

**BSL CORPORATION BERHAD**

Company No. 200401012615 (651118-K)

Website : www.bslcorp.com.myEmail : info@bsli.com.my**BSL CORPORATION BERHAD**

Company Number: 200401012615 (651118-K)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 DECEMBER 2022

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31-Dec-22 RM'mil	PRECEDING YEAR QUARTER 31-Dec-21 RM'mil	CURRENT PERIOD TO DATE 31-Dec-22 RM'mil	PRECEDING PERIOD TO DATE 31-Dec-21 RM'mil
Revenue	8.4	-	214.8	-
Cost of sales	(8.2)	-	(202.7)	-
Gross profit	0.2	-	12.1	-
Other income	0.6	-	7.6	-
Other expenses	(12.5)	-	(29.0)	-
Results from operating activities	(11.7)	-	(9.3)	-
Loss on disposal of subsidiary	0.0	-	(0.9)	-
Interest expense	0.0	-	(0.6)	-
Loss before tax	(11.7)	-	(10.8)	-
Income tax credit / (expense)	1.3	-	0.6	-
Loss for the period	(10.4)	-	(10.2)	-
Other comprehensive income:				
Exchange differences on translation of foreign operations	0.2	-	0.2	-
TOTAL COMPREHENSIVE EXPENSES FOR THE PERIOD	(10.2)	-	(10.0)	-
Loss attributable to :				
Equity holders of the company	(10.1)	-	(10.3)	-
Non-controlling interest	(0.3)	-	0.1	-
	(10.4)	-	(10.2)	-
Total comprehensive loss attributable to :				
Equity holders of the company	(9.9)	-	(10.1)	-
Non-controlling interest	(0.3)	-	0.1	-
	(10.2)	-	(10.0)	-
Loss per share attributable to equity holders of the parent:				
Basic, for loss for the period (sen)	(3.7)	-	(4.2)	-
Diluted, for loss for the period (sen)	(3.7)	-	(4.2)	-

Notes:

1) The financial year end of the Group has been changed from 31 August to 31 December. As such, the next set of audited financial statements shall be for a period of sixteen (16) months from 1 September 2021 to 31 December 2022. There will be no comparative financial information available for the quarter ended 31 December 2022.

2) The Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Annual Financial Statements of BSL Corporation Berhad for the financial year ended 31 August 2021.

BSL CORPORATION BERHAD

Company Number: 200401012615 (651118-K)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022**

	(Unaudited) As at 31-Dec-22 RM'mil	(Audited) As at 31-Aug-21 RM'mil
ASSETS		
Non current assets		
Property, plant and equipment	91.1	91.2
Right to use assets	3.8	1.1
Goodwill	2.9	-
Other investments	11.2	5.8
Total non current assets	<u>109.0</u>	<u>98.1</u>
Current assets		
Inventories	15.6	22.6
Trade receivables	21.6	24.2
Other receivables	23.2	7.0
Contract assets	-	0.5
Current tax assets	1.7	0.7
Short-term deposits with licensed banks	19.1	4.0
Cash and bank balances	11.5	14.1
Total current assets	<u>92.7</u>	<u>73.1</u>
Total assets	<u>201.7</u>	<u>171.2</u>
Equity and liabilities		
Capital and reserves		
Share capital	75.6	50.8
Treasury shares	(0.5)	(0.5)
Reserves	59.6	69.7
Equity attributable to equity holders of the parent	<u>134.7</u>	<u>120.0</u>
Non-controlling interest	2.7	(0.5)
Total equity	<u>137.4</u>	<u>119.5</u>
Non current liabilities		
Term loans	5.3	3.2
Lease liabilities	2.8	1.7
Deferred taxation liabilities	5.8	7.0
Total non current liabilities	<u>13.9</u>	<u>11.9</u>
Current liabilities		
Trade payables	20.7	27.9
Other payables and accruals	17.3	6.7
Contract liabilities	-	0.2
Lease liabilities	3.1	1.7
Bank borrowings	1.7	1.6
Term loans	7.6	1.7
Total current liabilities	<u>50.4</u>	<u>39.8</u>
Total liabilities	<u>64.3</u>	<u>51.7</u>
Total equity and liabilities	<u>201.7</u>	<u>171.2</u>
Net Assets per share attributable to ordinary equity holders of the company (RM)	<u>0.49</u>	<u>0.62</u>

Notes :

The Unaudited Condensed Consolidated Statement 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 and the accompanying notes attached to the interim financial reports.

