegated by the Board. The ARMC meets at least four (4) times a year and reviews the effectiveness of the Group's system of internal control and risk management. The ARMC meets with the Internal Auditors and External Auditors to review their reports whilst assessing the Board to review the effectiveness of the ongoing monitoring processes on risk and control matters for areas within their scope.

- **Control activities**

The Group continuously reviews and updates its policies, procedures and standards in accordance with changes in the operation environment.

- **Management meetings**

Regular Management meetings are held to raise issues, discuss, review and monitor the business development and resolve operational and management issues and review financial performances for each operating unit and regular visit by the Senior Personnel or Management team to each operating unit as and when necessary.

- **Ongoing training**

As and when necessary, provision of staff training and development programs to equip staff with the appropriate knowledge and skills to enable staff to carry out their job functions productively and effectively.

- **Hands on approach**

Close involvement of the Executive Directors of the Group in its daily operations.

- **Related party transactions monitoring**

Related party transactions are disclosed, reviewed and monitored by the ARMC on a periodic basis.

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 for its main operating subsidiary companies on a yearly basis. The risk assessment exercise involves Head of Departments who identifies the risk relevant to their respective department and the countermeasures. Based on this exercise, a risk register is compiled which indicates the key risks affecting the Group and the relevant countermeasures. The ARMC was briefed on the updates of the risk register and new risk identified with its mitigation plans on 26 October 2020.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

(CONT'D)

Review of the Statement on Risk Management and Internal Control

The External Auditors have performed limited assurance procedures on this Statement on Risk Management and Internal Control pursuant to the scope set out in Recommended Practice Guide (“RPG”) 5, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysia Institute of Accountants for inclusion in the Annual Report of the Group for the financial year ended 31 August 2021, and reported to the Board that nothing has come to their attention that causes them to believe that this Statement intended to be included in the Annual Report is not prepared, in all material respect, in accordance with the disclosures required by Paragraphs 41 and 42 of the Guidelines, nor is the Statement factually inaccurate.

RPG 5 does not require the External Auditors to consider whether the Directors’ Statement in Risk Management and Internal Control covers all risk and controls, or to form an opinion in the adequacy and effectiveness of the Group’s risk management and internal control system including the assessment and opinion by the Directors and Management thereon. The report from External Auditors was made solely for, and directed solely to the Board of Directors in connection with their compliance with the Bursa Securities’s MMLR and for no other purposes or parties. The External Auditors do not assume responsibility to any person other than the Board of Directors in respect of any aspect of this Statement.

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 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.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

The Audit and Risk Management Committee (“**ARMC**”) currently comprises the following directors:

Chong Kwang Fock

Chairman, Independent Non-Executive Director

Wong Boon Peng

Member, Independent Non-Executive Director

Chew Khai Liong

Member, Independent Non-Executive Director

Terms of Reference

The details of the Terms of Reference of the ARMC is available for reference in the Company’s website at www.bsllcorp.com.my.

Summary of activities of the ARMC

During the financial year ended 31 August 2021, the ARMC held five (5) meetings. As there was a change in the Board of Directors on 5 August 2021, the attendance of the previous and new ARMC members are as follows:

Name of Committee members	Number of meetings attended
Datuk Dr. Syed Muhamad bin Syed Abdul Kadir (Resigned on 5 August 2021)	4 / 4
To’ Puan Rozana bte Tan Sri Redzuan (Resigned on 5 August 2021)	4 / 4
Ng Wai Pin (Resigned on 5 August 2021)	4 / 4
Chong Kwang Fock (Appointed on 5 August 2021)	1 / 1
Wong Boon Peng (Appointed on 5 August 2021)	1 / 1
Chew Khai Liong (Appointed on 5 August 2021)	1 / 1

The following activities were carried out by the ARMC during the financial year ended 31 August 2021:

- 1) At the ARMC meeting held in October 2020, the ARMC had
 - i. Reviewed and discussed the internal audit conducted on the credit management cycle in respect of the subsidiary companies Ban Seng Lee Industries Sdn. Bhd. and Crestronics (M) Sdn. Bhd. (n.k.a. BSL Electronics & Technologies Sdn. Bhd.) The AC discussed the associated business risk and findings;
 - ii. Reviewed and discussed with Management on the status of the Custom’s Bills of Demand;
 - iii. Reviewed and recommended to the Board the fourth quarter results for the period ended 31 August 2020;
 - iv. Reviewed the recurrent related party transactions and noted the transaction was within the threshold;
 - v. Reviewed the updated risk register;
 - vi. Reviewed and discussed with the External Auditors on the progress of the audit for BSL Corporation Berhad and its subsidiary companies (the “**Group**”) for the financial year ended 31 August 2020; and
 - vii. Reviewed and discussed on the updated forecast for the Group for the financial year ending 31 August 2021.
- 2) At the ARMC meeting held in December 2020, the ARMC had
 - i. Reviewed and discussed with the External Auditors on the progress of the audit for the Group for the financial year ended 31 August 2020;
 - ii. Reviewed and discussed with Management on the status of the Custom’s Bills of Demand;
 - iii. Reviewed the Statement on Risk Management and Internal Control and the ARMC Report;
 - iv. Reviewed the Audited Financial Statements for the financial year ended 31 August 2020; and
 - v. Evaluated the performance and independence of the External Auditors. After taking into consideration the independence, competence, service of the auditing team, scope of audit and audit fee of the External Auditors, the ARMC had recommended to the Board for further recommendation to the Shareholders for approval for the re-appointment of Messrs Mazars PLT as External Auditors of the Group.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

(CONT'D)

Summary of activities of the ARMC (cont 'd)

- 3) At the ARMC meeting held in January 2021, the ARMC had
 - i. Reviewed and discussed the internal audit conducted on the Asset Management in respect of the subsidiary companies, Ban Seng Lee Industries Sdn. Bhd. and Crestronics (M) Sdn. Bhd. (n.k.a. BSL Electronics & Technologies Sdn. Bhd.) The ARMC discussed the associated business risk and findings;
 - ii. Reviewed and discussed with Management on the status of the Custom's Bills of Demand;
 - iii. Reviewed and recommended to the Board the first quarter results for the period ended 30 November 2020;
 - iv. Reviewed the recurrent related party transactions and noted the transactions were within the threshold; and
 - vi. Reviewed and discussed on the updated forecast for the Group for the financial year ending 31 August 2021.

- 4) At the ARMC meeting held in April 2021, the ARMC had
 - i. Reviewed and discussed on the internal audit conducted on the Human Resource and Payroll process in respect of the subsidiary companies, Ban Seng Lee Industries Sdn. Bhd. and Crestronics (M) Sdn. Bhd. (n.k.a. BSL Electronics & Technologies Sdn. Bhd.). The ARMC discussed the associated business risk, findings and any recommendation on actions to be taken for improvements;
 - ii. Reviewed and recommended to the Board the second quarter results for the period ended 28 February 2021;
 - iii. Reviewed the recurrent related party transactions and noted the transactions were within the threshold; and
 - iv. Reviewed and discussed on the updated forecast for the Group for the financial year ending 31 August 2021.

- 5) At the ARMC meeting held in August 2021, the ARMC had
 - i. Reviewed and discussed on the internal audit conducted on the Payment Management process in respect of the subsidiary companies Ban Seng Lee Industries Sdn. Bhd. and Crestronics (M) Sdn. Bhd. (n.k.a. BSL Electronics & Technologies Sdn. Bhd.). The ARMC discussed the associated business risk, findings and recommendation on actions to be taken for improvements;
 - ii. Discussed on the updates regarding the status of the Custom's Bills of Demand matter;
 - iii. Reviewed and recommended to the Board the third quarter results for the period ended 31 May 2021;
 - iv. Reviewed the recurrent related party transactions and noted the transactions were within the threshold; and
 - v. Discussed with external auditors on the Audit Strategy memorandum for the audit of the financial year ending 31 August 2021.

Based on the above, where appropriate, the ARMC will seek further detailed clarifications from the management team to understand the matter in depth prior to making any decisions or recommendations.

Internal audit function

The Company recognised that an internal audit function is essential to ensure 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 ARMC with their findings and these findings are further deliberated during the ARMC Meeting.

The internal audit plan was approved by the ARMC and the scope of internal audit covers the audits of the selected business processes of the main operating subsidiary companies in the Group. A summary of key processes tested during the financial year ended 31 August 2021 can be found in the Statement on Risk Management and Internal Control. The cost incurred for the internal audit function for the financial year ended 31 August 2021 was RM33,000.

DIRECTORS' RESPONSIBILITY STATEMENT IN RESPECT OF THE PREPARATION OF THE AUDITED FINANCIAL STATEMENTS

The Directors are required by the Companies Act 2016 to prepare the financial statements of each financial year which have been made out in accordance with the applicable Malaysian Accounting Standards Board and to give a true and fair view of the state of affairs of BSL Corporation Berhad its subsidiary companies (the “**Group**”) at the end of the financial year, and of the results and cash flows of the Group and of the Company for the year ended.

In preparing the financial statements, the Directors have taken the necessary steps and actions as follows:

- Selected suitable accounting policies and applied them consistently;
- Made judgements and estimates that are prudent and reasonable;
- Ensured that all applicable accounting standards have been followed; and
- Prepared the financial statements on a going concern basis as the Directors have a reasonable expectation, having made the necessary enquiries, that the Group and Company have adequate resources to continue operational existence for the foreseeable future.

The Directors have the responsibility in ensuring that the Group and the Company keep accounting records which disclose with reasonable accuracy the financial position of the Group and of the Company and which enable them to ensure that the financial statements comply with the Companies Act 2016 and the applicable approved accounting standards in Malaysia.

The Directors have the overall responsibilities for taking such steps as are reasonably open to them to safeguard the assets of the Group and of the Company, and to prevent and detect any fraud and other irregularities.

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DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021

The directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 August 2021.

PRINCIPAL ACTIVITIES

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

The principal activities of the subsidiary companies are disclosed in Note 7 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
Profit/(Loss) for the financial year	8,939,964	(2,618,485)
Attributable to:		
Owners of the Company	9,298,731	
Non-controlling interests	(358,767)	
	8,939,964	

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.

ISSUE OF SHARES AND DEBENTURES

There were no issuance of shares or debentures during the financial year.

SHARE OPTIONS

No option was granted to any person to take up unissued shares of the Company during the financial year.

RESERVES AND PROVISIONS

All material transfers, if any, to or from reserves and provisions during the financial year are disclosed in the financial statements.

SUBSIDIARY COMPANIES

Details of the subsidiary companies are set out in Note 7 to the financial statements.

- (i) There is no qualified auditors' report on the financial statements of any subsidiary company for the financial year in which this report is made.
- (ii) As at the end of the financial year, none of the subsidiary companies hold any shares in the holding company or in other related corporations.

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021 (CONT'D)

DIRECTORS

The directors in office during the period commencing from the beginning of the financial year to date of this report are:

Hoo Wai Keong	(Appointed on 5 August 2021)
Andrew Ho Tho Kong	(Appointed on 5 August 2021)
Chew Khai Liong	(Appointed on 5 August 2021)
Chong Kwang Fock	(Appointed on 5 August 2021)
Wong Boon Peng	(Appointed on 5 August 2021)
Datuk Dr. Syed Muhamad Bin Syed Abdul Kadir	(Resigned on 5 August 2021)
Ngiam Tong Kwan	(Resigned on 5 August 2021)
Ngiam Tee Wee	(Resigned on 5 August 2021)
Ngiam Tee Yang	(Resigned on 5 August 2021)
Ng Wai Pin	(Resigned on 5 August 2021)
To' Puan Rozana Bte Tan Sri Redzuan	(Resigned on 5 August 2021)
Teh Yoon Loy	(Deceased on 21 December 2020)

DIRECTORS OF SUBSIDIARY COMPANIES

The directors of the Company's subsidiary companies (excluding directors who are also directors of the Company) during the period commencing from the beginning of the financial year to the date of this report are:

Andy Woo Weng Kok	
Lim Chi Haur	
Dato' Sri Azlan Bin Azmi	
Dato' Sri Wong Sze Chien	
Tan Ai Nee	
Tan Ai Yong	
Tan Ai Peng	
Chay Jiun Yee	
Ngiam Tee Wee	
Ngiam Tee Yang	
Nyeam Tong Eng @ Ngiam Tong Yang	(Resigned on 23 August 2021)
Teh Eng Hock	(Resigned on 23 August 2021)
Teh Eng Seng	(Resigned on 23 August 2021)

DIRECTORS' INTEREST IN SHARES

None of the directors in office at the end of the financial year held any interest in the shares or debentures in the Company or its subsidiary companies during the financial year.

DIRECTORS' BENEFITS

Neither during nor at the end of the financial year was the Company a party to any arrangements whose object is to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of remuneration 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; and other benefits as set out below) by reason of a contract made by the Company or a related corporation with a 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.

Directors' remuneration and other benefits are set out in Note 33 to the financial statements.

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021 (CONT'D)

OTHER INFORMATION

Before the financial statements were made out, the directors took reasonable steps:

- (i) to ascertain that appropriate 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 all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and
- (ii) to ensure that any current assets which were unlikely to realise in the ordinary course of business including their value of current assets as shown in the accounting records of the Group and of the Company have been written down to an amount which the current assets might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances:

- (i) which would render the amount written off as bad debts or the amount of the allowance for doubtful debts inadequate to any substantial extent in the financial statements of the Group and of the Company; 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.

At the date of this report, there does not exist:

- (i) any charge on the assets of the Group or 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 which has arisen since the end of the financial year except as disclosed in Note 36 to the financial statements.

No contingent or other liability 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 or of the Company to meet their obligations when they fall due.

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 which would render any amount stated in the financial statements misleading.

In the opinion of the directors:

- (i) the results of the operations of the Group and of the Company during 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.

SIGNIFICANT EVENTS OCCURRING DURING AND AFTER THE FINANCIAL YEAR

Significant events occurring during and after the financial year is disclosed in Note 40 to the financial statements.

AUDITORS

To the extent permitted by laws, the Company has agreed to indemnify its auditors, as part of the terms of its audit engagement, against claims arising from the audit. No payment has been made to indemnify the auditors for the current financial year.

Auditors' remuneration is set out in Note 29 to the financial statements.

The auditors, Mazars PLT, Chartered Accountants, have expressed their willingness to accept re-appointment.

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021 (CONT'D)

APPROVAL OF THE DIRECTORS' REPORT

This report is approved by the board of directors, and signed on behalf of the board of directors in accordance with a directors' resolution.

HOO WAI KEONG
Director

ANDREW HO THO KONG
Director

Kuala Lumpur

Date: 20 December 2021

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BSL CORPORATION BERHAD

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of BSL Corporation Berhad, which comprise the statements of financial position as at 31 August 2021 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 financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 63 to 122.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 August 2021, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants* ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matter

Key audit matter is matter that, in our professional judgement, was of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. This matter was addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Fair value assessment of other investment in unquoted shares

The risk:

As at 31 August 2021, the carrying amount of the other investment in unquoted shares was RM5,797,500 which was measured at fair value, based on price to book valuation technique.

We have identified this to be a key audit matter as the management's assessment of the recoverable amount of these investments involve estimation and significant judgement relating to the assumptions used.

The Group's accounting policies and disclosure arising from other investment in unquoted shares are disclosed in Notes 3(i) and 10 respectively, to the financial statements.

How the matter was addressed in our audit:

- (i) We obtained the valuation report prepared by the professional valuers from the management;
- (ii) We considered and assessed the independent professional valuers' competence, reputation, background or relevant experience, objectivity and independence;
- (iii) With the support of our internal specialist, we discussed and obtained an understanding of the methodology and assumptions adopted by the independent valuers in estimating the fair value of the equity interest on the other investment in unquoted shares; and
- (iv) We evaluated the appropriateness of the data used by the independent professional valuers as input into their valuation of the other investment in unquoted shares.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF BSL CORPORATION BERHAD (CONT'D)

Report on the Audit of the Financial Statements (Cont'd)

Emphasis of Matter

We draw attention to Note 36(b) to the financial statements which discloses the bills of demand issued by the relevant authority to BSL Electronics & Technologies Sdn. Bhd. (*formerly known as Crestronics (M) Sdn. Bhd.*) ("BSLET"), a wholly owned subsidiary company of the Company.

