

**BSL CORPORATION BERHAD**

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 31 AUGUST 2021**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31-Aug-21 RM'000	PRECEDING YEAR QUARTER 31-Aug-20 RM'000	CURRENT YEAR TO DATE 31-Aug-21 RM'000	PRECEDING YEAR TO DATE 31-Aug-20 RM'000
Continuing Operations				
Revenue	30,975	43,151	159,492	137,136
Cost of sales	(30,225)	(38,332)	(147,657)	(128,101)
Gross profit	750	4,819	11,835	9,035
Other income	2,941	1,898	6,998	3,812
Other expenses	(3,332)	(2,848)	(12,119)	(10,870)
Results from operating activities	359	3,869	6,714	1,977
Interest expense	(107)	(111)	(443)	(558)
Share of result of associate	4,250	-	4,250	-
Profit before tax	4,502	3,758	10,521	1,418
Income tax expense	(78)	(780)	(1,581)	(801)
Profit for the period/year	4,424	2,978	8,940	618
Other comprehensive income:				
Revaluation gain on property, plant and equipment	(806)	2	3,018	2
Exchange differences on translation of foreign operations	(18)	-	2	(1)
Deferred tax liabilities on revaluation reserves	-	(1,340)	-	(1,340)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD/YEAR	3,600	1,640	11,960	(722)
Profit/(Loss) attributable to :				
Equity holders of the company	4,719	2,434	9,299	370
Non-controlling interest	(295)	544	(359)	247
	4,424	2,978	8,940	617
Total comprehensive profit/(loss) attributable to :				
Equity holders of the company	3,897	1,096	12,319	(969)
Non-controlling interest	(297)	544	(359)	247
	3,600	1,640	11,960	(722)
Basic Earnings Per Share based on the weighted average number of shares in issue (Sen)				
	4.88	2.52	9.62	0.38

Notes:

The Unaudited Condensed Consolidated Statements Of Comprehensive Income should be read in conjunction with the Annual Financial Statements of BSL Corporation Berhad for the financial year ended 31 August 2020.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF 31 AUGUST 2021**

	As at 31-Aug-21 RM'000	As at 31-Aug-20 RM'000
ASSETS		
Non current assets		
Property, plant and equipment	91,165	90,332
Right to use assets	1,080	1,001
Other investments	5,799	-
Total non current assets	<u>98,043</u>	<u>91,333</u>
Current assets		
Inventories	22,608	15,131
Trade receivables	24,231	27,349
Other receivables	7,014	2,421
Contract assets	524	54
Current tax assets	740	479
Cash and bank balances	18,086	15,821
Total current assets	<u>73,201</u>	<u>61,255</u>
Total assets	<u>171,244</u>	<u>152,588</u>
Equity and liabilities		
Capital and reserves		
Share capital	50,767	50,767
Treasury shares	(459)	(459)
Reserves	69,713	57,394
Equity attributable to equity holders of the parent	<u>120,021</u>	<u>107,702</u>
Non-controlling interest	(461)	(103)
Total equity	<u>119,559</u>	<u>107,599</u>
Non current liabilities		
Long term borrowings	3,923	6,109
Lease liabilities	964	955
Deferred taxation liabilities	6,987	7,359
Total non current liabilities	<u>11,874</u>	<u>14,423</u>
Current liabilities		
Trade payables	27,926	23,809
Other payables	6,730	3,099
Contract liabilities	206	132
Short term borrowings	4,788	3,437
Lease liabilities	161	69
Tax liabilities	-	20
Total current liabilities	<u>39,811</u>	<u>30,566</u>
Total liabilities	<u>51,685</u>	<u>44,989</u>
Total equity and liabilities	<u>171,244</u>	<u>152,588</u>
Net Assets per share attributable to ordinary equity holders of the parent (RM)	<u>1.24</u>	<u>1.11</u>

Notes :

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The Unaudited Condensed Consolidated Statements Of Financial Position should be read in conjunction with the Annual Financial Statements of BSL Corporation Berhad for the financial year ended 31 August 2020.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 AUGUST 2021**

	<i>Non-distributable</i>				<i>Distributable</i>		Attributable to Equity Holders of the Parent RM'000	Non-controlling Interest RM'000	Total RM'000
	Share Capital RM'000	Foreign currency translation reserve RM'000	Revaluation reserves RM'000	Fair value reserve RM'000	Treasury Shares RM'000	Retained Profit RM'000			
Balance as at 1 September 2020	50,767	(1,130)	32,310	(3,152)	(459)	29,366	107,702	(103)	107,599
Realisation of revaluation reserves	-	-	(162)	-	-	162	-	-	-
Profit for the year	-	-	-	-	-	9,299	9,299	(359)	8,940
Other comprehensive income for the year	-	2	3,018	-	-	-	3,020	-	3,020
Total comprehensive income/(loss) for the year	-	2	3,018	-	-	9,299	12,318	(359)	11,960
Balance as at 31 August 2021	50,767	(1,128)	35,166	(3,152)	(459)	38,827	120,020	(461)	119,559

