


BSL CORPORATION BERHAD

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 28 FEBRUARY 2022**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 28-Feb-22 RM'000	PRECEDING YEAR QUARTER 28-Feb-21 RM'000	CURRENT YEAR TO DATE 28-Feb-22 RM'000	PRECEDING YEAR TO DATE 28-Feb-21 RM'000
Continuing Operations				
Revenue	38,333	41,875	94,491	84,881
Cost of sales	(36,941)	(37,734)	(88,327)	(76,981)
Gross profit	1,392	4,141	6,164	7,900
Other income	834	1,431	4,262	2,517
Other expenses	(2,349)	(3,015)	(5,622)	(5,576)
Results from operating activities	(123)	2,557	4,804	4,841
Gain on disposal of subsidiary	-	-	(908)	-
Interest expense	(89)	(117)	(227)	(226)
Share of result of associate	-	-	-	-
Profit before tax	(212)	2,440	3,669	4,615
Income tax expense	(37)	(613)	(846)	(1,038)
Profit for the period/year	(249)	1,827	2,823	3,577
Other comprehensive income:				
Revaluation gain on property, plant and equipment	-	-	-	-
Exchange differences on translation of foreign operations	(1)	11	(1)	13
Deferred tax liabilities on revaluation reserves	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD/YEAR	(250)	1,838	2,822	3,590
Profit/(Loss) attributable to :				
Equity holders of the company	(246)	1,674	2,826	3,530
Non-controlling interest	(2)	153	(3)	47
	(249)	1,827	2,823	3,577
Total comprehensive profit/(loss) attributable to :				
Equity holders of the company	(246)	1,685	2,826	3,543
Non-controlling interest	(2)	153	(3)	47
	(250)	1,838	2,822	3,590
Earnings per share attributable to equity holders of the parent:				
Basic, for gain/(loss) for the period (sen)	(0.12)	0.87	1.34	1.83
Diluted, for gain/(Loss) for the period (sen)	(0.12)	-	1.34	-

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 2021.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF 28 FEBRUARY 2022**

	As at 28-Feb-22 RM'000	As at 31-Aug-21 RM'000
ASSETS		
Non current assets		
Property, plant and equipment	92,489	91,165
Right to use assets	942	1,080
Other investments	5,798	5,798
Total non current assets	<u>99,229</u>	<u>98,043</u>
Current assets		
Inventories	21,627	22,607
Trade receivables	23,579	24,231
Other receivables	6,971	7,014
Contract assets	1	524
Current tax assets	719	740
Cash and bank balances	33,653	18,086
Total current assets	<u>86,550</u>	<u>73,202</u>
Total assets	<u>185,779</u>	<u>171,245</u>
Equity and liabilities		
Capital and reserves		
Share capital	62,784	50,767
Treasury shares	(459)	(459)
Reserves	72,537	69,713
Equity attributable to equity holders of the parent	<u>134,862</u>	<u>120,021</u>
Non-controlling interest	(129)	(461)
Total equity	<u>134,733</u>	<u>119,560</u>
Non current liabilities		
Long term borrowings	4,078	3,923
Lease liabilities	942	964
Deferred taxation liabilities	5,940	6,987
Total non current liabilities	<u>10,960</u>	<u>11,874</u>
Current liabilities		
Trade payables	27,711	27,926
Other payables	4,308	6,730
Contract liabilities	1	206
Short term borrowings	7,869	4,788
Lease liabilities	198	161
Total current liabilities	<u>40,087</u>	<u>39,811</u>
Total liabilities	<u>51,047</u>	<u>51,685</u>
Total equity and liabilities	<u>185,779</u>	<u>171,245</u>
Net Assets per share attributable to ordinary equity holders of the company (RM)	<u>0.62</u>	<u>0.62</u>

Notes :

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 2021.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 28 FEBRUARY 2022**

	<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 reserve RM'000	Fair value reserve RM'000	Treasury Shares RM'000	Retained Profit RM'000			
Balance as at 1 September 2021	50,767	(1,127)	35,166	(3,152)	(459)	38,826	120,022	(461)	119,560
Realisation of revaluation reserve	-	-	-	-	-	-	-	-	-
Profit / (loss) for the year	-	-	-	-	-	2,824	2,824	(3)	2,823
Other comprehensive income for the year	-	-	-	-	-	-	-	-	-
Total comprehensive income/(loss) for the year	-	-	-	-	-	2,824	2,824	(3)	2,823
Disposal of non-wholly owned subsidiaries	-	-	-	-	-	-	-	335	335
Warrant exercised @ RM0.50	12,016	-	-	-	-	-	12,016	-	12,016
Balance as at 28 February 2022	62,783	(1,127)	35,166	(3,152)	(459)	41,650	134,861	(129)	134,733