On 19 December 2014, BSLET received bills of demand from the relevant authority demanding payment of sales tax and import duty amounting to RM11,100,000 for the period from December 2011 to July 2014 of which BSLET disputed. The directors have been in discussion with the relevant authority and have provided all necessary documentation to support their view. The directors of the Company have obtained advice from a consultant, and based on the advice received, the directors are of the view that BSLET should only be liable for up to RM200,000 and a provision for this had been made in the financial statements (Note 25 to the financial statements). The remaining balance of the claim of RM10,900,000 represents a contingent liability which is subject to appeal to the authority.

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

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

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

On 5 July 2018, BSLET, through its appointed solicitor filed in an application for judicial review to the High Court. During the leave hearing for judicial review held on 19 September 2018, the High Court granted leave and an interim stay for the enforcement of bills of demand until the disposal of the inter-partes stay hearing. The High Court has fixed for the Minister of Finance to file its affidavit in reply by 21 December 2018 whereas BSLET is required to file its further affidavit in reply by 11 January 2019. The High Court also fixed for case management on 28 January 2019.

On 28 January 2019, the High Court fixed for BSLET to file its affidavit in reply by 21 February 2019. BSLET, Minister of Finance and Director-General of Customs, Royal Malaysia Customs Department are required to attend another case management on 15 March 2019 and hearing on 29 March 2019.

On 22 March 2019, the High Court had adjourned the hearing to 21 May 2019.

On 21 May 2019, the High Court fixed the decision date to be held on 9 July 2019 but subsequently adjourned to 17 October 2019 after a few adjournments.

On 17 October 2019, the High Court set another case management on 5 November 2019 for the new judge to decide whether to hear the case afresh or to deliver the decision based on notes prepared by the previous judge whom had been elevated to the Court of Appeal.

On 5 November 2019, the High Court has set 6 January 2020 for further clarification and to deliver the decision.

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

The High Court has set a case management on 6 February 2020.

On 6 February 2020, the High Court fixed for Minister of Finance and Director-General of Customs, Royal Malaysia Customs Department to file an affidavit in reply by 20 February 2020 and BSLET to file its affidavit in reply by 5 March 2020. BSLET, Minister of Finance and Director-General of Customs, Royal Malaysia Customs Department are required to file written submission and to attend case management on 13 April 2020 and hearing on 29 April 2020.

On 14 April 2020, the High Court has vacated the hearing on 29 April 2020 and fixed a case management on the same date.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF BSL CORPORATION BERHAD (CONT'D)

Report on the Audit of the Financial Statements (Cont'd)

On 30 April 2020, the High Court has instructed BSLET, Minister of Finance and Director-General of Customs, Royal Malaysia Customs Department to file the written submission and written submission in reply, if any by 3 June 2020 and 11 June 2020 respectively, attend a case management on 11 June 2020 and hearing on 16 June 2020.

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

On 14 October 2020, the Court of Appeal has instructed all parties to file their written submissions within the stipulated time and fixed the hearing date on 17 August 2021.

On 18 December 2020, BSLET had filed and served an Originating Summons ("OS") against Panasonic Manufacturing Malaysia Berhad ("PMMA") in the High Court of Malaya in Kuala Lumpur for a total amount of RM9,431,695 being import duties and sales tax arises from the economic transactions between BSLET and PMMA during the period from December 2011 to July 2014 which led to the majority of the total claim of import duties and sales tax from the authority on BSLET. BSLET had filed the OS for declaratory relief concerning PMMA's liability to pay import duties and sales tax to BSLET in the event BSLET's appeal against the levy of the import duties and sales tax at the Court of Appeal fails and also to preserve its cause of action against PMMA prior to expiry. BSLET's solicitors had attempted to serve the OS onto PMMA premises, however the said service was not successful as PMMA's premises were closed. Thus, BSLET's solicitors had served the OS by hand to PMMA's solicitors on 29 December 2020. The High Court of Malaya had set a case management on 5 January 2021 for the OS filed by BSLET.

On 15 February 2021, PMMA had filed in an application to strike off the OS raised by BSLET ("PMMA's Application") at the Kuala Lumpur High Court and the hearing for the PMMA's Application was set on 3 May 2021. However, the hearing was converted into a case management and during the case management, the High Court had adjourned the hearing for the PMMA's Application to 30 September 2021.

On 6 August 2021, PMMA had filed to the Court of Appeal a notice of motion ("Motion") to intervene in the appeal proceedings commenced by BSLET at the Court. At a case management held on 11 August 2021, the Court instructed the following:

1. The appeal hearing initially scheduled on 17 August 2021 will be vacated;
2. The hearing for the Motion to intervene is fixed on 1 November 2021; and
3. BSLET and PMMA to submit their affidavits and written submissions within the stipulated time.

On 30 September 2021, the Court fixed the decision date in regards to the application by PMMA to strike-out BSLET's OS on 6 October 2021.

On 6 October 2021, the Court had decided to allow PMMA's Application and struck off BSLET's OS. However, BSLET intends to appeal to the Court of Appeal against the High Court's decision.

On 11 October 2021, a notice of appeal was filed by BSLET in relation to the Kuala Lumpur High Court's decision to allow PMMA's Application to strike out BSLET's OS.

On 1 November 2021, the Court of Appeal has allowed PMMA's Motion to intervene BSLET's appeal proceedings at the Court.

On 30 November 2021, BSLET has filed an application for leave to appeal to the Federal Court against the Court of Appeal's decision to allow PMMA's Application to intervene in the Court of Appeal.

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

Our opinion is not qualified in respect of this matter.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF BSL CORPORATION BERHAD (CONT'D)

Report on the Audit of the Financial Statements (Cont'd)

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF BSL CORPORATION BERHAD (CONT'D)

Report on the Audit of the Financial Statements (Cont'd)

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiary companies of which we have not acted as auditors, are disclosed in Note 7 to the financial statements.

Other Matter

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

MAZARS PLT
201706000496 (LLP0010622-LCA)
AF 001954
Chartered Accountants

CHONG FAH YOW
03004/07/2022 J
Chartered Accountant

Kuala Lumpur
20 December 2021

STATEMENTS OF FINANCIAL POSITION

31 AUGUST 2021

	Note	Group 2021 RM	Group 2020 RM	Company 2021 RM	Company 2020 RM
ASSETS					
Non-current assets					
Property, plant and equipment	5	91,165,241	90,331,544	-	-
Right-of-use assets	6	1,079,745	1,000,767	-	-
Investments in subsidiary companies	7	-	-	50,828,830	50,938,830
Investment in an associate	8	-	-	-	-
Investment in joint venture	9	-	-	-	-
Other investments	10	5,797,500	-	-	-
Total non-current assets		98,042,486	91,332,311	50,828,830	50,938,830
Current assets					
Inventories	11	22,607,677	15,131,390	-	-
Trade receivables	12	24,231,083	27,348,577	-	-
Contract assets	13	522,782	53,566	-	-
Other receivables, deposits and prepayments	14	7,014,015	2,421,131	18,433	1,259,761
Amounts owing by subsidiary companies	7	-	-	2,410	1,738,270
Current tax assets		740,294	478,621	7,973	-
Short-term deposits with licensed banks	15	3,987,106	4,333,190	-	-
Cash and bank balances		14,098,543	11,488,113	219,333	64,401
		73,201,500	61,254,588	248,149	3,062,432
Non-current asset classified as held for sale	16	-	-	-	-
Total current assets		73,201,500	61,254,588	248,149	3,062,432
TOTAL ASSETS		171,243,986	152,586,899	51,076,979	54,001,262

STATEMENTS OF FINANCIAL POSITION

31 AUGUST 2021 (CONT'D)

	Note	Group 2021 RM	2020 RM	Company 2021 RM	2020 RM
EQUITY AND LIABILITIES					
Equity					
Share capital	17	50,767,230	50,767,230	50,767,230	50,767,230
Treasury shares	18	(459,316)	(459,316)	(459,316)	(459,316)
Reserves	19	69,711,895	57,393,994	672,235	3,290,720
Equity attributable to owners of the Company		120,019,809	107,701,908	50,980,149	53,598,634
Non-controlling interests		(461,376)	(102,609)	-	-
Total equity		119,558,433	107,599,299	50,980,149	53,598,634
Non-current liabilities					
Hire purchase liabilities	20	765,502	1,405,438	-	-
Lease liabilities	6	964,130	955,126	-	-
Term loans	21	3,157,070	4,703,226	-	-
Deferred tax liabilities	22	6,986,663	7,359,359	-	-
Total non-current liabilities		11,873,365	14,423,149	-	-
Current liabilities					
Trade payables	23	27,926,218	23,807,892	-	-
Other payables and accruals	24	6,531,144	2,898,890	96,830	291,366
Amounts owing to subsidiary companies	7	-	-	-	100,166
Provision	25	200,000	200,000	-	-
Contract liabilities	13	204,574	132,000	-	-
Hire purchase liabilities	20	1,512,897	1,584,226	-	-
Lease liabilities	6	161,049	68,933	-	-
Bank borrowings	26	1,602,000	17,783	-	-
Term loans	21	1,672,692	1,835,132	-	-
Current tax liabilities		1,614	19,595	-	11,096
Total current liabilities		39,812,188	30,564,451	96,830	402,628
Total liabilities		51,685,553	44,987,600	96,830	402,628
TOTAL EQUITY AND LIABILITIES		171,243,986	152,586,899	51,076,979	54,001,262

The accompanying notes form an integral part of the financial statements

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021

	Note	Group		Company	
		2021 RM	2020 RM	2021 RM	2020 RM
Revenue	27	159,491,733	137,136,376	-	-
Cost of sales		(147,657,463)	(128,100,599)	-	-
Gross profit		11,834,270	9,035,777	-	-
Other income		6,998,307	3,811,621	91,893	335,143
Other expenses		(12,118,564)	(10,870,785)	(2,700,114)	(9,863,056)
Finance costs	28	(442,945)	(558,353)	(617)	(3,972)
Share of results of former associate	16	4,250,366	-	-	-
Profit/(Loss) before tax	29	10,521,434	1,418,260	(2,608,838)	(9,531,885)
Tax expense	30	(1,581,470)	(800,628)	(9,647)	(80,650)
Profit/(Loss) for the financial year		8,939,964	617,632	(2,618,485)	(9,612,535)
Other comprehensive income/(loss):					
<i>Items that will not be subsequently reclassified to profit or loss</i>					
Revaluation gain on property, plant and equipment		2,294,265	-	-	-
Deferred tax on revaluation gain on property, plant and equipment		723,377	(1,340,000)	-	-
Fair value gain on investment in equity instruments designated at fair value through other comprehensive income ("FVTOCI")		-	2,285	-	-
<i>Items that will be subsequently reclassified to profit or loss</i>					
Exchange differences on translation of foreign operations		1,528	(613)	-	-
Other comprehensive income/(loss), net of tax		3,019,170	(1,338,328)	-	-
Total comprehensive income/(loss) for the financial year		11,959,134	(720,696)	(2,618,485)	(9,612,535)

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021 (CONT'D)

	Note	2021 RM	Group 2020 RM
Profit/(Loss) for the financial year attributable to:			
Owners of the Company		9,298,731	370,229
Non-controlling interests		(358,767)	247,403
		8,939,964	617,632
Total comprehensive income/(loss) for the financial year attributable to:			
Owners of the Company		12,317,901	(968,099)
Non-controlling interests		(358,767)	247,403
		11,959,134	(720,696)
Basic earnings per ordinary share (sen)	31	9.62	0.38

The accompanying notes form an integral part of the financial statements

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021

Group	Non-distributable							Total RM
	Share capital RM	Treasury shares RM	Fair value reserve RM	Revaluation reserve RM	Foreign currency translation reserve RM	Distributable reserve- Retained earnings RM	Attributable to owners of the Company RM	
At 1 September 2020	50,767,230	(459,316)	(3,152,081)	32,310,110	(1,130,084)	29,366,049	107,701,908	107,599,299
Realisation of revaluation reserve	-	-	-	(161,699)	-	161,699	-	-
Profit/(loss) for the financial year	-	-	-	-	-	9,298,731	9,298,731	(358,767)
Other comprehensive income, net of tax	-	-	-	3,017,642	1,528	-	3,019,170	-
Total comprehensive income/(loss) for the financial year	-	-	-	3,017,642	1,528	-	3,019,170	11,959,134
At 31 August 2021	50,767,230	(459,316)	(3,152,081)	35,166,053	(1,128,556)	38,826,479	120,019,809	119,558,433
At 1 September 2019	50,767,230	(459,316)	(3,154,426)	34,049,495	(1,129,471)	28,596,495	108,670,007	108,319,995
Realisation of revaluation reserve	-	-	-	(399,385)	-	399,385	-	-
Profit for the financial year	-	-	-	-	-	370,229	370,229	247,403
Other comprehensive income/(loss), net of tax	-	-	2,285	(1,340,000)	(613)	-	(1,338,328)	(1,338,328)
Total comprehensive income/(loss) for the financial year	-	-	2,285	(1,340,000)	(613)	370,229	(968,099)	(720,696)
Transfer of fair value reserve upon disposal of equity instruments designated at FVTOCI	-	-	60	-	-	(60)	-	-
At 31 August 2020	50,767,230	(459,316)	(3,152,081)	32,310,110	(1,130,084)	29,366,049	107,701,908	107,599,299

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021 (CONT'D)

	Share capital RM	Treasury shares RM	Distributable reserve- Retained earnings RM	Total RM
Company				
At 1 September 2020	50,767,230	(459,316)	3,290,720	53,598,634
Loss for the financial year	-	-	(2,618,485)	(2,618,485)
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive loss for the financial year	-	-	(2,618,485)	(2,618,485)
At 31 August 2021	50,767,230	(459,316)	672,235	50,980,149
At 1 September 2019	50,767,230	(459,316)	12,903,255	63,211,169
Loss for the financial year	-	-	(9,612,535)	(9,612,535)
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive loss for the financial year	-	-	(9,612,535)	(9,612,535)
At 31 August 2020	50,767,230	(459,316)	3,290,720	53,598,634

The accompanying notes form an integral part of the financial statements

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit/(Loss) before tax	10,521,434	1,418,260	(2,608,838)	(9,531,885)
Adjustments for:				
Depreciation of property, plant and equipment	3,811,372	3,939,740	-	-
Depreciation of right-of-use assets	165,799	139,443	-	-
Fair value gain on former associate	(1,085,043)	-	-	-
Finance costs	442,945	558,353	617	3,972
Gain on disposal of property, plant and equipment	(190,070)	(13,475)	-	-
Impairment of investment in subsidiary companies	-	-	110,000	9,296,900
Unwinding of discount on financial assets at amortised cost	-	(671,138)	-	-
Interest income from short-term deposits	(59,879)	(50,389)	-	-
Interest income from subsidiary companies	-	-	(91,893)	(335,143)
Loss allowance:				
- Trade receivables	116,217	87,978	-	-
- Subsidiary company	-	-	1,827,753	49,503
Net unrealised gain on foreign exchange	(11,346)	(5,300)	-	-
Property, plant and equipment written off	-	3,238	-	-
Reversal of loss allowance:				
- Trade receivables	(233,988)	(18,381)	-	-
- Former associate	(462,091)	-	-	-
Reversal of write-down of inventories, net	(75,722)	(68,707)	-	-
Share of results of former associate	(4,250,366)	-	-	-
Surplus arising from liquidation of subsidiary company	-	(13,067)	-	-
Waiver of lease payment	-	(14,200)	-	-
Operating profit/(loss) before working capital changes	8,689,262	5,292,355	(762,361)	(516,653)
Changes in inventories	(7,400,565)	(2,146,342)	-	-
Changes in receivables	(1,816,432)	9,276,086	(8,672)	10,671
Changes in payables	7,824,097	(1,148,406)	(194,536)	84,634
Cash generated from/(used in) operations	7,296,362	11,273,693	(965,569)	(421,348)
Income tax refunded	-	311,188	-	-
Income tax paid	(1,510,443)	(1,271,542)	(28,716)	(102,078)
Interest paid	(5,595)	(10,360)	-	-
Net cash generated from/(used in) operating activities	5,780,324	10,302,979	(994,285)	(523,426)
CASH FLOWS FROM INVESTING ACTIVITIES				
Dividend received	-	-	1,250,000	3,250,000
Proceeds from disposal of other investment	-	2,285	-	-
Proceeds from disposal of property, plant and equipment	190,073	15,649	-	-
Proceeds from liquidation of a subsidiary company	-	13,067	-	-
Additions to property, plant and equipment (Note a)	(1,384,987)	(803,102)	-	-
Advances to subsidiary companies	-	-	-	(3,005,069)
Interest received	50,109	35,002	-	-
Net cash (used in)/generated from investing activities	(1,144,805)	(737,099)	1,250,000	244,931