BSL CORPORATION BERHAD

Company Number: 200401012615 (651118-K)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2022**

	<i>Non-distributable</i>					<i>Distributable</i>		Attributable to Equity Holders of the Parent RM'mil	Non-controlling Interest RM'mil	Total RM'mil
	Share Capital RM'mil	Foreign currency translation reserve RM'mil	Revaluation reserve RM'mil	Fair value reserve RM'mil	Treasury Shares RM'mil	Retained Profit RM'mil				
Balance as at 1 September 2021	50.8	(1.1)	35.2	(3.2)	(0.5)	38.8	120.0	(0.5)	119.5	
Acquisition of subsidiary company	-	-	-	-	-	-	-	2.7	2.7	
Disposal of a subsidiary company	-	-	-	-	-	-	-	0.4	0.4	
Loss for the period	-	-	-	-	-	(10.3)	(10.3)	0.1	(10.2)	
Other comprehensive income for the period	-	0.2	-	-	-	-	0.2	-	0.2	
Total comprehensive loss for the period	-	0.2	-	-	-	(10.3)	(10.1)	0.1	(10.0)	
Issuance of share in pursuant to:	-	-	-	-	-	-	-	-	-	
- Warrant exercised	12.0	-	-	-	-	-	12.0	-	12.0	
- Private placement	12.7	-	-	-	-	-	12.7	-	12.7	
- ESOS exercised	0.1	-	-	-	-	-	0.1	-	0.1	
Balance as at 31 December 2022	75.6	(0.9)	35.2	(3.2)	(0.5)	28.5	134.7	2.7	137.4	
Balance as at 1 September 2020	-	-	-	-	-	-	-	-	-	
Realisation of revaluation reserves	-	-	-	-	-	-	-	-	-	
Profit for the period	-	-	-	-	-	-	-	-	-	
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-	
Total comprehensive income for the period	-	-	-	-	-	-	-	-	-	
Balance as at 31 December 2021	-	-	-	-	-	-	-	-	-	

Notes :

1) The financial year end of the Group has been changed from 31 August to 31 December. As such, the next set of audited financial statements shall be for a period of sixteen (16) months from 1 September 2021 to 31 December 2022. There will be no comparative financial information available for the quarter ended 31 December 2022.

2) 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 and the accompanying notes attached to the interim financial reports.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2022

	31-Dec-22	31-Dec-21
	RM' mil	RM' mil
Cash flows from operating activities		
Loss before tax	(10.8)	-
Adjustments for:		
Non-cash items	16.4	-
Non-operating items	0.2	-
Operating profit before working capital changes	<u>5.8</u>	<u>-</u>
Decrease/(Increase) in working capital:		
Inventories	8.2	-
Receivables	(16.4)	-
Payables	(8.3)	-
Cash used in operations	<u>(10.7)</u>	<u>-</u>
Income tax paid	<u>(2.4)</u>	<u>-</u>
Net cash used in operating activities	<u>(13.1)</u>	<u>-</u>
Cash flows from investing activities		
Interest received	0.6	-
Proceeds from disposal of property, plant and equipment	0.5	-
Cash paid for acquisition of a subsidiary company	(2.3)	-
Net cashflow received from acquisition a subsidiary	3.3	-
Increase in other investment	(5.3)	-
Purchase of property, plant and equipment	(4.9)	-
Proceeds from disposal of subsidiary	0.4	-
Net cash used in investing activities	<u>(7.7)</u>	<u>-</u>
Cash flows from financing activities		
Drawdown of bank borrowings	1.7	-
Issuance of share capital	24.8	-
Interest paid	(0.6)	-
Repayment of lease liabilities	(0.9)	-
Drawdown of term loans	8.1	-
Net cash generated from financing activities	<u>33.1</u>	<u>-</u>
Net increase in cash and cash equivalents	12.3	-
Effect of changes in foreign currency translation reserves	0.2	-
Cash and cash equivalents at beginning of financial period	<u>17.5</u>	<u>-</u>
Cash and cash equivalents at end of financial period	<u><u>30.0</u></u>	<u><u>-</u></u>
Cash and cash equivalents at end of quarter comprise:		
Cash and bank balances	11.5	-
Deposits in licensed banks	<u>19.1</u>	<u>-</u>
	30.6	-
Less : Fixed deposit pledged to licensed bank	<u>(0.6)</u>	<u>-</u>
	<u><u>30.0</u></u>	<u><u>-</u></u>