	<i>Non-distributable</i>				<i>Distributable</i>		Attributable to Equity Holders of the Parent RM'000	Non-controlling Interest RM'000	Total RM'000
	Share Capital RM'000	Foreign currency translation reserve RM'000	Revaluation reserves RM'000	Fair value reserve RM'000	Treasury Shares RM'000	Retained Profit RM'000			
Balance as at 1 September 2019	50,767	(1,129)	34,049	(3,154)	(459)	28,596	108,670	(350)	108,320
Realisation of revaluation reserves	-	-	(399)	-	-	399	-	-	-
Profit for the year	-	-	-	-	-	370	370	247	618
Other comprehensive loss for the year	-	(1)	(1,340)	2	-	-	(1,338)	-	(1,338)
Total comprehensive (loss)/income for the year	-	(1)	(1,340)	2	-	370	(968)	247	(721)
Balance as at 31 August 2020	50,767	(1,130)	32,310	(3,152)	(459)	29,366	107,702	(103)	107,599

Notes :

The Unaudited Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the Annual Financial Statements of BSL Corporation Berhad for the financial year ended 31 August 2020.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 AUGUST 2021**

	31-Aug-21	31-Aug-20
	RM'000	RM'000
Cash flows from operating activities		
Profit before tax	10,521	1,418
Adjustments for:		
Non-cash items	3,977	4,079
Non-operating items	<u>(5,809)</u>	<u>(177)</u>
Operating profit before working capital changes	8,689	5,320
Decrease/(Increase) in working capital:		
Inventories	(7,401)	(2,146)
Receivables	(1,815)	9,275
Payables	<u>7,824</u>	<u>(1,148)</u>
Cash generated from operations	7,297	11,301
Income tax paid	<u>(1,510)</u>	<u>(960)</u>
Net cash generated from operating activities	<u><u>5,787</u></u>	<u><u>10,341</u></u>
Cash flows from investing activities		
Interest received	50	35
Proceeds from disposal of property, plant and equipment	190	240
Purchase of property, plant and equipment	<u>(1,385)</u>	<u>(1,028)</u>
Net cash used in investing activities	<u>(1,145)</u>	<u>(753)</u>
Cash flows from financing activities		
Net decrease in bank borrowings	(1,784)	(3,822)
Interest paid	(443)	(557)
Payment of lease liabilities	(144)	(116)
Net cash used in financing activities	<u>(2,371)</u>	<u>(4,495)</u>
Net increase in cash and cash equivalents	2,272	5,094
Effect of changes in foreign currency translation reserves	1	-
Cash and cash equivalents at 1 September 2020 / 2019	<u>15,250</u>	<u>10,156</u>
Cash and cash equivalents at 31 August 2021 /2020	<u><u>17,522</u></u>	<u><u>15,250</u></u>
Cash and cash equivalents at end of quarter comprise:		
Cash and bank balances	14,099	11,488
Deposits in licensed banks	3,987	4,333
Bank overdrafts	-	(18)
	<u>18,086</u>	<u>15,804</u>
Less : Fixed deposit pledged to licensed bank	<u>(564)</u>	<u>(553)</u>
	<u><u>17,522</u></u>	<u><u>15,250</u></u>

Notes :

The Unaudited Condensed Consolidated Statement Of Cash Flow should be read in conjunction with the Annual Financial Statements of BSL Corporation Berhad for the financial year ended 31 August 2020.

Notes on the interim financial statements
For the fourth quarter ended 31 August 2021

PART A: NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 AUGUST 2021

A1. Basis of preparation

The unaudited interim financial report has been prepared in accordance with the requirements of the Malaysian Financial Reporting Standard (MFRS) 134 - Interim Financial Reporting and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”). The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 August 2020.

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the audited financial statements for the financial year ended 31 August 2020.

A2. Qualification of annual financial statements

There were no audit qualifications on the financial statements for the year ended 31 August 2020.

A3. Seasonal and cyclical factors

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

A4. Unusual nature and amounts of items affecting assets, liabilities, equity, net income or cash flows

There were no unusual nature and amounts of items affecting assets, liabilities, equity, net income or cash flows during the current quarter under review.

A5. Material changes in estimates

There were no material changes in estimates of amounts reported in the current quarter under review.