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021 (CONT'D)

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
CASH FLOWS FROM FINANCING ACTIVITIES				
(Repayment to)/Advances from subsidiary companies (Note b)	-	-	(100,783)	25,009
Drawdown of bank borrowings (Note b)	1,602,000	-	-	-
Interest paid (Note b)	(437,350)	(547,993)	-	-
Repayment of hire purchase liabilities (Note b)	(1,677,085)	(1,901,367)	-	-
Payment of lease liabilities (Note b)	(143,657)	(101,951)	-	-
Repayment of term loans (Note b)	(1,708,596)	(1,920,731)	-	-
Net cash (used in)/generated from financing activities	(2,364,688)	(4,472,042)	(100,783)	25,009
NET CHANGES IN CASH AND CASH EQUIVALENTS	2,270,831	5,093,838	154,932	(253,486)
EFFECT OF EXCHANGE RATE CHANGES	1,528	(613)	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	15,250,107	10,156,882	64,401	317,887
CASH AND CASH EQUIVALENTS AT END OF YEAR	17,522,466	15,250,107	219,333	64,401
Represented by:				
Cash and bank balances	14,098,543	11,488,113	219,333	64,401
Short-term deposits with licensed banks (Note 15)	3,987,106	4,333,190	-	-
Less: Short-term deposits pledged to a bank	18,085,649	15,821,303	219,333	64,401
Overdrafts	(563,183)	(553,413)	-	-
	-	(17,783)	-	-
	17,522,466	15,250,107	219,333	64,401

Note (a):

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

	Group	
	2021 RM	2020 RM
Total cost of property, plant and equipment acquired	2,350,807	2,098,702
Less: Purchase consideration satisfied by hire purchase arrangements	(965,820)	(1,295,600)
Cash payments	1,384,987	803,102

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021 (CONT'D)

Note (b):

Reconciliation of liabilities arising from financing activities

2021 Group	Hire purchase liabilities RM	Term loans RM	Bank borrowings RM	Lease liabilities RM	Total RM
At beginning of financial year	2,989,664	6,538,358	-	1,024,059	10,552,081
<i>Cash flows:</i>					
Repayments of hire purchase liabilities	(1,677,085)	-	-	-	(1,677,085)
Repayments of term loans	-	(1,708,596)	-	-	(1,708,596)
Net drawdown of bank borrowings	-	-	1,602,000	-	1,602,000
Repayments of lease liabilities	-	-	-	(143,657)	(143,657)
Interest paid	(141,174)	(207,498)	(27,535)	(61,143)	(437,350)
	(1,818,259)	(1,916,094)	1,574,465	(204,800)	(2,364,688)
<i>Non-cash changes:</i>					
Addition	-	-	-	244,777	244,777
Purchase of property, plant and equipment	965,820	-	-	-	965,820
Interest expenses	141,174	207,498	27,535	61,143	437,350
At end of financial year	2,278,399	4,829,762	1,602,000	1,125,179	9,835,340

Company	Amounts owing to subsidiary companies RM
At beginning of financial year	100,166
<i>Cash flows:</i>	
Repayment to subsidiary companies	(100,783)
	(617)
<i>Non-cash changes:</i>	
Interest expenses	617
At end of financial year	-

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021 (CONT'D)

Note (b):

Reconciliation of liabilities arising from financing activities

2020 Group	Hire purchase liabilities RM	Term loans RM	Lease liabilities RM	Total RM
At beginning of financial year	3,595,431	8,459,089	-	12,054,520
<i>Cash flows:</i>				
Repayments of hire purchase liabilities	(1,901,367)	-	-	(1,901,367)
Repayments of term loans	-	(1,920,731)	-	(1,920,731)
Repayments of lease liabilities	-	-	(101,951)	(101,951)
Interest paid	(204,214)	(284,529)	(59,250)	(547,993)
	(2,105,581)	(2,205,260)	(161,201)	(4,472,042)
<i>Non-cash changes:</i>				
Effect of initial application of MFRS 16				
Leases on 1 September 2019 (Note 6)	-	-	1,121,993	1,121,993
Addition	-	-	18,217	18,217
Purchase of property, plant and equipment	1,295,600	-	-	1,295,600
Waiver of lease payment	-	-	(14,200)	(14,200)
Interest expenses	204,214	284,529	59,250	547,993
At end of financial year	2,989,664	6,538,358	1,024,059	10,552,081

Company	Amounts owing to subsidiary companies RM
At beginning of financial year	71,185
<i>Cash flows:</i>	
Advances from subsidiary companies	25,009
	96,194
<i>Non-cash changes:</i>	
Interest expenses	3,972
At end of financial year	100,166

The accompanying notes form an integral part of the financial statements

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021

1. GENERAL INFORMATION

BSL Corporation Berhad (the “Company”) is a public limited liability company incorporated and domiciled in Malaysia, and listed on the Main Market of Bursa Malaysia Securities Berhad. The addresses of the principal place of business and registered office of the Company are disclosed in page 8.

The principal activity of the Company is an investment holding company. The principal activities of the subsidiary companies are disclosed in Note 7. There have been no significant changes in these activities during the financial year.

2. 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 and the requirements of the Companies Act 2016 in Malaysia.

The measurement bases applied in the preparation of the financial statements include historical cost, recoverable value, realisable value and fair value. Estimates are used in measuring these values.

The financial statements are presented in Ringgit Malaysia (“RM”), which is also the functional currency of the Company.

The financial statements have been prepared on the historical cost basis, except for other measurement bases applied, including fair value, as stated in the significant accounting policies set out in Note 3.

(a) Application of new or revised standards

In the current financial year, the Group and the Company have applied a number of Amendments to MFRSs (“Amendments”) that become effective mandatorily for the financial periods beginning on or after 1 September 2020.

The adoption of the Amendments does not have any significant impact on the financial statements of the Group and of the Company.

(b) Standards issued that are not yet effective

The Group and the Company have not applied the following new standard and amendments that have been issued by MASB but are not yet effective:

MFRS and Amendments to MFRSs		Effective Date
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16	Interest Rate Benchmark Reform – Phase 2	1 January 2021
Amendments to MFRS 16	Covid-19 – Related Rent Concessions beyond 30 June 2021	1 April 2021
Amendments to MFRS 1, MFRS 9 and MFRS 141	Annual Improvements to MFRS Standards 2018-2020	1 January 2022
Amendments to MFRS 3	Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 116	Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137	Onerous Contracts – Costs of Fulfilling a Contract	1 January 2022
MFRS 17	Insurance Contracts	1 January 2023
Amendments to MFRS 17	Insurance Contracts	1 January 2023

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021 (CONT'D)

2. BASIS OF PREPARATION (CONT'D)

- (b) Standards issued that are not yet effective (Cont'd)

MFRS and Amendments to MFRSs		Effective Date
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 101	Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108	Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

The adoption of the above new standard and amendments are not expected to have significant impact on the financial position and financial performance of the Group and of the Company.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and of all subsidiary companies 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 reassesses whether it controls an entity if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Consolidation of an investee shall begin from the date the Company obtains control of the investee and ceases when the investor loses control of the investee.

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 subsidiary companies

The changes of interests in subsidiary companies 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of consolidation (Cont'd)

Loss of control

When the Company loses control of a subsidiary company:

- (i) It derecognises the assets and liabilities, non-controlling interests, and other amounts previously recognised in other comprehensive income relating to the former subsidiary company.
- (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 company 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 company at the date when control is lost.
- (iii) It recognises any investment retained in the former subsidiary company at its fair value when control is lost. 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.

(b) 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 Group, the liabilities incurred by the Group and the equity interests issued by the Group.

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. The choice of measurement basis is made on a transaction-by-transaction basis.

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 investee; 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.

In a business combination where 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.

(c) Investments in subsidiary companies

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Investments in associate and joint venture

An associate is an entity in which the Group has significant influence and that is neither a subsidiary company 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 respectively.

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 or joint venture diminishes by virtue of losses to zero, unless the Group has legal or constructive obligations or made payments on behalf of the associate and joint venture.

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 conform to those used by the Group for like transactions in similar circumstances.

Distributions received from an associate or joint venture reduce the carrying amount of the investment.

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 or joint venture disposed of is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Property, plant and equipment

(i) *Measurement basis*

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Effective on 30 August 2018, the Group revalues its leasehold land, freehold land and buildings based on valuation carried out by independent firm of professional valuers using the open market basis.

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.

Valuations on leasehold land, freehold land and buildings are performed with sufficient regularity to ensure that the carrying amount does not differ materially from the fair value of the leasehold land, freehold land and buildings as at reporting date. Surplus arising from revaluation is dealt with through the asset revaluation reserve account, net of deferred tax, if any. Any deficit arising is set-off against the asset revaluation reserve to the extent of a previous increase for the same property. In all other cases, a decrease in carrying amount will be charged to profit or loss. For a revaluation increase subsequent to a revaluation deficit of the same asset, the surplus is recognised as income to the extent that it reverses the deficit previously recognised as an expense with the balance of increase credited to revaluation reserve.

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 is 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 other 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	1%
Buildings	2%
Plant and machinery	5% - 20%
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.

(f) 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.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(g) Impairment of non-financial assets

(i) Goodwill

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 goodwill, exceeds the recoverable amount of the cash-generating unit. Recoverable amount of the cash-generating unit is 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, right-of-use assets, investments in subsidiary companies, associate and joint venture

Property, plant and equipment, right-of-use assets, investments in subsidiary companies, associate and joint venture 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 except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

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.

(h) Inventories

Inventories are valued at the lower of cost (determined principally on the 'first-in, first-out' basis) and net realisable value. The cost of raw materials comprises the original purchase price plus the costs incurred in bringing these inventories to their present location and condition. The cost of finished goods and work-in-progress include the costs of raw materials and production overheads.

Net realisable value represents the estimated selling price in the ordinary course of business, less selling and distribution costs and all other estimated cost to completion.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Financial instrument

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of an instrument.

Financial assets and financial liabilities are initially recognised at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities on initial recognition.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Subsequent measurement

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets. Financial assets are measured subsequently in the following manners:

- at amortised cost (debt instruments);
- at fair value through other comprehensive income ("FVTOCI"), with recycling of cumulative gains and losses (debt instruments);
- designated at FVTOCI, without recycling of cumulative gains and losses (equity instruments); or
- at fair value through profit or loss ("FVTPL").

Financial assets at amortised cost

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when an asset is derecognised, modified or impaired.

The effective interest method is a method of calculating the amortised cost of a debt instrument by allocating interest income over the relevant periods.

Equity instruments designated at FVTOCI

Upon initial recognition, management may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term;
- on initial recognition it is part of a portfolio of identified financial instruments that the entity manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative instrument (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in a reserve in equity. Equity instruments designated at FVTOCI are not subject to impairment assessment.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Financial instrument (Cont'd)

Impairment of financial assets

Loss allowance is recognised for expected credit losses ("ECL") for all debt instruments not held at FVTPL, i.e. financial assets at amortised cost or FVTOCI, receivables, lease receivables, contract assets, loan commitments and financial guarantee contracts.

ECL is based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that are expected to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial asset.

Management measures the loss allowance of trade receivables, contract assets and lease receivables at an amount equal to their lifetime ECL (i.e. simplified approach). The ECL on these financial assets are estimated based on historical credit loss experience, and where appropriate, adjusted for forward-looking factors specific to the debtors and the economic environment.

For all other financial assets at amortised cost, where credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECL is provided for credit losses that result from default events that are possible within 12 months after the reporting date. For those credit exposures for which there has been a significant increase in the likelihood or risk of a default occurring since initial recognition (instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring), a loss allowance is required for credit losses expected over the remaining life of the financial assets.

Derecognition of financial assets

A financial asset is derecognised only when the contractual rights to the cash flows from the financial asset expire; or when the financial asset is transferred and substantially all the risks and rewards of ownership of the financial asset are transferred to another party.

If the entity neither transfers nor retains substantially all the risks and rewards of ownership and continues to control a transferred financial asset, the entity recognises its retained interest in the financial asset and an associated liability for amounts it may have to pay. If the entity retains substantially all the risks and rewards of ownership of a transferred financial asset, the entity continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the financial asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. On derecognition of an investment in a debt instrument classified at FVTOCI, the cumulative gain or loss previously accumulated in the reserve is reclassified to profit or loss. On derecognition of an investment in equity instrument classified at FVTOCI, the cumulative gain or loss previously accumulated in the reserve is transferred to retained earnings.

Financial liabilities and equity instruments

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Financial liabilities

All financial liabilities are subsequently measured at FVTPL or at amortised cost (using the effective interest method).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Financial instrument (Cont'd)

Financial liabilities at amortised cost

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

The effective interest method is a method of calculating the amortised cost of a financial liability by allocating interest expense over the relevant periods. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, to the amortised cost of a financial liability.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the obligations under the liabilities are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

When an existing financial liability is replaced by another financial liability from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as derecognition of the original liability and the recognition of a new liability.

Equity instrument

Equity instruments issued are recognised at the proceeds received. Costs incurred directly attributable to the issuance of the equity instruments are accounted for as a deduction from equity.

Repurchase of own equity instruments is deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of own equity instruments.

(j) Non-current asset held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered 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, where management is committed to the sale which is expected to complete within one year from the date of classification.

Non-current assets and disposal groups classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

(k) 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 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.

(l) 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(m) 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 period 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.

(n) Revenue recognition

Revenue from a contract with a customer is recognised when control of the goods or services are transferred to the customer. Revenue is measured based on the consideration specified in the contract to which the entity expects to be entitled in exchange for transferring the goods or services to the customer, excluding amounts collected on behalf of third parties.

If a contract with a customer contains more than one performance obligation, the total consideration is allocated to each performance obligation based on the relative stand-alone selling prices of the goods or services promised in the contract.

Sales of goods

Revenue from sales of goods is recognised at the point in time when control of the goods is transferred to a customer, generally upon delivery of goods.

In measuring the revenue for the sales of goods, the effects of variable consideration, the existence of significant financing component, non-cash consideration, and consideration payable to the customer, etc. are taken into consideration.

Construction contracts revenue

Revenue is recognised over time, if a customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs.

Revenue is recognised using an input method to measure progress towards complete satisfaction of the services.

Renewable energy income

Energy fee derived from the conversion into electricity of renewable energy resources is recognised as revenue upon actual delivery of such converted energy.

Contract balances arising from revenue recognition

Contract assets are the right to consideration in exchange for goods or services transferred to customers. If goods or services are transferred to customers before the customers pay consideration or before payment is due, contract assets are recognised for the earned consideration that is conditional. Trade receivables represent the entity's right to an amount of consideration that is unconditional.

Contract liabilities are the obligation to transfer goods or services to customers for which the entity has received consideration (or an amount of consideration is due) from the customers. If the customers pay consideration before the entity transfers goods or services to the customers, contract liabilities are recognised when the payment is made or the payment is due (whichever is earlier).

Other income is recognised as follows:

- Interest income is recognised using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(o) Leases

The Group as lessee

Right-of-use assets and corresponding lease liabilities are recognised with respect to all lease agreements, except for short-term leases and leases of low value assets.

For short-term leases (i.e. leases with a lease term of 12 months or less) and leases of low value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the lease commencement date, discounted using the rate implicit in the lease or incremental borrowing rate, where applicable. Lease payments included in the measurement of the lease liability comprise: (i) fixed lease payments, less lease incentives; (ii) variable lease payments based upon an index or a rate; and (iii) payments of penalties for terminating the lease.