Notes :

1) The financial year end of the Group has been changed from 31 August to 31 December. As such, the next set of audited financial statements shall be for a period of sixteen (16) months from 1 September 2021 to 31 December 2022. There will be no comparative financial information available for the quarter ended 31 December 2022.

2) The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Statements of BSL Corporation Berhad for the financial year ended 31 August 2021 and notes attached to the interim financial reports.

Notes on the interim financial statements
For the sixth quarter ended 31 December 2022

PART A: NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 DECEMBER 2022

A1. Basis of preparation

The interim financial statements are unaudited and have been prepared in accordance with the reporting requirements as set out in Malaysian Financial Reporting Standards (“MFRS”) 134 “Interim Financial Reporting” and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 August 2021 and the accompanying explanatory notes. The explanatory notes attached to the interim financial statements provides an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 August 2021.

The accounting policies and methods of computation adopted by the Company and its subsidiaries (“Group”) in the interim financial statements are consistent with those adopted for the annual audited statements for the year ended 31 August 2021.

The adoption of the new/amended MFRS and its amendments does not give rise to any adjustment to the opening balances of retained earnings of prior year and current period or changes in comparatives.

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.

Notes on the interim financial statements
For the sixth quarter ended 31 December 2022

A5. Material changes in estimates

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

A6. Dividend paid

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

A7. Issuance of Debt & Equity Securities

There were no 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. The total number of treasury shares held amount to 2,728,226 at the end of the period.

The total number of shares of the Group during the current financial period is 275,928,072 after taking into account treasury shares held.

Notes on the interim financial statements
For the sixth quarter ended 31 December 2022

A8. Segment information

Segmental information from continuing operations is presented in respect of the Group's business segments for the period to date ended 31 December 2022:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31-Dec-22	Preceding Year Quarter 31-Dec-21	Current Period To Date 31-Dec-22	Preceding Period To Date 31-Dec-21
	RM'mil	RM'mil	RM'mil	RM'mil
<u>Revenue</u>				
Metal	9.9	-	196.8	-
PCB Assembly	0.8	-	19.4	-
Others	0.1	-	2.1	-
Total revenue including inter-segment sale	10.8	-	218.3	-
Eliminations of inter-segment sales	(2.4)	-	(3.5)	-
Total Revenue	8.4	-	214.8	-
<u>Segment result</u>				
Metal	(0.4)	-	6.5	-
PCB Assembly	(11.7)	-	(11.1)	-
Others	(1.2)	-	2.6	-
Investment Holding	1.5	-	0.3	-
Eliminations	0.1	-	(9.1)	-
Loss before interest and tax	(11.7)	-	(10.8)	-
Finance Cost	0.0	-	(0.6)	-
Interest Income	0.0	-	0.6	-
Taxation	1.3	-	0.6	-
Loss After Tax	(10.4)	-	(10.2)	-

A9. Valuation of property, plant and equipment

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

Notes on the interim financial statements
For the sixth quarter ended 31 December 2022

A10. 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.

After hearing the parties’ oral submissions at a hearing on 24 May 2022 at the Federal Court, the Federal Court allowed PMMA to intervene.

On 22 June 2022, the Court of Appeal had allowed BSLET to withdraw the motion for stay of proceedings pending disposal of leave to the Federal Court as BSLET’s application of leave to the Federal Court has been disposed of.