A6. Issuances and repayment of debt and equity securities

There were no issuance, cancellations, repurchases, resale and repayment of debt and equity securities for the current quarter under review.

A7. Dividend paid

There was no dividend paid by the Company during the quarter under review.

Notes on the interim financial statements
For the fourth quarter ended 31 August 2021

A8. Segment information

Segmental information from continuing operations is presented in respect of the Group's business segments for the year to date ended 31 August 2021:

	Investment Holding	Precision Stamping and Tooling	Printed circuit board ("PCB") and module assembly	Renewable Energy	Others	Eliminations	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External sales	-	140,661	13,882	4,949	-	-	159,492
Inter-segment sales / Dividend	-	-	947	1,150	-	(2,097)	0
Total revenue	-	140,661	14,829	6,099	-	(2,097)	159,492
Results							
Segment results	(2,590)	3,403	108	(45)	(4,383)	10,161	6,655
Profit from operations							6,655
Interest expense							(443)
Interest income							59
Share of profit of associate							4,250
Profit before tax							10,521
Income tax expense							(1,581)
Profit for the year							8,940
Attributable to:							
Equity holders of the parent							9,300
Minority interest							(359)
							8,940

A9. Valuation of property, plant and equipment

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

A10. Material events subsequent to the end of the interim period

Reference is made to BSL's latest announcement in Bursa Malaysia dated 12 August 2021 and all other previous announcements under the same title "Bills of demand from the Royal Malaysian Customs Selangor".

The Shah Alam High Court had on 6 January 2020 dismissed CMSB's judicial review application against the Minister of Finance and Director-General of Customs, Royal Malaysian Customs Department on the decision to reject CMSB's appeal of remission of import duty and sales tax amounting to a total of RM11,131,511.26. Subsequently, CMSB proceeded to file a notice of appeal on 13 January 2020 to the Court of Appeal.

Notes on the interim financial statements
For the fourth quarter ended 31 August 2021

At a hearing in the Shah Alam High Court on 16 June 2020, the Court had granted a stay of proceedings until the disposal of the appeal.

At a case management on 14 October 2020, the Court of Appeal instructed for both parties to file their written submissions within the stipulated time and fixed the hearing date on 17 August 2021. However, in regards to the appeal, Panasonic Manufacturing Malaysia Berhad (“PMMA”) had submitted a notice of motion (“Motion”) to intervene the appeal process of CMSB at the Court of Appeal. At a case management on 11 August 2021, the Court of Appeal instructed that the appeal hearing initially scheduled on 17 August 2021 to be vacated and the hearing for the Motion to intervene is fixed on 1 November 2021.

Separately, CMSB had on 18 December 2020 filed an Originating Summons (“OS”) against PMMA in the High Court of Malaya, Kuala Lumpur. The OS is for an amount of RM9,431,694.60 being import duties and sales tax that arose from the economic transaction between CMSB and PMMA for the period of December 2011 to July 2014. CMSB had filed the OS for declaratory relief concerning PMMA’s liability to pay import duties and sales tax to CMSB in the event CMSB’s appeal against the levy of import duty and sales tax at the Court of Appeal fails and also to preserve its cause of action against PMMA prior to the expiry. PMMA had then filed in an application to strike off the OS raised by CMSB and the High Court has set the hearing date for this application on 3 May 2021. However, the hearing was converted into a case management and during the case management, the High Court of Malaya had adjourned the hearing for PMMA’s application to 30 September 2021. Subsequent to the hearing on 30 September 2021, the High Court had on 6 October 2021 allowed PMMA’s application and struck off CMSB’s OS. CMSB proceeded to file a notice of appeal on this matter to the Court of Appeal on 11 October 2021.

At this juncture, BSL is unable to determine precisely the financial impact to the Group for the financial year ended 31 August 2021. Save as disclosed above, there were no material events subsequent to the fourth quarter ended 31 August 2021 up to the date of this report, which are likely to substantially affect the results of the operations of the Group.

A11. Changes in the composition of the Group

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

A12. Changes in contingent liabilities

As at quarter ended 31 August 2021, outstanding corporate guarantees amounting to approximately RM8.71 million were given by the Company to financial institutions for credit facilities granted to the subsidiary companies.