The right-of-use assets comprise the corresponding lease liability, lease payments made at or before the lease commencement date and initial direct costs. Whenever there is an obligation to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the agreed condition, a provision is recognised. These costs are included in the related right-of-use assets.

Right-of-use assets are measured at cost less accumulated depreciation and impairment losses. They are depreciated over the shorter period of lease term and useful life of the underlying assets.

The depreciation starts on the lease commencement date. The depreciation periods and depreciation method are reviewed, and adjusted if appropriate, at each reporting date.

Variable lease payment (not based upon an index or a rate) are recognised as an expense in the period in which it is incurred.

(p) 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 commence when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred and ceases when the asset 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.

(q) 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 subsidiary companies 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 subsidiary companies are 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(r) Income tax

The income tax expense represents the aggregate of current tax and deferred tax.

Current tax and deferred tax are recognised in profit or loss. Current tax and deferred tax are recognised in other comprehensive income or directly in equity, if the tax relates to items that are recognised in other comprehensive income or directly in equity. Where deferred tax arises from a business combination, the tax effect is included in the accounting for the business combination.

Current tax

Current tax is the expected income tax payable on the taxable profit for the financial year, estimated using the tax rates enacted or substantially enacted by the reporting date.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future payment to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, which is accounted for using the liability method.

A deferred tax liability is recognised for all taxable temporary differences. A deferred tax asset is only recognised for deductible temporary differences and unutilised tax credit to the extent that it is probable that taxable profit will be available in future against which the deductible temporary differences and unutilised tax credit can be utilised.

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 in a business combination) at the time of the transaction that affects neither accounting profit nor taxable profit.

Deferred taxes 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 at the reporting date that are expected to apply to the financial period when the asset is realised or when the liability is settled.

(s) 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 currencies other than the functional currency ("foreign currencies") are translated to the functional currency at the rate of exchange ruling at the date of the transaction.

Monetary items denominated in foreign currencies at the reporting date are translated at foreign exchange rates ruling at that date.

Non-monetary items which are measured in terms of historical costs denominated in foreign currencies are translated at foreign exchange rates ruling at the date of the transaction.

Non-monetary items which are measured at fair values denominated in foreign currencies are translated to RM 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(s) Foreign currencies (Cont'd)

(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 average exchange rate for the financial period.

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.

(t) Cash equivalents

Cash equivalents are short term, highly liquid investment 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.

(u) 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.

(v) Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

All assets and liabilities, for which fair value is measured or disclosed, are categorised within the fair value hierarchy set out below based on the inputs that are significant to the fair value measurement. Fair value measurement is derived from:

Level 1: Unadjusted quoted prices in active markets (for identical assets or liabilities).

Level 2: Inputs (other than quoted prices included within Level 1) are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Valuation techniques that include unobservable inputs (not based on observable market data).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021 (CONT'D)

4. 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 judgement

The following are judgements made by management in the process of applying the Group's accounting policies 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 in PHL, 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 9 for more details.

(ii) Classification of other investment

The Group holds 25% equity interest in Hongze Steel Tube Co., Ltd ("Hongze"). The Group has no power to participate in the financial and operating policy of Hongze. On this basis, the Group concludes that it does not have significant influence over Hongze and thus recognised as an other investment. See Note 10 for more details.

(iii) Provision

As mentioned in Notes 25 and 36(b), as a result of the demand made by the relevant authority against BSL Electronics & Technologies Sdn. Bhd. (*formerly known as Crestronics (M) Sdn. Bhd.*) ("BSLET"), 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 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) Determining the loss allowance for trade receivables and contract assets

Management assesses the ECL for trade receivables and contract assets at each reporting date. Credit losses are the difference between the contractual cash flows that are due to the entity and the cash flows that it actually expects to receive. Management applies simplified approach of MFRS 9 Financial Instruments in assessing the impairment of trade receivables and contract assets.

In determining the ECL, management uses historical credit loss experience for trade receivables and contract assets to estimate the ECL. Management is not only required to consider historical information that is adjusted to reflect the effects of current conditions and information that provides objective evidence that trade receivables and contract assets are impaired in relation to incurred losses, but management is also considering, when applicable, reasonable and supportable information that may include forecasts of future economic conditions when estimating the ECL, on an individual and collective basis. The need to consider forward-looking information means that management exercises considerable judgement as to how changes in macroeconomic factors will affect the ECL on trade receivables and contract assets.

The ECL on trade receivables and contract assets as at current reporting date is primarily mainly based upon the historical credit loss experience. The carrying amount of trade receivables and contract assets are disclosed in Notes 12 and 13.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021 (CONT'D)

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D)

Key sources of estimation uncertainty (Cont'd)

(ii) Determining the loss allowance for non-trade receivables

Management assesses the ECL of receivables (other than trade receivables and contract assets) at each reporting date. Credit losses are the difference between the contractual cash flows that are due to the entity and the cash flows that it actually expects to receive.

In determining the ECL, management assesses whether there has been any significant increase in credit risk since initial recognition of a receivable. Where there has not been a significant increase in credit risk since initial recognition, management determines the loss allowance by estimating an amount equal to 12-month ECL of that receivable. For those credit exposures for which there has been a significant increase in the likelihood or risk of a default occurring since initial recognition (instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring), management measures a loss allowance for credit losses expected over the remaining life of that receivable. Management exercise considerable judgement in these estimations, using historical credit loss experience as well as reasonable and supportable information that may include forecasts of future economic conditions when estimating the ECL.

The carrying amount of other receivables is disclosed in Note 14.

(iii) Depreciation of property, plant and equipment

The cost/valuation of property, plant and equipment except for freehold land, 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 5.

(iv) Impairment of assets

Determining whether assets are impaired requires an estimation of the recoverable amounts of the assets. As of 31 August 2021, the Group and the Company recognised accumulated impairment losses in respect of the following:

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Property, plant and equipment	2,874,978	3,882,549	-	-
Investment in joint venture	4,689,586	4,689,586	-	-
Investments in subsidiary companies	-	-	21,596,262	21,486,262

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021 (CONT'D)

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D)

Key sources of estimation uncertainty (Cont'd)

(v) Impairment loss and write down of inventories

Inventories are stated at the lower of cost and net realisable value. The Group estimates the net realisable value of inventories based on an assessment of expected selling prices.

Inventories are reviewed on a regular basis and the Group will make a provision for excess or obsolete inventories based primarily on historical trends and management estimates of expected and future product demand and related pricing.

Demand levels, technological advances and pricing competition could change from time to time. If such factors result in an adverse effect on the Group's products, the Group might be required to reduce the value of their inventories and additional impairment losses for slow moving inventories may be required.

The carrying amount of the Group's inventories is disclosed in Note 11.

(vi) Fair value of property, plant and equipment

The Group measures its freehold land, leasehold land and buildings at revaluated amounts with any change in revaluation amount recognised in the revaluation reserve account. Significant judgement is required in the determination of revaluation amount which may be derived based on different valuation methods. The Group engages an independent professional valuer to determine the revaluation amount on an open market value basis using comparison method.

Information regarding the valuation techniques and inputs used in determining the revaluation is disclosed in Note 5.

(vii) Contingent liabilities

Contingent liabilities is based on management's view of the expected outcome of the contingencies, and if necessary, after consulting legal counsel and internal and external experts of the Group for matters in the ordinary course of business. Details of contingent liabilities are disclosed in Note 36(b).

(viii) Lease liabilities

Management estimates the lease term as the non-cancellable period of a lease together with both periods covered by an option to extend the lease and an option to terminate the lease. In assessing whether it is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, management exercises judgement by considering all relevant facts and circumstances that create an economic incentive to exercise the option to extend the lease, or not to exercise the option to terminate the lease.

Management measures the lease liability as the present value of the lease payments that are not paid at commencement date. The lease payments are discounted using the incremental borrowing rate.

The lease terms and discount rate are determined using certain assumptions and they represents management's best estimation. The assumptions on which it is based relate to the future. Actual outcome may be different from the estimation and the variation could be material.

The carrying amount of lease liabilities is disclosed in Note 6.

(ix) Fair value of other investments

Where fair values of financial instruments recorded on the statements of financial position cannot be derived from active markets, they are determined using valuation techniques, including the justified price to book method. The inputs to these models are derived from observable market data where possible, but where this is not feasible, a degree of judgement is required in establishing the fair values.

The judgements include considerations of liquidity and model inputs regarding the future financial performance of the investee, the risk profile and economic assumptions regarding the industry and geographical jurisdiction in which the investee operates. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

The carrying amount of other investments is disclosed in Note 10.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021 (CONT'D)

5. PROPERTY, PLANT AND EQUIPMENT

Group 2021 Cost/Valuation	Freehold land RM	Leasehold land RM	Buildings RM	Plant and machinery RM	Office equipment, computer equipment, furniture, fittings, renovation, factory upgrade and factory equipment RM	Motor vehicles RM	Total RM
At 1 September 2020	35,000,000	3,900,000	35,000,000	84,994,292	8,797,550	4,763,101	172,454,943
Additions	-	-	-	1,723,168	420,526	207,113	2,350,807
Disposals	-	-	-	(943,421)	-	(258,921)	(1,202,342)
Written off	-	-	-	(5,795,336)	(1,566,704)	-	(7,362,040)
Revaluation surplus/(deficit)	9,100,000	120,505	(6,926,240)	-	-	-	2,294,265
Adjustment on revaluation	-	(120,505)	(2,173,760)	-	-	-	(2,294,265)
At 31 August 2021	44,100,000	3,900,000	25,900,000	79,978,703	7,651,372	4,711,293	166,241,368
Representing:							
Cost	-	-	-	79,978,703	7,651,372	4,711,293	92,341,368
Valuation	44,100,000	3,900,000	25,900,000	-	-	-	73,900,000
	44,100,000	3,900,000	25,900,000	79,978,703	7,651,372	4,711,293	166,241,368
Accumulated depreciation							
At 1 September 2020	-	87,640	1,580,916	66,436,126	6,270,386	3,865,782	78,240,850
Charge for the financial year	-	45,174	747,484	2,167,696	490,632	360,386	3,811,372
Disposals	-	-	-	(943,419)	-	(258,920)	(1,202,339)
Written off	-	-	-	(4,787,765)	(1,566,704)	-	(6,354,469)
Adjustment on revaluation	-	(120,505)	(2,173,760)	-	-	-	(2,294,265)
At 31 August 2021	-	12,309	154,640	62,872,638	5,194,314	3,967,248	72,201,149
Accumulated impairment losses							
At 1 September 2020	-	-	-	3,882,549	-	-	3,882,549
Written off	-	-	-	(1,007,571)	-	-	(1,007,571)
At 31 August 2021	-	-	-	2,874,978	-	-	2,874,978
Net carrying amount							
At 31 August 2021	44,100,000	3,887,691	25,745,360	14,231,087	2,457,058	744,045	91,165,241

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021 (CONT'D)

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group 2020 Cost/Valuation	Freehold land RM	Leasehold land RM	Buildings RM	Plant and machinery RM	Office equipment, computer equipment, furniture, fittings, renovation, factory upgrade and factory equipment RM	Motor vehicles RM	Total RM
At 1 September 2019	35,000,000	3,900,000	35,000,000	85,862,780	9,426,192	4,806,948	173,995,920
Additions	-	-	-	1,901,006	197,696	-	2,098,702
Disposals	-	-	-	(241,357)	(463,068)	(43,847)	(748,272)
Written off	-	-	-	(2,528,137)	(363,270)	-	(2,891,407)
At 31 August 2020	35,000,000	3,900,000	35,000,000	84,994,292	8,797,550	4,763,101	172,454,943
Representing:							
Cost	-	-	-	84,994,292	8,797,550	4,763,101	98,554,943
Valuation	35,000,000	3,900,000	35,000,000	-	-	-	73,900,000
	35,000,000	3,900,000	35,000,000	84,994,292	8,797,550	4,763,101	172,454,943
Accumulated depreciation							
At 1 September 2019	-	43,820	790,458	66,815,998	6,557,427	3,435,510	77,643,213
Charge for the financial year	-	43,820	790,458	2,097,454	533,889	474,119	3,939,740
Disposals	-	-	-	(241,353)	(460,898)	(43,847)	(746,098)
Written off	-	-	-	(2,235,973)	(360,032)	-	(2,596,005)
At 31 August 2020	-	87,640	1,580,916	66,436,126	6,270,386	3,865,782	78,240,850
Accumulated impairment losses							
At 1 September 2019	-	-	-	3,852,971	229,446	92,296	4,174,713
Written off	-	-	-	(292,164)	-	-	(292,164)
Reclassification	-	-	-	321,742	(229,446)	(92,296)	-
At 31 August 2020	-	-	-	3,882,549	-	-	3,882,549
Net carrying amount							
At 31 August 2020	35,000,000	3,812,360	33,419,084	14,675,617	2,527,164	897,319	90,331,544

As at 31 August 2021, net carrying amount of property, plant and equipment of the Group include right-of-use assets of RM8,615,934 (2020: RM11,316,949), which are presented together with the owned assets of the same class as the underlying assets.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021 (CONT'D)

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Revaluation of freehold land, leasehold land and buildings

The freehold land, leasehold land and buildings have been revalued as at 31 May 2021 based on valuations performed by accredited independent valuer. The valuations are based on the comparison method whereby the value attributable to the properties is obtained by comparison to values realised for properties similar in nature, with particular reference to location, accessibility, land area, built-up area, category of land use, terrain, land shape, nature of land and building type, building condition and improvements made, which is categorised as Level 2 in the fair valuer hierarchy. Adjustments are made for the differences between the properties being compared. If the freehold land, leasehold land and buildings were measured using the cost model, the carrying amounts would be:

	Group 2021 RM	2020 RM
Freehold land:		
- Cost/Net carrying amount	8,200,000	8,200,000
Leasehold land:		
- Cost	3,633,020	3,633,020
- Accumulated depreciation	(337,426)	(299,184)
Net carrying amount	3,295,594	3,333,836
Buildings:		
- Cost	27,676,866	27,676,866
- Accumulated depreciation	(5,350,865)	(4,819,199)
Net carrying amount	22,326,001	22,857,667

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

	Group 2021 RM	2020 RM
Net carrying amount:		
Plant and machinery	4,365,149	6,924,257
Motor vehicles	363,094	580,332
	4,728,243	7,504,589

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

	Group 2021 RM	2020 RM
Cost:		
Plant and machinery	49,741,114	57,681,641
Office equipment, computer equipment, furniture, fittings, renovation, factory upgrade and factory equipment	1,219,434	2,763,565
Motor vehicles	1,961,317	1,960,611
	52,921,865	62,405,817

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021 (CONT'D)

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

As of 31 August 2021, the following property, plant and equipment are charged to licensed banks as security for term loans and other credit facilities, as mentioned in Notes 21 and 26, granted to the Group:

	2021 RM	Group 2020 RM
At net carrying amount:		
Freehold land	44,100,000	35,000,000
Leasehold land	3,887,691	3,812,360
Buildings	25,745,360	33,419,084
Plant and machinery	5,662,013	6,089,970
	79,395,064	78,321,414

6. LEASES

The Group as a Lessee

	2021 RM	Group 2020 RM
Right-of-use assets		
At 1 September	1,000,767	-
Effect of initial application of MFRS 16 Leases on 1 September 2020	-	1,121,993
Additions	244,777	18,217
Depreciation	(165,799)	(139,443)
At 31 August	1,079,745	1,000,767

Right-of-use assets at the end of the financial year comprise of:

Buildings	1,079,745	1,000,767
Lease liabilities		
- Current	161,049	68,933
- Non-current	964,130	955,126
At 31 August	1,125,179	1,024,059

The leases of buildings are typically made for periods of 2 to 22 years. The lessors do not impose any covenants.

The lease payments associated with short-term leases or leases of low-value assets are recognised as an expense on a straight-line basis over the lease term. No right-of-use assets and lease liabilities are recognised for these leases. At the reporting date, the Group committed to Nil (2020: RM122,200) for the short-term leases.