	<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	-	-	(100)	-	-	100	-	-	-
Profit / (loss) for the year	-	-	-	-	-	3,530	3,530	47	3,576
Other comprehensive loss for the year	-	12	-	-	-	-	12	-	12
Total comprehensive (loss)/income for the year	-	12	-	-	-	3,530	3,542	47	3,588
Balance as at 28 February 2021	50,767	(1,118)	32,210	(3,152)	(459)	32,996	111,245	(56)	111,187

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 2021.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 28 FEBRUARY 2022**

	28-Feb-22	28-Feb-21
	RM'000	RM'000
Cash flows from operating activities		
Profit before tax	3,670	4,615
Adjustments for:		
Non-cash items	1,939	2,017
Non-operating items	<u>(5,283)</u>	<u>5</u>
Operating profit before working capital changes	326	6,637
Decrease/(Increase) in working capital:		
Inventories	980	(816)
Receivables	1,218	(1,530)
Payables	<u>(2,066)</u>	<u>1,494</u>
Cash generated from operations	458	5,785
Income tax paid	<u>(790)</u>	<u>(456)</u>
Net cash (used in) / generated from operating activities	<u>(332)</u>	<u>5,329</u>
Cash flows from investing activities		
Interest received	48	26
Proceeds from disposal of property, plant and equipment	358	185
Purchase of property, plant and equipment	<u>(1,192)</u>	<u>(857)</u>
Net cash used in investing activities	<u>(786)</u>	<u>(646)</u>
Cash flows from financing activities		
Net increase (decrease) in bank borrowings	4,377	(1,461)
Interest paid	(227)	(224)
Payment of lease liabilities	53	(61)
Proceeds from conversion of warrants	<u>12,016</u>	<u>-</u>
Net cash (used in) / from financing activities	<u>16,219</u>	<u>(1,746)</u>
Net increase in cash and cash equivalents	15,100	2,937
Effect of changes in foreign currency translation reserves	(1)	12
Cash and cash equivalents at beginning of financial period	<u>17,523</u>	<u>15,250</u>
Cash and cash equivalents at end of financial period	<u>32,622</u>	<u>18,199</u>
Cash and cash equivalents at end of quarter comprise:		
Cash and bank balances	11,735	14,196
Deposits in licensed banks	21,918	4,562
Bank overdrafts	<u>(461)</u>	<u>-</u>
	33,192	18,758
Less : Fixed deposit pledged to licensed bank	<u>(570)</u>	<u>(559)</u>
	<u>32,622</u>	<u>18,199</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 2021.

Notes on the interim financial statements
For the first quarter ended 28 February 2022

PART A: NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 28 FEBRUARY 2022

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 2021.

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 2021.

A2. Qualification of annual financial statements

There were no audit qualifications on the financial statements for the year ended 31 August 2021.

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

There were no issuance, cancellations, repurchases, resale and repayment of debt.

A7. Dividend paid

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

Notes on the interim financial statements
For the first quarter ended 28 February 2022

A8. Segment information

Segmental information from continuing operations is presented in respect of the Group's business segments for the year to date ended 28 February 2022:

	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
	Current Quarter 28-Feb-22	Preceding Year Corresponding Quarter 28-Feb-21	Current year to Date 28-Feb-22	Preceding Year Corresponding Period 28-Feb-21
	RM'000	RM'000	RM'000	RM'000
<u>Revenue</u>				
Precision Stamping and Tooling	35,110	35,735	84,917	73,585
PCB Assembly	3,354	3,615	9,336	8,256
Others	205	2,525	1,211	3,040
Total revenue including inter-segment sales	38,669	41,875	95,464	84,881
Eliminations of inter-segment sales	(336)	0	(973)	-
Total Revenue	38,333	41,875	94,491	84,881
<u>Segment result</u>				
Precision Stamping and Tooling	11	2,438	5,092	4,117
PCB Assembly	310	(123)	430	752
Others	11	383	271	242
Investment Holding	(423)	(158)	(1,013)	(308)
Eliminations	(32)	3	(931)	7
(Loss) / Profit before interest and tax	(123)	2,543	3,849	4,810
Finance Cost	(89)	(117)	(227)	(226)
Interest Income	-	15	48	30
Taxation	(37)	(613)	(846)	(1,038)
(Loss) / Profit After Tax	(248)	1,827	2,823	3,577