A13. Capital commitments

	Approved and contracted for RM’000	Approved but not contracted for RM’000
Purchase of plant and equipment	2,028	-

Notes on the interim financial statements
For the fourth quarter ended 31 August 2021

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

B1. Review of performance

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

<u>Group</u> <u>RM'000</u>	4th Quarter		Variance	
	31-Aug-21	31-Aug-20		
Revenue	30,975	43,152	(12,177)	-28%
Operating profit/(loss) before interest	344	3,175	(2,831)	-90%
Profit/(loss) before tax	4,502	3,758	745	20%
Profit/(loss) after tax	4,424	2,978	1,446	49%
Profit/(loss) attributable to owners	4,719	2,433	2,286	94%

<u>Group</u> <u>RM'000</u>	Year to date		Variance	
	31-Aug-21	31-Aug-20		
Revenue	159,492	137,136	22,355	16%
Operating profit before interest	6,655	1,255	5,400	430%
Profit before tax	10,521	1,418	9,103	642%
Profit after tax	8,940	617	8,323	1350%
Profit attributable to owners	9,299	370	8,929	2412%

Precision stamping & tooling segment

<u>Precision stamping and tooling</u> <u>RM'000</u>	4th Quarter		Variance	
	31-Aug-21	31-Aug-20		
Revenue	28,461	37,368	(8,907)	-24%
Operating (loss)/ profit before interest	(2,533)	2,653	(5,187)	-196%

<u>Precision stamping and tooling</u> <u>RM'000</u>	Year to date		Variance	
	31-Aug-21	31-Aug-20		
Revenue	140,661	119,518	21,144	18%
Operating profit before interest	3,403	1,707	1,696	99%

Notes on the interim financial statements
For the fourth quarter ended 31 August 2021

Printed circuit board (“PCB”) & module assembly segment

<u>PCB Assembly</u> <u>RM'000</u>	4th Quarter		Variance	
	31-Aug-21	31-Aug-20		
Revenue	2,651	3,946	(1,295)	-33%
Operating (loss)/profit before interest	(568)	677	(1,244)	-184%

<u>PCB Assembly</u> <u>RM'000</u>	Year to date		Variance	
	31-Aug-21	31-Aug-20		
Revenue	14,828	11,947	2,882	24%
Operating profit before interest	108	30	78	262%

Renewable energy

<u>Renewable energy segment</u> <u>RM'000</u>	4th Quarter		Variance	
	31-Aug-21	31-Aug-20		
Revenue	1,588	1,837	(249)	-14%
Operating (loss)/ profit before interest	(226)	(12)	(213)	-1832%

<u>Renewable energy segment</u> <u>RM'000</u>	Year to date		Variance	
	31-Aug-21	31-Aug-20		
Revenue	6,099	5,672	427	8%
Operating (loss)/ profit before interest	(45)	(21)	(24)	-115%

Overall analysis

The Group posted lower revenue and operating profit for Q4FY2021 as compared to Q4FY2020 due to the Enhanced Movement Controls Order in July'21 which resulted in lesser operational days. However, there is a higher profit before tax for Q4FY2021 against Q4FY2020 due to the share of profit of associate during the period of RM4.25million and a fair value gain on the transfer of the investment in associate to other investment of RM1.1million.

Meanwhile, the 12 months ended 31 August 2021 posted significantly better revenue and profit after tax as compared to the 12 months ended 31 August 2020. This is mainly due to the increase in sales volume subsequent to the first Movement Controls Order in March'20.

Notes on the interim financial statements
For the fourth quarter ended 31 August 2021

For the main segments of the Group being the precision stamping and tooling, printed circuit board and also renewable energy, all 3 segments posted lower revenue and operating profit due to the lesser operational days arising from the Enhanced Movements Control Order in July'21. The 12 months results for the precision stamping and tooling and also printed circuit board segments for FYE 31 August 2021 were more encouraging as compared to the comparative last year due to improved volumes and pricing. The renewable energy segment however, posted a slight decrease in operating profit due to higher operating and staff costs during the year.

B2. Variation of results against the immediate preceding quarter

<u>Group</u> <u>RM'000</u>	<u>Quarter ended</u>		<u>Variance</u>	
	<u>31-Aug-21</u>	<u>31-May-21</u>		
Revenue	30,975	43,635	(12,661)	-29%
Operating profit before interest	344	1,501	(1,157)	-77%
Profit before tax	4,502	1,405	3,097	220%
Profit after tax	4,424	940	3,483	370%
Profit attributable to owners	4,719	1,051	3,668	349%

The lower revenue and operating profit were due to the lesser operational days in Q4FY2021 as a result of the EMCO. The recognition of share of profit of associate of RM4.25million and fair value gain on initial recognition of other investment of RM1.09million resulted in the higher profit after tax in Q4FY2021.

B3. Current year prospects

The Board foresees the new financial year to be challenging due to the uncertainties in the economy post the various Movement Control Orders (“MCOs”) and the unfolding pandemic and political situation. In spite of this, the management is reviewing the operations to optimize the current processes and cost structure. In addition, we are reinvigorating our marketing efforts to expand the depth and breadth of our customer base.