Total cash outflows for the Group for leases during the current financial year (including fixed, short-term and low-value assets lease payments) amounted to RM417,760 (2020: RM213,981).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021 (CONT'D)

7. INVESTMENTS IN SUBSIDIARY COMPANIES

	Company 2021 RM	2020 RM
Unquoted shares at cost	72,425,092	72,425,092
Less: Accumulated impairment losses	(21,596,262)	(21,486,262)
	50,828,830	50,938,830

The details of the subsidiary companies are as follows:

Name of subsidiary companies	Effective equity interest		Country of incorporation/ Principal place of business	Principal activities
	2021 %	2020 %		
<i>Direct subsidiary companies</i>				
Ban Seng Lee Industries Sdn. Bhd.	100	100	Malaysia	Stamping and manufacturing of precision metal parts, fabrication of tools and dies and fabrication and forging of base metal components.
BSL Electronics & Technologies Sdn. Bhd. (formerly known as Crestronics (M) Sdn. Bhd.) ("BSLET")	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	Investment holding.
BSL (HK) Limited**	100	100	Hong Kong, People's Republic of China	Investment holding.
BSL Eco Energy Sdn. Bhd.	51	51	Malaysia	Photovoltaic (PV) solar energy solution provider.
BSL Development Sdn. Bhd.	51	51	Malaysia	Property development and related trading activities.
<i>Indirect subsidiary companies</i>				
Matahari Suria Sdn Bhd ***	100	100	Malaysia	Generation of renewable energy.
Suria Solar Tech Sdn Bhd * #	51	51	Malaysia	Dormant.

* Audited by a firm of auditors other than Mazars.

** Audited by Mazars CPA Limited, Hong Kong.

*** Held through Unique Forging & Components Sdn. Bhd.

Held through BSL Eco Energy Sdn. Bhd.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021 (CONT'D)

7. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

Investment in BSLET

In previous financial year, the Company increased its investment in BSLET via the capitalisation of amount owing by BSLET amounting to RM15,820,132.

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

Name of subsidiary company	Proportion of ownership interests and voting right held by non-controlling interests		(Loss)/Profit allocated to non-controlling interests		Accumulated non-controlling interests	
	2021 %	2020 %	2021 RM	2020 RM	2021 RM	2020 RM
BSL Eco Energy Sdn. Bhd.	49	49	(349,915)	256,621	(440,773)	(90,858)
Individually immaterial subsidiary companies with non-controlling interests					(20,603)	(11,751)
					(461,376)	(102,609)

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

	2021 RM	2020 RM
<i>BSL Eco Energy Sdn. Bhd.</i>		
Non-current assets	372,630	617,363
Current assets	6,863,020	5,086,481
Current liabilities	6,695,975	4,450,056
Equity attributable to owners of the Company	275,234	639,432
Non-controlling interests	264,441	614,356
Revenue	5,220,175	4,845,337
(Loss)/Profit for the financial year	(714,113)	523,717
(Loss)/Profit attributable to owners of the Company	(364,198)	267,096
(Loss)/Profit attributable to the non-controlling interests	(349,915)	256,621
(Loss)/Profit for the financial year	(714,113)	523,717
Total comprehensive (loss)/income attributable to owners of the Company	(364,198)	267,096
Total comprehensive (loss)/income attributable to the non-controlling interest	(349,915)	256,621
Total comprehensive (loss)/income for the financial year	(714,113)	523,717
Net cash (outflow)/inflow from operating activities	(2,734,947)	6,002,366
Net cash inflow/(outflow) from investing activities	338,937	(1,530,151)
Net cash inflow/(outflow) from financing activities	1,574,465	(5,993,069)
Net cash outflow	(821,545)	(1,520,854)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021 (CONT'D)

7. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

Amounts owing by subsidiary companies comprises of the following:

	Company	
	2021 RM	2020 RM
Gross outstanding	1,879,666	1,787,773
Less: Loss allowance	(1,877,256)	(49,503)
	2,410	1,738,270

The amounts owing by subsidiary companies arose mainly from advances granted which bear interest at 5% to 6% (2020: 5% to 6%) per annum and are unsecured and receivable on demand.

In previous financial year, the amounts owing to subsidiary companies, arose mainly from advances received and payments made on behalf, which bore interest at 5% to 6% per annum and was unsecured and repayment on demand.

8. INVESTMENT IN AN ASSOCIATE

	Group	
	2021 RM	2020 RM
Unquoted shares at cost	35	35
Share of post-acquisition losses	(35)	(35)
	-	-

The details of the associate, which is incorporated and having its principal place of business in Malaysia, are as follows:

Name of company	Effective equity interest		Principal activities
	2021 %	2020 %	
BSL Bersepadu Sdn. Bhd.	17	17	Investment holding.

The financial details of the associate are not disclosed as they are deemed to be immaterial to the Group.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021 (CONT'D)

9. INVESTMENT IN JOINT VENTURE

	Group	
	2021 RM	2020 RM
Unquoted shares at cost	4,502,444	4,502,444
Share of post-acquisition reserve	187,142	187,142
	4,689,586	4,689,586
Impairment loss recognised	(4,689,586)	(4,689,586)
	-	-

The Group's share of the current financial year's losses of joint venture has not been recognised in the Group's statement of profit or loss and other comprehensive income as equity accounting had ceased when the Group's share of losses of the joint venture exceeded the carrying amount of its investment in the joint venture.

The details of the joint venture company, which is incorporated and having its principal place of business in Hong Kong, are as follows:

Name of company	Effective equity interest		Principal activity
	2021 %	2020 %	
Petapak Holdings Ltd. ("PHL")	22.5	22.5	Investment holding.

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

The income, expenses, assets and liabilities of the joint venture is not material to the Group.

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

	Group	
	2021 RM	2020 RM
Net assets of the joint venture	-	-
Goodwill	4,689,586	4,689,586
Carrying amount of the Group's interest in the joint venture	4,689,586	4,689,586
Impairment loss recognised	(4,689,586)	(4,689,586)
	-	-

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.

As the directors deemed the recoverable amount is zero, a full impairment loss had been recognised in 2018.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021 (CONT'D)

10. OTHER INVESTMENTS

		Group 2021 RM	2020 RM
Equity instruments designated at FVTOCI			
- Quoted shares	(a)	-	-
- Unquoted shares	(b)	5,797,500	-
		5,797,500	-

- (a) As at the reporting date, the market value of the quoted shares is at RM3,538,775 (2020: RM3,539,780).

The fair value of the quoted shares is Nil as the Group explored and deemed not possible in selling off the shares in the market.

- (b) The Group holds 25% (2020: 25%) equity stake in Hongze.

The Group has two representations on Board of Directors of Hongze, however, the representations do not have influence in the decision making in Hongze. On this basis, the Group concludes that it does not have significant influence over Hongze and thus recognised the investment in unquoted shares in Hongze as other investment, at fair value through other comprehensive income.

The fair value was based on the valuation report conducted by an independent professional firm. The valuation of Hongze was derived at based on the justified price to book method, with a discount rate of 15.5%.

The fair value of the investment in unquoted shares in Hongze is classified under Level 3. There is no transfer between levels of hierarchy during the financial year.

Details of Level 3 fair value measurements are as follows:

Valuation method	Significant unobservable inputs	Relationship of Unobservable inputs and Fair value
Justified price to book multiple	Discount rate of 15.5%	The higher the discount rate, the lower the fair value

11. INVENTORIES

	Group 2021 RM	2020 RM
Raw materials	14,528,649	8,094,261
Work-in-progress	3,590,539	2,238,717
Finished goods	4,488,489	4,798,412
	22,607,677	15,131,390

Cost of inventories recognised as expenses of the Group amounting to RM145,427,530 (2020: RM123,835,231).

The cost of inventories recognised as cost of sales in profit or loss includes RM154,223 (2020: RM165,488) in respect of reversal of inventories write-downs to its net realisable value.

The cost of inventories recognised as cost of sales in profit or loss includes RM78,501 (2020: RM96,781) in respect of inventories write-down to its net realisable value.

The amount of inventories carried at net realisable value is RM19,260 (2020: RM62,545).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021 (CONT'D)

12. TRADE RECEIVABLES

	Group	
	2021 RM	2020 RM
Trade receivables	24,609,562	28,110,040
Less: Loss allowance	(378,479)	(761,463)
	<u>24,231,083</u>	<u>27,348,577</u>

Trade receivables comprise amounts receivable for sales of goods. The average credit period on sales of goods is 30 to 90 (2020: 30 to 90) days.

13. CONTRACT ASSETS/LIABILITIES

	2021 RM	2020 RM
Group		
Contract assets		
- Construction contracts	<u>522,782</u>	<u>53,566</u>
Contract liabilities		
- Advances received from customers	<u>204,574</u>	<u>132,000</u>
Movement in contract assets:		
At beginning of the financial year	53,566	1,070,917
Recognition of revenue	3,935,201	4,820,284
Transfer to receivables	(3,465,985)	(5,837,635)
At end of the financial year	<u>522,782</u>	<u>53,566</u>

Revenue is recognised over time, while the customers pay according to contractual milestones which give rise to the timing differences that are recognised as contract assets or contract liabilities.

14. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Other receivables	3,638,211	843,703	-	-
Dividend receivable	-	-	-	1,250,000
Refundable deposits	631,369	626,945	-	-
Goods and services tax recoverable	15,775	61,822	-	-
Prepayments	2,728,660	888,661	18,433	9,761
	<u>7,014,015</u>	<u>2,421,131</u>	<u>18,433</u>	<u>1,259,761</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021 (CONT'D)

15. SHORT-TERM DEPOSITS WITH LICENSED BANKS

The short-term deposits of the Group bear interest at rates ranging from 1.30% to 1.70% (2020: 1.20% to 2.05%) per annum and have maturity period of 30 to 90 (2020: 14 to 90) days.

Included in the short-term deposits with licensed banks are deposits amounting to RM563,183 (2020: RM553,413) pledged to a licensed bank as collateral for term loans granted to a subsidiary company as mentioned in Note 21.

16. NON-CURRENT ASSET CLASSIFIED AS HELD FOR SALE

During the previous financial year, the Group decided to dispose of its interest in Hongze and started to source for buyers as the Group focuses on its core businesses which are precision stamping and tooling, PCB and module assembly and renewable energy. Accordingly, investment in this associate has been reclassified as non-current asset held for sale in previous financial year.

Since the progress of the efforts to sell has been prolonged due to the travel restriction imposed and market uncertainties arising from the Covid-19 pandemic, the Group has ceased the classification of a non-current asset as held for sale and a reclassification to investment in associate and accounted for using equity accounting retrospectively as from the date of its classification as non-current asset held for sale. A reversal of the impairment loss recognised previously amounting to RM462,091 and share of profit from the investment in the associate amounting to RM4,250,366 from the reclassification was made.

After the classification made, the management has reassessed the classification of investment in Hongze and make a reclassification of the investment to other investments as described in Note 10.

17. SHARE CAPITAL

	Group and Company	
	2021	2020
	RM	RM
Issued and fully paid: 98,000,000 ordinary shares		
At 1 September/ 31 August	50,767,230	50,767,230

18. TREASURY SHARES

	Group and Company			
	Number of ordinary shares		Amount	
	2021	2020	2021	2020
			RM	RM
At 1 September/31 August	1,364,113	1,364,113	459,316	459,316

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021 (CONT'D)

19. RESERVES

		Group		Company	
	Note	2021 RM	2020 RM	2021 RM	2020 RM
Non-distributable reserves:					
Foreign currency translation reserve	(i)	(1,128,556)	(1,130,084)	-	-
Fair value reserve	(ii)	(3,152,081)	(3,152,081)	-	-
Revaluation reserve	(iii)	35,166,053	32,310,110	-	-
		30,885,416	28,027,945	-	-
Distributable reserve:					
Retained earnings	(iv)	38,826,479	29,366,049	672,235	3,290,720
		69,711,895	57,393,994	672,235	3,290,720

(i) Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency. It is also used to record the exchange differences arising from monetary items which form part of the Group's net investment in foreign operations, where the monetary item is denominated in either the functional currency of the reporting entity or the foreign operation.

(ii) Fair value reserve

The fair value reserve arose from fair value changes in equity instruments designated at FVTOCI.

(iii) Revaluation reserve

The revaluation reserve relates to the revaluation of property, plant and equipment.

(iv) Retained earnings

Any dividend distributed by the Company out of its retained earnings under the single tier tax system is not taxable in Malaysia in the hand of the shareholders.

20. HIRE PURCHASE LIABILITIES

	Group	
	2021 RM	2020 RM
Total outstanding	2,396,027	3,163,038
Less: Interest-in-suspense	(117,628)	(173,374)
Principal outstanding	2,278,399	2,989,664
Less: Portion due within the next 12 months (shown under current liabilities)	(1,512,897)	(1,584,226)
Non-current portion	765,502	1,405,438

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021 (CONT'D)

20. HIRE PURCHASE LIABILITIES (CONT'D)

The non-current portion are repayable as follows:

	2021 RM	Group 2020 RM
Financial year ending 31 August:		
2022	-	1,203,463
2023	529,093	201,975
2024 and thereafter	236,409	-
	765,502	1,405,438

The term of the hire purchase liabilities is 3 years and interest rates implicit in the hire purchase arrangements range from 2.79% to 4.70% (2020: 2.50% to 4.70%) per annum. The interest rates are fixed at the inception of the hire purchase arrangement.

21. TERM LOANS

	2021 RM	Group 2020 RM
Total outstanding	4,829,762	6,538,358
Less: Portion due within the next 12 months (shown under current liabilities)	(1,672,692)	(1,835,132)
Portion due after the next 12 months	3,157,070	4,703,226

The non-current portion of the term loans are repayable between 2 to 4 (2020: 2 to 5) years.

The Group has term loans facilities totaling RM16,230,533 (2020: RM16,230,533) obtained from licensed banks. The term loans of the Group bears interest at rates ranging from 4.00% to 5.38% (2020: 4.00% to 5.38%) per annum.

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

- (i) 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 2021 was RM1,697,434 (2020: RM2,667,442).

The said term loan is secured by fixed charges over certain property, plant and equipment of a subsidiary company (Note 5), a first party legal charge over the freehold land (Note 5), and a corporate guarantee by the Company.

- (ii) 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 2021 was RM218,495 (2020: RM398,839).

The said term loan above is secured by a first party legal charge over the leasehold land of a subsidiary company (Note 5) and a corporate guarantee by the Company.

- (iii) A seven (7) year loan of RM5,000,000 repayable by 78 equal monthly installments of RM74,014 each, commencing in January 2018. The outstanding balance as at 31 August 2021 was RM2,913,833 (2020: RM3,472,077).

The said term loan above is secured by fixed charges over certain property, plant and equipment of a subsidiary company (Note 5), a pledge of fixed deposit (Note 15) and a corporate guarantee by the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021 (CONT'D)

22. DEFERRED TAX LIABILITIES

	Group	
	2021 RM	2020 RM
At 1 September	7,359,359	5,875,948
Recognised in profit or loss	350,681	143,411
Recognised in other comprehensive income	(723,377)	1,340,000
At 31 August	6,986,663	7,359,359

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

	Group	
	2021 RM	2020 RM
Tax effects of:		
- Excess of capital allowances claimed over accumulated depreciation on property, plant and equipment	4,983,257	4,658,260
- Unabsorbed capital allowances	(1,590,630)	(1,357,256)
- Unused tax losses	(207,212)	(514,295)
- Revaluation surplus on property, plant and equipment	4,552,775	5,327,215
- Others	(751,527)	(754,565)
	6,986,663	7,359,359

23. 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 30 to 90 (2020: 30 to 90) days.

24. OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Accrued expenses	4,604,160	1,921,673	92,079	276,673
Other payables	1,895,092	941,219	4,751	14,693
Interest payable	5,695	8,988	-	-
Sales and services tax payable	26,197	27,010	-	-
	6,531,144	2,898,890	96,830	291,366

25. PROVISION

	Group	
	2021 RM	2020 RM
At 1 September/31 August (Note 36(b))	200,000	200,000

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021 (CONT'D)

26. BANK BORROWINGS

		2021 RM	Group 2020 RM
Bankers' acceptance	(a)	1,602,000	-
Bank overdrafts	(b)	-	17,783
		1,602,000	17,783

(a) Bankers' acceptance

The bankers' acceptance is subject to interest rate of 3.55% (2020: nil) per annum.