A9. Valuation of property, plant and equipment

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

A10. Equity Securities

In the second quarter of 2022, the Company issued an additional 23,334,748 new ordinary shares of RM0.50 each pursuant to the conversion of warrants. A total of 24,032,798 new ordinary shares have been issued pursuant to the conversion of warrant year to date.

Save for the above, there were no other issuance, cancellations, or repayments of debts and equity securities, share buy-backs, share cancellations, shares held as treasury shares, repurchase and resale of treasury shares for the current financial quarter under review.

Notes on the interim financial statements
For the first quarter ended 28 February 2022

A11. Material events subsequent to the end of the interim period

On 30 November 2021, BSL Electronics & Technologies Sdn Bhd (“BSLET”) (formerly known as Crestronics (M) Sdn. Bhd.) was informed of the Court of Appeal’s decision to allow Panasonic Manufacturing Malaysia Berhad (“PMMA”) to intervene BSLET’s appeal proceedings at the Court of Appeal. The solicitors on behalf of the Company 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.

Subsequently the federal court and court of appeal has set the hearing dates of 24 May 2022 and 22 June 2022 respectively.

A12. Changes in the composition of the Group

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

A13. Changes in contingent liabilities

As at quarter ended 28 February 2022, outstanding corporate guarantees amounting to approximately RM9.72 million were given by the Company to financial institutions for credit facilities granted to the subsidiary companies.

A14. Capital commitments

	Approved and contracted for RM’000	Approved but not contracted for RM’000
Purchase of plant and equipment	5,858	-

Notes on the interim financial statements
For the first quarter ended 28 February 2022

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

B1. Performance review Sub part results for the current quarter

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

	Individual Quarter		Changes (%)	Cumulative Period		Changes (%)
	28-Feb-22 RM'000	28-Feb-21 RM'000		28-Feb-22 RM'000	28-Feb-21 RM'000	
Revenue	38,333	41,875	-8	94,491	84,881	11
(Loss) / Profit before interest and tax (LBIT)	(122)	2,543	-105	3,849	4,810	-20
(Loss) / Profit before (LBT)	(212)	2,440	-109	3,669	4,615	-20
(Loss) / Profit after tax (LAT)	(249)	1,827	-114	2,823	3,577	-21
(Loss) / Profit attributable to ordinary equity holders of the parent	(246)	1,674	-115	2,826	3,530	-20

Overall analysis

The Group posted lower revenue and a loss after tax of RM38.3 million and RM0.2 million respectively as compared to prior year of RM41.9 million and of RM1.7 million due to the lower volume of sales in the metal division arising from seasonality.

PCB division, recorded a revenue of RM3.4 million compared to prior year of RM3.6 million. Despite the lower revenue, it recorded a profit of RM0.3 million compared to an operating loss of RM0.1 million in the prior year. This mainly due to change in sales mix.

B2. Variation of results against the immediate preceding quarter

	Current quarter 28-Feb-22 RM'000	Preceding quarter 30-Nov-21 RM'000	Changes (%)
Revenue	38,333	55,385	-31
(Loss) / Profit before interest and tax (LBIT/PBIT)	(122)	3,972	-103
(Loss) / Profit before (LBT/PBT)	(212)	4,724	-104
(Loss) / Profit after tax (LAT/PAT)	(249)	3,915	-106
(Loss) / Profit attributable to ordinary equity holders of the parent	(246)	3,917	-106

The Group was affected by seasonality for the quarter which affected the Metal Division margins.

Notes on the interim financial statements
For the first quarter ended 28 February 2022

B3. Current year prospects

The current quarter was affected by seasonality as it is traditionally slower during the end of the year up until after Chinese New Year. Whilst demand from our traditional segments continue, the domestic and international economies are still in flux as various economies adjust to the changing dynamics due to the pandemic. The situation has been compounded by the war in Ukraine and the ‘red-hot’ inflation numbers in the United States. This has roiled markets globally as consumers adjust to rising inflation and interest rates; coupled with lower disposable incomes.