Hence, Board is cautiously optimistic that we will be able to overcome the headwinds and return the Group to the growth path.

B4. Variance of actual and forecast profit

The Group had not provided any profit forecast.

Notes on the interim financial statements
For the fourth quarter ended 31 August 2021

B5. Profit for the period / year

	Current Quarter 31.08.2021 RM'000	Current Year to date 31.08.2021 RM'000
Profit for the period / year is arrived at after charging/(crediting):		
Depreciation of property, plant & equipment	948	3,977
Finance cost	107	443
Gain on disposal of property, plant and equipment	-	(190)
Net foreign exchange gain	9	(11)
Interest income	(15)	(60)

B6. Income tax expense

	Current Quarter 31.08.2021 RM'000	Current Year to date 31.08.2021 RM'000
Income tax expense	(222)	1,218
Deferred tax expense	300	363
	<u>78</u>	<u>1,581</u>

The effective tax rate for the Group is lower than the statutory tax rate due to fair value gains on other investments and share of associate profits which are not subjected to taxation.

B7. Unquoted investments and/or properties

The Group has not disposed any investments in any unquoted investments and/or properties during the financial quarter under review.

B8. Quoted and marketable investments

There was no purchase or disposal of quoted and marketable investments during the quarter under review.

B9. Status of corporate developments

- (1) The Company had on 3 September 2021 entered into a Memorandum of Understanding (“MOU”) with Jerry Tan Gim Moh and Tan Hoon Bee for the negotiation to purchase shares of SD Unify Pte Ltd (“SDU”) for a consideration sum to be negotiated and agreed by all parties. SDU is principally involved in the business of sourcing, manufacturing and repair of semiconductor equipment.

Notes on the interim financial statements
For the fourth quarter ended 31 August 2021

This is part of the Group's strategy to increase its exposure in the semiconductor equipment manufacturing industry and help expand and improve the current product mix. As at the date of this report, there is no material development on this MOU.

(2) The Group had on 1 October 2021 received approval from Bursa Securities on the following proposals:

- i. Proposed share split involving a sub-division of every 1 existing ordinary share in BSLCORP into 2 shares;
- 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);
- iii. Proposed bonus issue of up to 127,400,000 free warrants in BSLCORP on the basis of 1 warrant for every 2 shares;
- iv. Proposed establishment of an employees' share option scheme involving up to 15% of the total number of issued shares.

The shareholders of BSLCORP had on an Extraordinary General Meeting held on 22 October 2021 approved the above proposals.

In regards to the share split as per 2(i) above, the ex-date will be on 5 November 2021 and the entitlement date is on 8 November 2021.

B10. Group borrowings

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

	Secured	Unsecured	Total
	RM'000	RM'000	RM'000
Short term			
Term loans	1,673	-	1,673
Bank borrowings	1,602	-	1,602
Hire purchase	1,513	-	1,513
	4,788	-	4,788
Long term			
Terms loans	3,157	-	3,157
Hire purchase	766	-	766
	3,923	-	3,923
	8,711	-	8,711

All borrowings are denominated in Ringgit Malaysia.

Notes on the interim financial statements
For the fourth quarter ended 31 August 2021

B11. Off balance sheet financial instrument

There are no financial instruments with off balance sheet risk as at the end of the previous financial year ended 31 August 2020 up to the date of this announcement.

B12. Changes in material litigation

Save as disclosed in Note A10 above, the Board is not aware of any proceedings pending or threatened, or of any fact likely to give rise to any proceedings, which might materially and adversely affect the position or business of the Company or any of its subsidiaries.

B13. Dividends

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

B14. Basic earnings per share

The basic earnings per share for the current quarter and cumulative year to date are computed as follows:-

	Individual		Cumulative	
	Current	Preceding	Current	Preceding
	Year	Year	Year to	Year to
	Quarter	Quarter	Date	Date
	31.08.21	31.08.20	31.08.21	31.08.20
Profit attributable to equity holders of the parent (RM'000)	4,719	2,433	9,299	370
Weighted average number of ordinary shares of RM0.50 each in issue ('000)	96,636	96,636	96,636	96,636
Basic Earnings Per Share based on the weighted average number of shares in issue (sen) for:				
Profit from continuing operations	4.88	2.52	9.62	0.38
Profit from discontinued operations	-	-	-	-
Total (sen)	4.88	2.52	9.62	0.38

B15. Authorisation for issue

This quarterly report was authorised for issue by the Board of Directors in accordance with the resolution of the directors on 29 October 2021.