(b) Bank overdrafts

The Group has bank overdrafts which bear interest at the rate of 7.50% (2020: 7.50%) per annum.

In addition to the term loans facilities as mentioned in Note 21, the Group has bank overdrafts and other credit facilities secured by:

- (i) Fixed and floating charges over certain property, plant and equipment of a subsidiary company (Note 5); and
- (ii) Corporate guarantee by the Company.

27. REVENUE

	2021 RM	Group 2020 RM
Revenue from contracts with customers		
(i) Recognised over time:		
- construction contract revenue	3,935,201	4,820,284
(ii) Recognised at a point in time:		
- Sales of goods	154,678,112	131,489,509
- Renewable energy income	878,420	826,583
	155,556,532	132,316,092
	159,491,733	137,136,376

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) are as follows:

	2021 RM	Group 2020 RM
Revenue recognised over time		
- within one year	744,721	660,000

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021 (CONT'D)

28. FINANCE COSTS

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Interest expense on:				
Term loans	207,498	284,529	-	-
Hire purchase liabilities	141,174	204,214	-	-
Bankers' acceptance	27,535	-	-	-
Bank overdrafts	197	9,292	-	-
Other banking facilities	5,398	1,068	-	-
Lease liabilities	61,143	59,250	-	-
Advances from subsidiary company	-	-	617	3,972
	442,945	558,353	617	3,972

29. PROFIT/(LOSS) BEFORE TAX

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

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Auditors' remuneration				
- Statutory audit	171,726	172,361	50,000	50,000
- Non-statutory audit	5,000	5,000	5,000	5,000
Depreciation of property, plant and equipment	3,811,372	3,939,740	-	-
Depreciation of right-of-use assets	165,799	139,443	-	-
Directors' remuneration	1,125,439	1,376,587	249,690	270,500
Impairment of:				
- Investment in subsidiary companies	-	-	110,000	9,296,900
Lease expenses for short-term leases and low-value assets:				
- Equipment and machine	93,460	980	-	-
- Premises	119,500	51,800	-	-
Loss allowance:				
- Trade receivables	116,217	87,978	-	-
- Subsidiary company	-	-	1,827,753	49,503
Property, plant and equipment written off	-	3,238	-	-
Write-down of inventories	78,501	96,781	-	-
Net loss on foreign exchange				
- Realised	-	54,320	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021 (CONT'D)

29. PROFIT/(LOSS) BEFORE TAX (CONT'D)

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
and crediting:				
Reversal of loss allowance				
- Trade receivables	233,988	18,381	-	-
- Former associate	462,091	-	-	-
Reversal of write-down of inventories	154,223	165,488	-	-
Fair value gain on former associate	1,085,043	-	-	-
Share of results of former associate	4,250,366	-	-	-
Gain on disposal of property, plant and equipment	190,070	13,475	-	-
Net gain on foreign exchange				
- Realised	6,620	-	-	-
- Unrealised	11,346	5,300	-	-
Unwinding of discount on financial asset at amortised cost	-	671,138	-	-
Interest income from short-term deposits	59,879	50,389	-	-
Interest income from subsidiary companies	-	-	91,893	335,143
Sales of scrap	4,768,724	2,900,489	-	-
Surplus arising from liquidation of a subsidiary company	-	13,067	-	-
Waiver of lease payment	-	14,200	-	-

30. TAX EXPENSE

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Current tax expense:				
- Current financial year	1,417,467	688,196	12,203	75,816
- Prior financial years	(186,678)	(30,979)	(2,556)	4,834
	1,230,789	657,217	9,647	80,650
Deferred tax:				
- Current financial year	437,997	(116,259)	-	-
- Prior financial years	(87,316)	259,670	-	-
	350,681	143,411	-	-
Total tax expense	1,581,470	800,628	9,647	80,650

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021 (CONT'D)

30. TAX EXPENSE (CONT'D)

A reconciliation of tax applicable to profit/(loss) 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 are as follow:

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Profit/(Loss) before tax and share of results of former associate:	6,271,068	1,418,260	(2,608,838)	(9,531,885)
Taxation at applicable tax rate of 24% (2020: 24%)	1,505,056	340,382	(626,121)	(2,287,652)
Tax effects arising from:				
- Expenses which are not deductible	473,630	436,802	638,902	2,363,817
- Income which are not taxable	(390,941)	(164,694)	(578)	(349)
Deferred tax assets not recognised	318,782	22,877	-	-
(Over)/Under provision in prior financial years	(273,994)	228,691	(2,556)	4,834
Crystallisation of deferred tax liability on revaluation surplus	(51,063)	(63,430)	-	-
	1,581,470	800,628	9,647	80,650

As of 31 August 2021, the tax-exempt income of the Group are as follow:

	Note	2021 RM	Group 2020 RM
Reinvestment allowances	(i)	17,534,630	17,534,630
Tax exempt income	(ii)	342,192	342,192
		17,876,822	17,876,822

- (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 company.

As explained in Note 3, the tax effects of deductible temporary differences, unused tax losses and unutilised tax credits which would give rise to net deferred tax assets are generally recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unutilised tax credits can be utilised for set-off.

Details of unused tax losses, unabsorbed capital allowances and other deductible temporary differences of the Group which have not been recognised in the financial statements due to uncertainty of realisation are as follow:

	Group	
	2021 RM	2020 RM
Unused tax losses	8,983,687	7,789,154
Unabsorbed capital allowances	11,048,107	10,908,269
Other deductible temporary differences	27,613	33,725
	20,059,407	18,731,148

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021 (CONT'D)

30. TAX EXPENSE (CONT'D)

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.

Pursuant to the relevant tax legislation, the unused tax losses will expire as follows:

	2021 RM	Group 2020 RM
Expiring in 2028	6,400,777	6,644,518
Expiring in 2029	1,797,122	1,131,542
Expiring in 2030	717,988	13,094
Expiring in 2031	67,800	-
	8,983,687	7,789,154

31. BASIC EARNINGS PER ORDINARY SHARE

	2021 RM	Group 2020 RM
Profit attributable to owners of the Company	9,298,731	370,229
Weighted average number of ordinary shares in issue	96,635,887	96,635,887
Basic earnings per ordinary share (sen)	9.62	0.38

The basic earnings per ordinary share is calculated by dividing the profit attributable to owners of the Company of RM9,298,731 (2020: RM370,229) by weighted average number of ordinary shares in issue during the financial year of 96,635,887 (2020: 96,635,887) shares.

32. STAFF COSTS

	2021 RM	Group 2020 RM
Employee costs	30,935,504	26,589,687
Included in the employee costs are:		
EPF	1,574,826	1,467,799

Staff costs include salaries, contributions to EPF, bonuses and all other staff related expenses.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021 (CONT'D)

33. RELATED PARTY TRANSACTIONS

Related parties comprise:

- (i) Entity in which a director of the Company and a subsidiary company has substantial interest;
 - (ii) Entity related to an associate;
 - (iii) Non-controlling interests in a subsidiary company; and
 - (iv) Key management personnel, defined as persons having authority and responsibility for planning, directing and controlling the activities of the Group and the Company either directly or indirectly.
- (a) Other than those disclosed elsewhere in the financial statements, the significant related party transactions are disclosed as follows:

	Group	
	2021 RM	2020 RM
Expenses paid to companies in which certain directors of a subsidiary company are also directors		
- Matahari Kencana Sdn. Bhd.	24,000	24,000
- Eco Shaft (M) Sdn. Bhd.	33,000	24,000
Total	57,000	48,000

	Company	
	2021 RM	2020 RM
Interest receivable from subsidiary companies		
- Crestronics (M) Sdn. Bhd.	-	219,531
- BSL Eco Energy Sdn. Bhd.	39,883	107,395
- BSL (HK) Limited	2,410	1,456
- Matahari Suria Sdn. Bhd.	49,600	6,761
Total	91,893	335,143

- (b) Key management personnel compensation

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
<i>Directors</i>				
Executive directors:				
Company				
- Fees	118,092	137,600	118,092	137,600
Subsidiary companies				
- Other emoluments	875,749	1,106,087	-	-
	993,841	1,243,687	118,092	137,600
Non-executive directors:				
- Fees	126,198	128,400	126,198	128,400
- Other emoluments	5,400	4,500	5,400	4,500
	1,125,439	1,376,587	249,690	270,500

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021 (CONT'D)

33. RELATED PARTY TRANSACTIONS (CONT'D)

(b) Key management personnel compensation (Cont'd.)

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
<i>Other key management personnel</i>				
- Other emoluments	847,134	1,043,594	-	-
	1,972,573	2,420,181	249,690	270,500

The estimated monetary value of benefit-in-kind received by the key management personnel from the Group amounting to RM35,050 (2020: RM45,767).

34. 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, fabrication of tools and dies and fabrication and forging of base metal components;
- (iii) Printed circuit board ("PCB") assembly and assembly of all types of electronics and electrical components, devices and systems;
- (v) Renewable energy; and
- (vi) Others (those subsidiary companies that 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 group contributed approximately RM31,652,000 (2020: RM27,680,000) 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 3. Segment profit represents the profit earned by each segment without allocation of central administration costs and Directors' salaries, 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

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021 (CONT'D)

34. SEGMENT REPORTING (CONT'D)

Group 2021	Investment holding RM	Precision stamping and tooling RM	PCB and module assembly RM	Renewable energy RM	Others RM	Eliminations RM	Consolidated RM
<i>Revenue</i>							
External sales	-	140,661,472	13,881,666	4,948,595	-	-	159,491,733
Inter-segment sales	-	-	946,621	1,150,000	-	(2,096,621)	-
	-	140,661,472	14,828,287	6,098,595	-	(2,096,621)	159,491,733
<i>Results</i>							
Segment results	(2,590,115)	3,402,703	108,347	(44,544)	(4,382,598)	10,160,341	6,654,134
Finance costs	(617)	(227,785)	(86,843)	(615,685)	(174,520)	662,505	(442,945)
Finance income	91,893	318,618	-	31,537	199,168	(581,337)	59,879
Share of profit of former associate	-	-	-	-	-	4,250,366	4,250,366
(Loss)/Profit before tax	(2,498,839)	3,493,536	21,504	(628,692)	(4,357,950)	14,491,875	10,521,434
Tax expense	(9,647)	(1,271,490)	-	(229,611)	(45,932)	(24,790)	(1,581,470)
(Loss)/Profit for the financial year	(2,508,486)	2,222,046	21,504	(858,303)	(4,403,882)	14,467,085	8,939,964
<i>Other information</i>							
Capital additions	-	1,754,608	801,336	39,640	-	-	2,595,584
Depreciation of property, plant and equipment and right-of-use assets	-	3,231,934	584,538	603,208	45,174	(487,683)	3,977,171

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021 (CONT'D)

34. SEGMENT REPORTING (CONT'D)

Group 2021	Investment holding RM	Precision stamping and tooling RM	PCB and module assembly RM	Renewable energy RM	Others RM	Eliminations RM	Consolidated RM
<u>Consolidated statement of financial position</u>							
<i>Assets</i>							
Segment assets							170,503,692
Unallocated corporate assets	51,179,006 7,973	145,652,873 915,611	9,579,879 -	16,049,323 28,504	5,050,783 -	(57,008,172) (211,794)	740,294
Consolidated total assets							171,243,986
<i>Liabilities</i>							
Segment liabilities							44,697,276
Unallocated corporate liabilities	96,830 -	35,619,196 7,586,705	7,594,991 -	15,628,149 (359,917)	3,786,632 141,605	(18,028,522) (380,116)	6,988,277
Consolidated total liabilities							51,685,553

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021 (CONT'D)

34. SEGMENT REPORTING (CONT'D)

Group 2020	Investment holding RM	Precision stamping and tooling RM	PCB and module assembly RM	Renewable energy RM	Others RM	Eliminations RM	Consolidated RM
<i>Revenue</i>							
External sales	-	119,517,773	11,946,683	5,671,920	-	-	137,136,376
<i>Results</i>							
Segment results	(566,156)	1,706,691	29,918	(21,295)	11,064	94,864	1,255,086
Finance costs	(3,972)	(361,289)	(313,448)	(1,252,163)	(194,223)	1,566,742	(558,353)
Finance income	335,143	565,423	-	1,084,766	220,153	(1,483,958)	721,527
(Loss)/Profit before tax	(234,985)	1,910,825	(283,530)	(188,692)	36,994	177,648	1,418,260
Tax (expense)/income	(80,650)	(797,157)	-	192,884	(90,915)	(24,790)	(800,628)
(Loss)/Profit for the financial year	(315,635)	1,113,668	(283,530)	4,192	(53,921)	152,858	617,632
<i>Other information</i>							
Capital additions	-	2,049,126	42,918	24,875	-	-	2,116,919
Depreciation of property, plant and equipment and right-of-use assets	-	3,297,520	615,265	600,398	90,770	(524,770)	4,079,183
<i>Consolidated statement of financial position</i>							
<i>Assets</i>							
Segment assets	63,273,162	137,122,222	6,551,173	14,793,075	8,951,797	(78,583,151)	152,108,278
Unallocated corporate assets	-	668,203	-	22,212	-	(211,794)	478,621
Consolidated total assets							152,586,899
<i>Liabilities</i>							
Segment liabilities	366,532	31,334,629	4,587,789	13,736,918	3,397,506	(15,814,726)	37,608,648
Unallocated corporate liabilities	11,096	8,241,318	-	(589,529)	120,974	(404,907)	7,378,952
Consolidated total liabilities							44,987,600

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021 (CONT'D)

35. CAPITAL COMMITMENT

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

	Group	
	2021 RM	2020 RM
Approved and contracted for:		
Purchase of plant and machinery and motor vehicles	1,277,835	139,642

36. CONTINGENT LIABILITIES

(a) As of 31 August, the Company has the following contingent liabilities:

	Company	
	2021 RM	2020 RM
Unsecured corporate guarantees given to:		
Licensed banks for credit facilities granted to subsidiary companies	8,710,161	9,545,805

- (b) On 19 December 2014, BSLET received bills of demand from the relevant authority demanding payment of sales tax and import duty amounting to RM11,100,000 for the period from December 2011 to July 2014 of which BSLET disputed. The directors have been in discussion with the relevant authority and have provided all necessary documentation to support their view. The directors of the Company have obtained advice from a consultant, and based on the advice received, the directors are of the view that BSLET should only be liable for up to RM200,000 and a provision for this had been made in the financial statements (Note 25). The remaining balance of the claim of RM10,900,000 represents a contingent liability which is subject to appeal to the authority.

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

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

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

On 5 July 2018, BSLET, through its appointed solicitor filed in an application for judicial review to the High Court. During the leave hearing for judicial review held on 19 September 2018, the High Court granted leave and an interim stay for the enforcement of bills of demand until the disposal of the inter-partes stay hearing. The High Court has fixed for the Minister of Finance to file its affidavit in reply by 21 December 2018 whereas BSLET is required to file its further affidavit in reply by 11 January 2019. The High Court also fixed for case management on 28 January 2019.

On 28 January 2019, the High Court fixed for BSLET to file its affidavit in reply by 21 February 2019. BSLET, Minister of Finance and Director-General of Customs, Royal Malaysia Customs Department are required to attend another case management on 15 March 2019 and hearing on 29 March 2019.

On 22 March 2019, the High Court had adjourned the hearing to 21 May 2019.

On 21 May 2019, the High Court fixed the decision date to be held on 9 July 2019 but subsequently adjourned to 17 October 2019 after a few adjournments.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021 (CONT'D)

36. CONTINGENT LIABILITIES (CONT'D)

- (b) On 17 October 2019, the High Court set another case management on 5 November 2019 for the new judge to decide whether to hear the case afresh or to deliver the decision based on notes prepared by the previous judge whom had been elevated to the Court of Appeal.

On 5 November 2019, the High Court has set 6 January 2020 for further clarification and to deliver the decision.

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

The High Court has set a case management on 6 February 2020.

On 6 February 2020, the High Court fixed for Minister of Finance and Director-General of Customs, Royal Malaysia Customs Department to file an affidavit in reply by 20 February 2020 and BSLET to file its affidavit in reply by 5 March 2020. BSLET, Minister of Finance and Director-General of Customs, Royal Malaysia Customs Department are required to file written submission and to attend case management on 13 April 2020 and hearing on 29 April 2020.