On 16 August 2022, the Court of Appeal had dismissed BSLET’s appeal on the sales tax and import duties imposed by the Royal Customs of Malaysia.

After careful deliberation, management decided to make full provision amounting to RM11.1 million for the sales tax and import duties. Concurrently we are seeking advice from our solicitors on the best course of action.

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 December 2022, outstanding corporate guarantees amounting to approximately RM16.1 million were given by the Company to financial institutions for credit facilities granted to subsidiary companies.

A13. Capital commitments

	Approved and contracted for RM’mil	Approved but not contracted for RM’mil
Purchase of plant and equipment	1.7	-

Notes on the interim financial statements
For the sixth quarter ended 31 December 2022

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

B1. Performance review Sub part results for the current quarter

Overall analysis

Due to change in the financial year, the performance of the current period of sixteen months (16) is not comparable against the comparative period of 12 months.

	Individual Quarter	Cumulative Period
	31-Dec-22 RM'mil	31-Dec-22 RM'mil
Revenue	8.4	214.8
Loss before interest and tax (LBIT)	(11.7)	(9.3)
Loss before tax (LBT)	(11.7)	(10.8)
Loss after tax (LAT)	(10.4)	(10.2)
Loss attributable to ordinary equity holders of the parent	(10.1)	(10.3)

The current period under review reported a revenue of RM214.8 million with a corresponding net attributable loss of RM10.3 million.

For the sixteen months under review, revenue contribution came from our 3 key segments. Electrical and electronic segment was the top contributor followed by Agricultural and Industrial segments.

No comparative can be made for the performance of the current quarter (one month) ended 31 December 2022.

The current one-month quarter recorded a revenue of RM8.4 million with a corresponding net attributable loss of RM10.1 million.

Bottom-line results were affected by the provision made for the Custom's lawsuit and impairment of our investment in China amounting to RM11.1 million and RM1.3 million respectively.

Notes on the interim financial statements
For the sixth quarter ended 31 December 2022

B2. Variation of results against the immediate preceding quarter

Due to the change in the financial year end, the performance of the current period of one month is not comparable against the comparative period of three months.

B3. Current year prospects

The outlook remains clouded due to interest rates, labor constraints and weak customer demand. Globally, there is a sharp drop in demand especially in covid related products such as consumer electronics, PCs and related services. This is compounded by supply catching up with demand as manufacturing bottlenecks ease.

Given this current backdrop we are unable to provide any meaningful insight. Nonetheless, the management will monitor the situation and adapt to changes in market conditions.

B4. Variance of actual and forecast profit

The Group had not provided any profit forecast.

B5. Loss for the period

	Current Quarter 31-Dec-22 RM'mil	Current Period to date 31-Dec-22 RM'mil
Loss for the period is arrived at after charging / (crediting):		
Depreciation of property, plant & equipment	0.5	5.5
Finance cost	0.0	0.6
Gain on disposal of property, plant and equipment	(0.2)	(0.6)
Net foreign exchange gain	(0.0)	(0.6)
Interest income	(0.0)	(0.6)
Loss on disposal of subsidiary	0.0	0.9
Fair value changes on other investement:		
-quoted	(1.5)	(1.3)
-unquoted	1.3	1.3

Notes on the interim financial statements
For the sixth quarter ended 31 December 2022

B6. Income tax expense

	Current Quarter 31-Dec-22 RM'mil	Current Period to date 31-Dec-22 RM'mil
Income tax expense	0.3	1.4
Deferred tax expense	(1.6)	(2.0)
	<u>(1.3)</u>	<u>(0.6)</u>

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

During the quarter the following quoted and marketable investments were acquired.