We are unable to quantify the impact on consumer demand given the fluidity of the current situation. Amidst the current uncertainty, management remains committed in revitalizing the Group and enhancing the product mix.

B4. Variance of actual and forecast profit

The Group had not provided any profit forecast.

B5. (Loss)/Profit for the period / year

	Current Quarter 28.02.2022 RM’000	Current Year to date 28.02.2022 RM’000
(Loss)/Profit for the period / year is arrived at after charging/(crediting):		
Depreciation of property, plant & equipment	1,110	1,939
Finance cost	121	227
Gain on disposal of property, plant and equipment	(15)	(358)
Net foreign exchange loss	-	24
Interest income	(32)	(77)

B6. Income tax expense

	Current Quarter 28.02.2022 RM’000	Current Year to date 28.02.2022 RM’000
Income tax expense	22	810
Deferred tax expense	15	36
	<u>37</u>	<u>846</u>

The effective tax rate for the Group is lower than the statutory tax rate due to the reversal of doubtful debts which is not taxable.

Notes on the interim financial statements
For the first quarter ended 28 February 2022

B7. Unquoted investments and/or properties

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

B8. Quoted and marketable investments

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

B9. Status of corporate developments

- (1) On 10 November 2021, the Company had entered into a Share Sale Agreement (“SSA”) with Jerry Tan Gim Moh and Tan Hoon Bee, for the acquisition of 51,000 ordinary shares in SDU, 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).

SDU is principally involved in the business of sourcing, manufacturing and repair of semiconductor equipment.

The management has appointed Moore Advisory Sdn Bhd to carry out the Financial Due Diligence on SDU to review the Statement of Financial Position and Statement of Comprehensive Income as well as to assist the management in the preparation of Purchase Price Allocation (“PPA”) for the Proposed Acquisition. The management has also appointed Yuen Law LL Advocate & Solicitors to conduct the Legal Due Diligence on SDU to review the corporate documents, material contracts, litigation search and assets and property review. Financial close is expected before the end of 3Q2022.

- (2) With reference to the corporate proposal approved on 1 October 2021, the Share Split and issuance of Bonus Warrant has been completed following the listing and quotation of 196,000,000 Subdivided Shares (including 2,728,226 treasury shares) on 9 November 2021 and the listing and quotation of 96,635,887 Bonus Warrants on 17 November 2021. The exercise price of the Warrant was fixed at RM0.50 per Warrant (“Exercise Price”).

Notes on the interim financial statements
For the first quarter ended 28 February 2022

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	1,611	-	1,611
Bank borrowings	4,711	-	4,711
Overdraft	461	-	461
Hire purchase	1,086	-	1,086
	<u>7,869</u>	<u>-</u>	<u>7,869</u>
Long term			
Terms loans	3,721	-	3,721
Hire purchase	357	-	357
	<u>4,078</u>	<u>-</u>	<u>4,078</u>
	<u>11,974</u>	<u>-</u>	<u>11,974</u>

All borrowings are denominated in Ringgit Malaysia.

B11. Off balance sheet financial instrument

There are no financial instruments with off balance sheet risk since the end of the previous financial year ended 31 August 2021 up to the date of this announcement.

B12. Changes in material litigation

Save as disclosed in Note A11 above, the Board is not aware of any proceedings pending or threatened, or of any fact likely to give rise to any proceedings, which might materially and adversely affect the position or business of the Company or any of its subsidiary companies.

B13. Dividends

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

Notes on the interim financial statements
For the first quarter ended 28 February 2022

B14. Earnings per share

(a) **Basic EPS**

	Individual		Cumulative	
	Current	Preceding	Current	Preceding
	Year	Year	Year To	Year to
	Quarter	Quarter	Date	Date
	28.02.2022	28.02.21	28.02.22	28.02.21
(Loss)/Profit attributable to equity holders of the parent (RM'000)	(246)	1,674	2,826	3,530
Weighted average number of ordinary share in issue ('000)	210,200	193,272	210,200	193,272
Basic Earning/(loss) Per Share (sen)	(0.12)	0.87	1.34	1.83
Fully Diluted	(0.12)	-	1.34	-

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 April 2022.