On 14 April 2020, the High Court has vacated the hearing on 29 April 2020 and fixed a case management on the same date.

On 30 April 2020, the High Court has instructed BSLET, Minister of Finance and Director-General of Customs, Royal Malaysia Customs Department to file the written submission and written submission in reply, if any by 3 June 2020 and 11 June 2020 respectively, attend a case management on 11 June 2020 and hearing on 16 June 2020.

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

On 14 October 2020, the Court of Appeal has instructed all parties to file their written submissions within the stipulated time and fixed the hearing date on 17 August 2021.

On 18 December 2020, BSLET had filled and served an Originating Summons ("OS") against Panasonic Manufacturing Malaysia Berhad ("PMMA") in the High Court of Malaya in Kuala Lumpur for a total amount of RM9,431,695 being import duties and sales tax arises from the economic transactions between BSLET and PMMA during the period from December 2011 to July 2014 which led to the majority of the total claim of import duties and sales tax from the authority on BSLET. BSLET had filed the OS for declaratory relief concerning PMMA's liability to pay import duties and sales tax to BSLET in the event BSLET's appeal against the levy of the import duties and sales tax at the Court of Appeal fails and also to preserve its cause of action against PMMA prior to expiry. BSLET's solicitors had attempted to serve the OS onto PMMA premises, however the said service was not successful as PMMA's premises were closed. Thus, BSLET's solicitors had served the OS by hand to PMMA's solicitors on 29 December 2020. The High Court of Malaya had set a case management on 5 January 2021 for the OS filed by BSLET.

On 15 February 2021, PMMA had filed in an application to strike off the OS raised by BSLET ("PMMA's Application") at the Kuala Lumpur High Court and the hearing for the PMMA's Application was set on 3 May 2021. However, the hearing was converted into a case management and during the case management, the High Court had adjourned the hearing for the PMMA's Application to 30 September 2021.

On 6 August 2021, PMMA had filed to the Court of Appeal a notice of motion ("Motion") to intervene in the appeal proceedings commenced by BSLET at the Court. At a case management held on 11 August 2021, the Court instructed the following:

1. The appeal hearing initially scheduled on 17 August 2021 will be vacated;
2. The hearing for the Motion to intervene is fixed on 1 November 2021; and
3. BSLET and PMMA to submit their affidavits and written submissions within the stipulated time.

On 30 September 2021, the Court fixed the decision date in regards to the application by PMMA to strike-out BSLET's OS on 6 October 2021.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021 (CONT'D)

36. CONTINGENT LIABILITIES (CONT'D)

- (b) On 6 October 2021, the Court had decided to allow PMMA's Application and struck off BSLET's OS. However, BSLET intends to appeal to the Court of Appeal against the High Court's decision.

On 11 October 2021, a notice of appeal was filed by BSLET in relation to the Kuala Lumpur High Court's decision to allow PMMA's Application to strike out BSLET's OS.

On 1 November 2021, the Court of Appeal has allowed PMMA's Motion to intervene in BSLET's appeal proceedings at the Court.

On 30 November 2021, BSLET has filed an application for leave to appeal to the Federal Court against the Court of Appeal's decision to allow PMMA's Application to intervene in the Court of Appeal.

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

37. FINANCIAL INSTRUMENTS

- (a) Categories of financial instruments

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
<i>Financial assets</i>				
At amortised cost:				
Trade receivables	24,231,083	27,348,577	-	-
Other receivables and deposits	4,269,580	1,470,648	-	-
Dividend receivable	-	-	-	1,250,000
Amounts owing by subsidiary companies	-	-	2,410	1,738,270
Short-term deposits with licensed banks	3,987,106	4,333,190	-	-
Cash and bank balances	14,098,543	11,488,113	219,333	64,401
	46,586,312	44,640,528	221,743	3,052,671
At FVTOCI:				
Other investments	5,797,500	-	-	-
Total	52,383,812	44,640,528	221,743	3,052,671
<i>Financial liabilities</i>				
At amortised cost:				
Trade payables	27,926,218	23,807,892	-	-
Other payables and accruals	6,504,947	2,871,880	96,830	291,366
Amounts owing to subsidiary companies	-	-	-	100,166
Hire purchase liabilities	2,278,399	2,989,664	-	-
Bank borrowings	1,602,000	17,783	-	-
Term loans	4,829,762	6,538,358	-	-
	43,141,326	36,225,577	96,830	391,532

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021 (CONT'D)

37. FINANCIAL INSTRUMENTS (CONT'D)

(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 and of the Company's financial assets and liabilities as reported in the statements of financial position as of 31 August 2021 approximate their fair values because of the short maturity terms of these instruments except as follows:

Group	2021		2020	
	Carrying amount RM	Fair value RM	Carrying amount RM	Fair value RM
<i>Financial asset</i>				
Other investments	5,797,500	5,797,500	-	-
<i>Financial liabilities</i>				
Hire purchase liabilities	2,278,399	2,480,906	2,989,664	3,365,860
Term loans	4,829,762	5,483,309	6,538,358	7,403,091
Total	7,108,161	7,964,215	9,528,022	10,768,951

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 Group'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.

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's and the Company's activities expose them to a variety of financial risks including credit risk, interest rate risk, foreign currency exchange risk and liquidity and cash flow risks 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 review 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 and the Company have a gain position.

The entire financial assets of the Group and the Company are exposed to credit risk except for cash and bank balances and short-term deposits which are placed with licensed banks in Malaysia.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021 (CONT'D)

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(i) Credit risk (Cont'd)

Trade receivables and contract assets

The Group's exposure to credit risk is monitored on an ongoing basis. The Group has credit risk policies in place to manage credit risk exposure. The risk is managed through the application of the Group's credit management procedures which include regular monitoring and follow up procedures.

An impairment analysis is performed at each reporting date to measure the expected credit losses. The calculation reflects information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

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

The Group has no major concentration of credit risk except for amounts due from Nine (2020: Seven) trade receivables which constitute approximately RM18,960,000 (2020: RM21,674,000) or 78% (2020: 77%) of gross trade receivables at the end of the reporting period.

The Group carefully selects the projects in which they intend to participate. The selection is based on criteria that are reviewed periodically to take into account developments in the market. The Group also manages its credit risk exposure by maintaining good business relationship with its customers and debtors. This approach has enabled the Group to manage its credit risk more effectively in addition to the above credit risk management procedures.

For other activities, the Group minimises and monitors its credit risks by dealing with credit worthy counterparties, setting credit limits on exposures, applying credit approval controls and obtaining collateral or security deposits where appropriate.

Trade and financial receivables are monitored on an ongoing basis via group-wide management reporting procedures.

The ageing analysis of receivables as at the reporting date which is trade in nature is as follows:

2021	Gross carrying amount RM	Loss allowance RM	Carrying amount RM
Not past due	19,212,085	-	19,212,085
Less than 30 days past due	4,058,059	-	4,058,059
31 to 60 days past due	369,228	-	369,228
61 to 90 days past due	28,461	-	28,461
91 to 120 days past due	6,309	-	6,309
More than 121 days past due	1,195,940	(116,217)	1,079,723
Credit impaired			
Individually impaired	262,262	(262,262)	-
	25,132,344	(378,479)	24,753,865
Contract assets	522,782	-	522,782
Trade receivables	24,609,562	(378,479)	24,231,083
	25,132,344	(378,479)	24,753,865

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021 (CONT'D)

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(i) Credit risk (Cont'd)

Trade receivables and contract assets (Cont'd.)

2020	Gross carrying amount RM	Loss allowance RM	Carrying amount RM
Not past due	25,314,960	-	25,314,960
Less than 30 days past due	1,081,463	-	1,081,463
31 to 60 days past due	328,668	-	328,668
61 to 90 days past due	95,967	-	95,967
91 to 120 days past due	462,030	-	462,030
More than 121 days past due	119,055	-	119,055
Credit impaired			
Individually impaired	761,463	(761,463)	-
	28,163,606	(761,463)	27,402,143
Contract assets	53,566	-	53,566
Trade receivables	28,110,040	(761,463)	27,348,577
	28,163,606	(761,463)	27,402,143

Movement in allowance for doubtful debts:

	2021 RM	2020 RM
At 1 September	761,463	691,866
Addition	116,217	87,978
Reversal	(233,988)	(18,381)
Write off	(265,557)	-
Foreign exchange difference	344	-
At 31 August	378,479	761,463

Ageing of impaired trade receivables:

Past due more than 90 days	378,479	761,463
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The Company is also exposed to credit risk in relation to corporate guarantees in respect of bank facilities granted to the subsidiary companies. The Company monitors the results of the subsidiary companies and their repayment on an on-going basis. The maximum exposure to credit risk is amounting to RM8,710,161 (2020: RM9,545,805).

(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 short-term deposits with licensed banks.

Interest rate sensitivity

The financial impact arising from changes in interest rate is not expected to be significant. Accordingly, the sensitivity analysis has not been presented.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021 (CONT'D)

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(iii) Foreign currency exchange risk

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

The carrying amount of material foreign currencies denominated monetary assets and monetary liabilities at the reporting date:

	2021 RM	Group 2020 RM
<i>United States Dollar:</i>		
Trade receivables	2,679,481	750,553
Other receivables	548,969	-
Cash and bank balances	1,238,508	642,486
Trade payables	(2,632,323)	(750,925)
	1,834,635	642,114

The financial impact arising from changes in foreign exchange rates is not expected to be significant. Accordingly, the sensitivity analysis has not been presented.

(iv) Liquidity and cash flow risks

Liquidity and cash flow risks 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 risks arises principally from their various payables.

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

The intra group financial guarantees have not been recognised since the fair value on initial recognition was not material as the financial guarantees provided by the Company did not contribute towards significant credit enhancement of the subsidiary companies' borrowings and other credit facilities. Furthermore, the requirements to reimburse is remote.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's financial liabilities at 31 August based on the contractual undiscounted cash flows.

Group	Less than 1 year RM	1 to 5 years RM	More than 5 years RM	Total RM
2021				
Trade payables	27,926,218	-	-	27,926,218
Other payables and accruals	6,504,947	-	-	6,504,947
Bank borrowings	1,602,000	-	-	1,602,000
Hire purchase liabilities	1,598,593	797,434	-	2,396,027
Term loans	1,824,855	3,363,781	-	5,188,636
	39,456,613	4,161,215	-	43,617,828
Lease liabilities	218,200	388,600	1,050,800	1,657,600
	39,674,813	4,549,815	1,050,800	45,275,428

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021 (CONT'D)

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(iv) Liquidity and cash flow risks (Cont'd)

Analysis of financial instruments by remaining contractual maturities (Cont'd.)

Group	Less than 1 year RM	1 to 5 years RM	More than 5 years RM	Total RM
2020				
Trade payables	23,807,892	-	-	23,807,892
Other payables and accruals	2,871,880	-	-	2,871,880
Bank borrowings	17,783	-	-	17,783
Hire purchase liabilities	1,709,799	1,453,239	-	3,163,038
Term loans	2,098,977	5,040,731	-	7,139,708
	30,506,331	6,493,970	-	37,000,301
Lease liabilities	123,000	344,800	1,136,000	1,603,800
	30,629,331	6,838,770	1,136,000	38,604,101
Company				
2021				
Other payables and accruals	96,830	-	-	96,830
2020				
Other payables and accruals	291,366	-	-	291,366
Amounts owing to subsidiary companies	100,166	-	-	100,166
	391,532	-	-	391,532

The contractual undiscounted repayment obligations arising from financial guarantee given to banks in respect of corporate guarantees and undertaking provided by the Company to certain subsidiary companies amounted to RM8,710,161 (2020: RM9,545,805). There is no indication that the subsidiary companies will default on repayment. In the event of a default by the subsidiary companies, the financial guarantees could be called on demand.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021 (CONT'D)

39. 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 were as follow:

	2021 RM	2020 RM
Debt:		
Term loans	4,829,762	6,538,358
Hire purchase liabilities	2,278,399	2,989,664
Bank borrowings	1,602,000	17,783
Lease liabilities	1,125,179	1,024,059
	9,835,340	10,569,864
Equity attributable to owners of the Company	120,019,809	107,701,908
Debt to equity ratio (%)	8%	10%

The Company has no gearing as at 31 August 2021 and 2020.

40. SIGNIFICANT EVENTS OCCURING DURING AND AFTER THE FINANCIAL YEAR

(a) The Coronavirus disease pandemic

On 11 March 2020, the World Health Organisation assessed the Covid-19 outbreak as a pandemic due to rapid escalation of Covid-19 cases across the globe. The COVID-19 pandemic also resulted in travel restriction and other precautionary measures implemented by the Government of Malaysia.

The directors of the Company have assessed the overall impact of this situation towards the Group's and the Company's operations, financial performance and cash flows and concluded that there is no material adverse effect on the Group's and the Company's financial statements for the financial year ended 31 August 2021. Nevertheless, the directors will closely monitor the current developments of COVID-19 pandemic.

(b) Corporate exercises

On 22 October 2021, an extraordinary general meeting has been conducted and the below resolution have been passed:

- (i) Proposed share split involving a subdivision of every 1 existing ordinary share in the Company held on entitlement date to be determined and announced later into 2 shares. The proposed share split has been completed on 9 November 2021;
- (ii) Proposed private placement of up to 58,800,000 new shares, representing up to 30% of the total number of issued shares to independent third party investor(s) to be identified later at an issue price to be determined later;
- (iii) Proposed bonus issue of up to 127,400,000 free warrants in the Company on the basis of 1 warrant for every 2 shares held on 11 November 2021. The listing of 96,635,887 free warrants were completed on 17 November 2021. As at the date of this report, there were 2,361,250 warrants exercised;
- (iv) Proposed establishment of an Employees' Share Option Scheme ("ESOS") involving up to 15% of the total number of issued shares of the Company (excluding treasury shares) for eligible directors and employees of the Company and its subsidiary companies (excluding dormant subsidiary companies). The effective date of the ESOS implementation is 23 November 2021; and
- (v) Proposed allocation of options to the Company's directors.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021 (CONT'D)

40. SIGNIFICANT EVENTS OCCURING DURING AND AFTER THE FINANCIAL YEAR (CONT'D.)

(c) Acquisition of a subsidiary

On 10 November 2021, the Company had entered into a Share Sale Agreement with Jerry Tan Gim Moh and Tan Hoon Bee, for the acquisition of 51,000 ordinary shares in SD Unify Pte. Ltd. ("SDU"), a company incorporated in Singapore, representing 51% of the total issued and paid-up ordinary shares of SDU, for a total consideration of SGD1,785,000 (approximately RM5,499,764). Upon completion of the conditions precedent and the completion documents, SDU will become a 51% owned subsidiary company of the Company.

(d) Disposal of a subsidiary company

On 12 November 2021, the Company entered into a Share Sale Agreement with Matahari Kencana Sdn. Bhd. for disposal of the Company's 51% equity interest held in BSL Eco Energy Sdn. Bhd. ("BSLE") comprising 510,000 ordinary shares in BSLE for a cash consideration of RM400,000 and consequently, BSLE ceased to be a subsidiary company of the Company.

41. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

These financial statements were authorised for issue on 20 December 2021 by the board of directors.

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, Hoo Wai Keong and Andrew Ho Tho Kong, being two of the directors of BSL Corporation Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 63 to 122 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 August 2021 and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards, and the requirements of the Companies Act 2016 in Malaysia.

Signed on behalf of the board of directors in accordance with a directors' resolution.