(a) The net purchase of investments in quoted securities by the Group for the current financial quarter and financial period-to-date under review are set out as follows:-

	Current Quarter 31-Dec-22 RM'mil	Current Period to date 31-Dec-22 RM'mil
	<u>2.8</u>	<u>5.3</u>

(b) The details of investments in quoted securities by the Group as at end of the current financial quarter and financial period-to-date under review are set out as below:-

	Current Quarter 31-Dec-22 RM'mil	Current Period to date 31-Dec-22 RM'mil
Total investment at market value b/f	2.3	0.0
Total net purchase of investments in quoted	2.8	5.3
Fair value gain on investment in quoted securities		
recognised in profit or loss	1.5	1.3
Total investment at market value c/f	<u>6.6</u>	<u>6.6</u>

Notes on the interim financial statements
For the sixth quarter ended 31 December 2022

B9. Status of corporate developments

- (i) On 28 June 2022, the Company announced its proposal to issue a renounceable rights issue of up to 2,354,494,986 new Company's shares ("Rights Shares") together with up to 981,039,577 free detachable warrants ("Warrant B") on the basis of 12 Rights Shares together with 5 free Warrants B for every 2 existing shares held by the entitled shareholders on an entitlement date ("Rights Issue with Warrants").

The application on the above has been approved by Bursa Securities on 15 July 2022. On 16 August 2022, the proposals were passed at the Extraordinary General Meeting ("EGM").

On 5 January 2023, the Company announced that Bursa Securities had, vide its letter dated 4 January 2023, resolved to grant the Company an extension of time until 15 July 2023 to complete the implementation of the Right Issue with Warrants.

On 17 January 2023, the Company announced price fixing of the Rights Shares at RM0.055 per Rights Share ("Issue Price") and the exercise price of the Warrant B at RM0.055 per Warrant B ("Exercise Price").

On 8 February 2023, the Abridged Prospectus was issued. The exercise is expected to be completed by the first quarter of 2023.

- (ii) On 18 August 2022, the Company announced that its wholly owned subsidiary, Unique Forging & Components Sdn. Bhd., had on 17 August 2022 entered into a Share Sale Agreement with KAB Energy Holdings Sdn Bhd for the disposal of 100% of Matahari Suria Sdn. Bhd., for RM5.3 million. The sale is expected to be finalized in the first half of 2023.

B10. Utilization of Proceeds

The proceeds of the Private Placement have been utilized as follows as at 31 December 2022:

Utilization of proceeds	Intended timeframe for utilization	Proposed utilization RM'mil	Actual utilization RM'mil	Balance unutilised RM'mil
(i) Manufacturing expansion	Within 24 months	10.6	6.1	4.5
(ii) Expenses for the corporate exercises	Immediate	2.1	0.6	1.5
Total		12.7	6.7	6.0

Notes on the interim financial statements
For the sixth quarter ended 31 December 2022

B11. Group borrowings

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

	As at 31 December 2022		
	Long Term	Short term	Total
	RM'mil	RM'mil	borrowings
			RM'mil
<u>Secured borrowings</u>			
Bankers' acceptance	-	1.7	1.7
Term loans	5.3	7.6	12.9
Lease liabilities	1.5	1.0	2.5
Sub-Total	6.8	10.3	17.1
<u>Un-Secured borrowings</u>			
Lease liabilities	1.3	2.1	3.4
Sub-Total	1.3	2.1	3.4
Total	8.1	12.4	20.5

B12. 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.

B13. 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 subsidiary companies.

B14. Dividends

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

Notes on the interim financial statements
For the sixth quarter ended 31 December 2022

B15. Loss per share

The loss per share is calculated by dividing the net loss attributable to ordinary owners of the parent by the weighted average number of ordinary shares in issue during the current financial quarter to date.

The loss for the quarter attributable to ordinary equity holders of the parent is not subjected to any dilutive elements.

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter	Preceding Year Quarter	Current Period To Date	Preceding Period to Date
	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
	RM'mil	RM'mil	RM'mil	RM'mil
Loss attributable to equity holders of the parent (RM'mil)	(10.1)	-	(10.3)	-
Weighted average number of ordinary share in issue	275.9	-	246.1	-
Basic Loss Per Share (sen)	(3.7)	-	(4.2)	-
Fully Diluted Loss Per Share (sen)	(3.7)	-	(4.2)	-

B16. Authorisation for issue

This quarterly report was authorised for issue by the Board of Directors.