HOO WAI KEONG
Director

ANDREW HO THO KONG
Director

Kuala Lumpur

Date: 20 December 2021

STATUTORY DECLARATION

PURSUANT TO SECTION 251(1)(B) OF THE COMPANIES ACT 2016

I, Andrew Ho Tho Kong (I/C No: 660727-10-6361), being the director primarily responsible for the financial management of BSL Corporation Berhad, do solemnly and sincerely declare that, to the best of my knowledge and belief, the accompanying financial statements set out on pages 63 to 122 are 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 abovenamed
Andrew Ho Tho Kong
at Kuala Lumpur
in the Federal Territory
on this 20 December 2021

ANDREW HO THO KONG

Before me:

HJ. WAN AZMAN B. HJ WAN ABDULLAH
NO. PJS: W728
Commissioner for Oaths

LIST OF PROPERTIES

	Name of registered owner / beneficial owner	Location / Geran No.	Description / Existing use	Land/built-up area (sqm)	Approximate age of building (years)	Date of acquisition / revaluation	Audited NBV as at 31 August 2021 (RM)
1.	Ban Seng Lee Industries Sdn. Bhd.	a) Lot 4220, Persimpangan Jalan Batu Arang/ Lebuhraya PLUS, 48000 Rawang, Selangor Darul Ehsan. Geran No. 50480, Lot No. 4220, Mukim Rawang, Daerah Gombak, Selangor Darul Ehsan.	Freehold land built upon with 2-storey office building annexed to single-storey detached factory and ancillary building.	19,551/11,941	24	26 August 2009 / 31 May 2021	69,845,000
		b) Lot 4212, Persimpangan Jalan Batu Arang/ Lebuhraya PLUS, 48000 Rawang, Selangor Darul Ehsan. Geran No. 27631, Lot 4212, Mukim Rawang, Daerah Gombak, Selangor Darul Ehsan.	Freehold land built upon with 2-storey factory building annexed to single-storey warehouse and ancillary buildings.	24,995/11,148	9	20 September 2010 / 31 May 2021	
2.	Unique Forging & Components Sdn. Bhd.	HSD 62560, Lot No. PT1985, Mukim Bandar Kundang, Daerah Gombak, Selangor Darul Ehsan.	Vacant leasehold land	1.214 hectares	-	31 October 2012 / 31 May 2021	3,888,000

ANALYSIS OF SHAREHOLDINGS

AS AT 30 NOVEMBER 2021

Issued and Fully Paid-up Capital	: 196,040,000 (Including 2,728,226 treasury shares held)
Class of Shares	: Ordinary shares
Voting Rights	: One vote per ordinary share

SHAREHOLDING DISTRIBUTION SCHEDULE (BASED ON THE RECORD OF DEPOSITORS)

No. of Shareholders	Size of Shareholdings	No. of Shares Held	%
11	Less than 100	211	*
679	100 to 1,000	340,799	0.18
1,179	1,001 to 10,000	5,237,100	2.71
300	10,001 to 100,000	8,415,766	4.35
55	100,001 to less than 5% of issued shares	57,502,604	29.75
3	5% and above of the issued shares	121,815,294	63.01
2,227	TOTAL	193,311,774	100.00

* Less than 0.01%

LIST OF 30 LARGEST SECURITIES ACCOUNT HOLDERS (BASED ON THE RECORD OF DEPOSITORS) (WITHOUT AGGREGATING SECURITIES FROM DIFFERENT SECURITIES ACCOUNT BELONGING TO THE SAME PERSON)

Name of Shareholders	No. of Shares Held	%
1. M & A Nominee (Tempatan) Sdn. Bhd. - Majestic Salute Sdn. Bhd. for Pang Chow Huat	67,392,294	34.86
2. M & A Nominee (Tempatan) Sdn. Bhd. - Majestic Salute Sdn. Bhd. for Ho Jien Shiung	35,084,000	18.15
3. BCM Alliance Berhad	19,339,000	10.00
4. Cita Realiti Sdn. Bhd.	7,030,000	3.64
5. M & A Nominee (Tempatan) Sdn. Bhd. - Pledged Securities Account for Genting Utama Sdn. Bhd. (M&A)	6,090,200	3.15
6. Welmax Capital Sdn. Bhd.	5,431,414	2.81
7. TA Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Cita Realiti Sdn. Bhd.	5,240,000	2.71
8. Cita Realiti Sdn. Bhd.	3,753,300	1.94
9. Affin Hwang Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Lim Gaik Eng (LIM4779C)	3,400,000	1.76
10. Cita Realiti Sdn. Bhd.	3,128,000	1.62
11. M N C Wireless Berhad	2,910,000	1.51
12. TA Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for M N C Wireless Berhad	1,961,800	1.01
13. Tan Kok Hui	1,860,000	0.96
14. M & A Nominee (Tempatan) Sdn. Bhd. - Pledged Securities Account for Tay Seng Chew (PNG)	1,600,000	0.83
15. Woo Yam Sang	1,092,800	0.57
16. Kim Poh Holdings Sdn. Bhd.	1,000,000	0.52
17. Kua Khai Shyuan	1,000,000	0.52
18. Amy Vimala Sivanandam	808,100	0.42

ANALYSIS OF SHAREHOLDINGS

AS AT 30 NOVEMBER 2021 (CONT'D)

LIST OF 30 LARGEST SECURITIES ACCOUNT HOLDERS (BASED ON THE RECORD OF DEPOSITORS) (WITHOUT AGGREGATING SECURITIES FROM DIFFERENT SECURITIES ACCOUNT BELONGING TO THE SAME PERSON) (CONT'D)

Name of Shareholders	No. of Shares Held	%
19. Rapid Carrier Sdn. Bhd.	736,000	0.38
20. Chooi Heng Yuen	720,000	0.37
21. Cheng Sook Kee	634,000	0.33
22. Cheng Ting In	500,000	0.26
23. Robert Tan Chung Meng	484,000	0.25
24. Liew Kuo Aun	444,000	0.23
25. Tee Ah Ta @ Tee Sin Yong	442,000	0.23
26. Tan Kim Tiang	436,000	0.23
27. Mohamad Ali bin Baharodin	411,500	0.21
28. Liew Swee Lin	376,000	0.19
29. Sharifah Rohaizah binti Syed Abu Bakar	306,000	0.16
30. Ngiam Tee Wee	300,000	0.16
TOTAL	173,910,408	89.96

LIST OF SUBSTANTIAL SHAREHOLDERS (BASED ON THE REGISTRAR OF SUBSTANTIAL SHAREHOLDERS)

Name of Shareholders	Direct	No. of Shares Held %	Indirect	%
1. Dato' Sri Dr. Pang Chow Huat	67,392,294	34.86	-	-
2. Ho Jien Shiung	35,084,000	18.15	-	-
3. BCM Alliance Berhad	19,339,000	10.00	-	-
4. Cita Realiti Sdn. Bhd.	19,151,300	9.91	-	-

LIST OF DIRECTORS' SHAREHOLDINGS (BASED ON THE REGISTRAR OF DIRECTORS' SHAREHOLDINGS)

Name of Directors	Direct	No. of Shares Held %	Indirect	%
1. Hoo Wai Keong	-	-	-	-
2. Andrew Ho Tho Kong	-	-	-	-
3. Wong Boon Peng	-	-	-	-
4. Chong Kwang Fock	-	-	-	-
5. Chew Khai Liong	-	-	-	-

ANALYSIS OF WARRANTS A HOLDINGS

AS AT 30 NOVEMBER 2021

No. of Warrants	: 95,937,837
Exercise Price of Warrants	: RM0.50
Exercise Period of Warrants	: 12 November 2021 to 11 November 2024
Exercise Rights of Warrants	: One vote per warrant holder on a show of hand / One vote per warrant holder on poll

WARRANT HOLDINGS DISTRIBUTION SCHEDULE (BASED ON THE RECORD OF DEPOSITORS)

No. of Warrants A Holders	Size of Warrants A Holdings	No. of Warrants A Held	%
69	Less than 100	3,114	*
594	100 to 1,000	239,910	0.25
802	1,001 to 10,000	3,916,631	4.08
392	10,001 to 100,000	11,600,028	12.09
62	100,001 to less than 5% of warrants	28,940,007	30.17
2	5% and above of the warrants	51,238,147	53.41
1,921	TOTAL	95,937,837	100.00

* Less than 0.01%

**LIST OF 30 LARGEST WARRANTS A ACCOUNT HOLDERS (BASED ON THE RECORD OF DEPOSITORS)
(WITHOUT AGGREGATING SECURITIES FROM DIFFERENT SECURITIES ACCOUNT BELONGING TO THE SAME PERSON)**

Name of Warrants A Holders	No. of Warrants A Holder Held	%
1. M & A Nominee (Tempatan) Sdn. Bhd. - Majestic Salute Sdn. Bhd. for Pang Chow Huat	33,696,147	35.12
2. M & A Nominee (Tempatan) Sdn. Bhd. - Majestic Salute Sdn. Bhd. for Ho Jien Shiung	17,542,000	18.28
3. M & A Nominee (Tempatan) Sdn. Bhd. - Pledged Securities Account for Genting Utama Sdn. Bhd. (M&A)	3,045,100	3.17
4. BCM Alliance Berhad	2,728,700	2.84
5. Welmax Capital Sdn. Bhd.	2,715,707	2.83
6. Cita Realiti Sdn. Bhd.	1,876,650	1.96
7. Affin Hwang Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Lim Gaik Eng (LIM4779C)	1,700,000	1.77
8. M N C Wireless Berhad	1,455,000	1.52
9. Cita Realiti Sdn. Bhd.	1,128,000	1.18
10. TA Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Cita Realiti Sdn. Bhd.	1,082,350	1.13
11. TA Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for M N C Wireless Berhad	980,900	1.02
12. Tan Jyh Khuang	917,100	0.96
13. Cita Realiti Sdn. Bhd.	800,000	0.83
14. M & A Nominee (Tempatan) Sdn. Bhd. - Pledged Securities Account for Tay Seng Chew (PNG)	800,000	0.83
15. Woo Yam Sang	546,400	0.57
16. Harith bin Abdul Hamid	500,000	0.52
17. Kim Poh Holdings Sdn. Bhd.	500,000	0.52

ANALYSIS OF WARRANTS A HOLDINGS

AS AT 30 NOVEMBER 2021 (CONT'D)

LIST OF 30 LARGEST WARRANTS A ACCOUNT HOLDERS (BASED ON THE RECORD OF DEPOSITORS) (WITHOUT AGGREGATING SECURITIES FROM DIFFERENT SECURITIES ACCOUNT BELONGING TO THE SAME PERSON) (CONT'D)

Name of Warrants A Holders	No. of Warrants A Holder Held	%
18. Chooi Heng Yuen	370,000	0.39
19. Khor Xin Yi	370,000	0.39
20. Rapid Carrier Sdn. Bhd.	368,000	0.38
21. Cheng Sook Kee	317,000	0.33
22. Robert Tan Chung Meng	242,000	0.25
23. HSBC Nominees (Asing) Sdn. Bhd. - J.P. Morgan Securities PLC	230,000	0.24
24. Wong Woei Kang	230,000	0.24
25. Citigroup Nominees (Asing) Sdn. Bhd. - UBS AG	227,300	0.24
26. Liew Kuo Aun	222,000	0.23
27. Tee Ah Ta @ Tee Sin Yong	221,000	0.23
28. Maybank Nominees (Tempatan) Sdn. Bhd. - Maybank Private Wealth Management for Wan Adam Shaw bin Redzuan Taufik Shaw (PW-M00728)(420320)	218,500	0.23
29. Tan Kim Tiang	213,000	0.22
30. Maybank Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Chan Kok Meng	202,900	0.21
TOTAL	75,445,754	78.64

LIST OF DIRECTORS' WARRANTS A HOLDINGS (BASED ON THE REGISTRAR OF DIRECTORS' SHAREHOLDINGS)

Name of Directors	Direct	No. of Warrants A Holder Held %	Indirect	%
1. Hoo Wai Keong	-	-	-	-
2. Andrew Ho Tho Kong	-	-	-	-
3. Wong Boon Peng	-	-	-	-
4. Chong Kwang Fock	-	-	-	-
5. Chew Khai Liong	-	-	-	-

FORM OF PROXY

I/We, _____
(Full Name in Block Letters)

NRIC/Passport/Company No. _____

of _____
(Full Address)

contact no. _____ email address _____ being a member/members of **BSL Corporation Berhad ("Company")** hereby appoint the person(s) below as my/our proxy(ies) to vote for me/us and on my/our behalf at the Eighteenth Annual General Meeting ("**AGM**") of the Company which will be held on a virtual basis through live streaming and online remote participation and voting from the broadcast venue at Level 10, Tower 11, Avenue 5, No. 8, Jalan Kerinchi, Bangsar South, 59200 Kuala Lumpur, Wilayah Persekutuan (KL) on **Friday, 28 January 2022 at 10.30 a.m.** or at any adjournment thereof.

Full Name (in capital letters):	NRIC/Passport No.:
Full Address (in capital letters):	Contact No.: Email Address:

and/or

Full Name (in capital letters):	NRIC/Passport No.:
Full Address (in capital letters):	Contact No.: Email Address:

or failing him/her, the Chairman of the meeting as *my/our proxy to vote for *me/us and on *my/our behalf, at the AGM of the Company.

My/our proxy is authorised to vote as indicated below:-

ORDINARY RESOLUTIONS		FOR	AGAINST
1.	Payment of Directors' fees for the financial year ending 31 August 2022		
2.	Payment of Directors' fees for the financial year ending 31 August 2023		
3.	Payment of Directors' benefits from 29 January 2022 until the next Annual General Meeting of the Company		
4.	Re-election of Mr. Hoo Wai Keong		
5.	Re-election of Mr. Andrew Ho Tho Kong		
6.	Re-election of Mr. Chong Kwang Fock		
7.	Re-election of Mr. Wong Boon Peng		
8.	Re-election of Mr. Chew Khai Liong		
9.	Re-appointment of Auditors		
10.	Authority to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016		

Please indicate with a tick (✓) in the space provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific directions, your proxy shall vote as he/she thinks fit, or at his/her discretion, abstain from voting.

For appointment of two proxies, percentage of shareholdings to be represented by the proxies:

CDS Account No	
No. of shares held	

For appointment of 2 proxies, percentage of shareholdings to be represented by the proxies:		
	No. of Shares	%
Proxy 1		
Proxy 2		
Total		100%

Signed this _____ day of _____ 2022

Signature(s)/Common Seal of member(s)

Notes:-

- (1) In view of the Covid-19 pandemic and as part of the Company's safety measures to curb the spread of Covid-19, the AGM will be held on a virtual basis through live streaming and online remote voting by using the Remote Participation and Voting ("**RPV**") facilities.
- (2) The broadcast venue is strictly for the purpose of complying with Section 327(2) of the Companies Act, 2016 which requires the Chairman to be present at the main venue of the AGM.
No members / proxies / corporate representatives / attorneys from the public shall be physically present at the broadcast venue on the day of the EGM.
Please read and follow the procedures as set out in the Administrative Guide of the AGM which can be downloaded from Company's announcement on Bursa Malaysia Berhad's website at www.bursamalaysia.com or Company's website at www.bslcorp.com.my in order to register, participate and vote remotely via the RPV facilities.
- (3) For the purpose of determining a member who shall be entitled to attend the AGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company, a general meeting Record of Depositors as at 19 January 2022. Only a member whose name appears on the Record of Depositors as at 19 January 2022 shall be entitled to attend the said meeting or appoint proxies to attend, speak and vote on his/her/its behalf.
- (4) A member entitled to attend and vote at this general meeting is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend, participate, speak and vote in his place. A proxy may but need not be a member of the Company.
- (5) A member of the Company who is entitled to attend and vote at a general meeting of the Company may appoint not more than two (2) proxies to attend, participate, speak and vote instead of the member at the general meeting.
- (6) Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("**Central Depositories Act**"), 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.
- (7) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one 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. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.
- (8) Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
- (9) The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the general meeting or adjourned general meeting at which the person named in the appointment proposes to vote:-
(i) In hard copy form
In the case of an appointment made in hard copy form, the proxy form must be deposited with the Company's share registrar at No. 2-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur, Wilayah Persekutuan (KL), Malaysia.
(ii) By electronic form
The proxy form can be electronically lodged with the Company's share registrar via fax to 03-6201 3121 or e-mail to jr.bsl@shareworks.com.my.
Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.
- (10) Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in this Notice of AGM will be put to vote by way of poll.

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AFFIX
STAMP

Share Registrar
BSL CORPORATION BERHAD
No. 2-1, Jalan Sri Hartamas 8
Sri Hartamas
50480 Kuala Lumpur
Wilayah Persekutuan (KL)

1st fold here



Lot 4220, Persimpangan Jalan Batu Arang/Lebuhraya PLUS,
48000 Rawang, Selangor Darul Ehsan, Malaysia.

www.bslcorp.com.my