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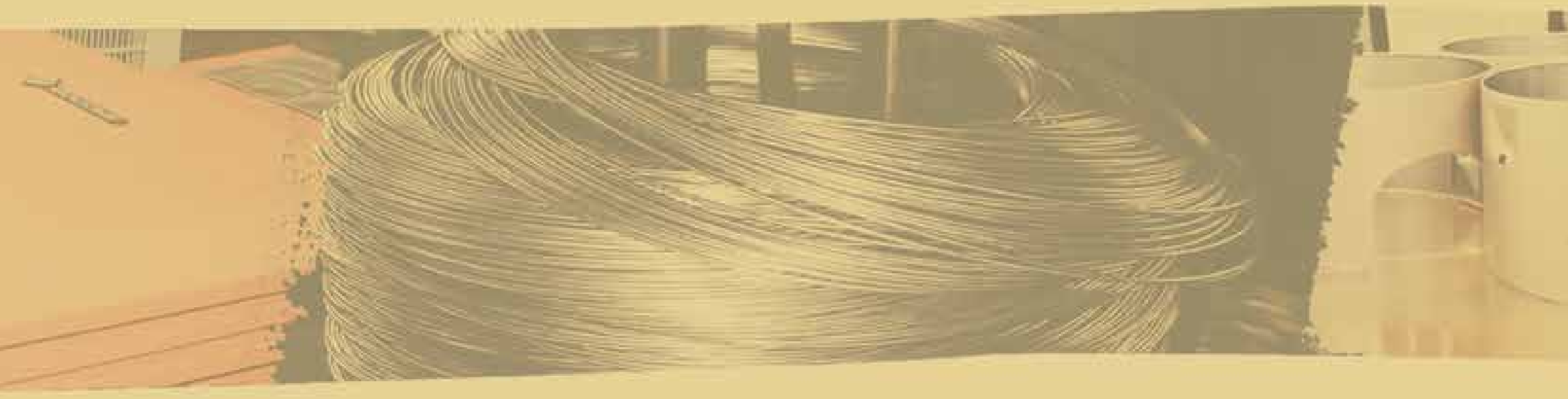
ANNUAL REPORT 2016

BSL CORPORATION BHD 651118-K



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NOTICE OF THIRTEENTH
ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Thirteenth Annual General Meeting of BSL Corporation Berhad ("the Company") will be held at Meeting Room, Ground Floor, Hotel S. Damansara, No. 1, Jalan Cempaka SD 12/5, Bandar Sri Damansara, PJU 9, 52200 Kuala Lumpur on Friday, 20 January 2017 at 9.00 a.m. for the following purposes:-

AGENDA

1. To receive the Audited Financial Statements for the financial year ended 31 August 2016 together with the Reports of the Directors and Auditors thereon. **(Please refer to Note 2)**

2. To re-elect the following Directors who retire pursuant to Article 78 of the Company's Articles of Association:-

   (i) Ngiam Tong Kwan (Resolution 1)
   (ii) Teh Yoon Loy (Resolution 2)

3. To approve the payment of Directors' fees for the financial year ended 31 August, 2016. (Resolution 3)

4. To re-appoint Messrs Mazars as Auditors of the Company and authorise the Directors to fix their remuneration. (Resolution 4)

AS SPECIAL BUSINESS

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

5. **ORDINARY RESOLUTION I**
   - AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965 **(Please refer to Note 3(a))**

   "**THAT**, subject always to the Companies Act 1965, the Articles of Association of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby empowered, pursuant to Section 132D of the Companies Act 1965, to issue shares in the Company from time to time at such price, upon such terms and conditions, and for such purposes as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares issued pursuant to this Resolution does not exceed 10% of the nominal value of the issued and paid-up share capital (excluding treasury shares) of the Company for the time being AND THAT the Directors be and are also empowered to obtain the approval from Bursa Securities for the listing of and quotation for the additional shares so issued on the Bursa Securities AND FURTHER THAT such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company." (Resolution 5)

6. **ORDINARY RESOLUTION II**
   - PROPOSED RENEWAL OF AUTHORITY FOR SHARE BUY-BACK **(Please refer to Note 3 (b))**

   "**THAT**, subject to the Companies Act, 1965, the Articles of Association of the Company, the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") for the Main Market ("LR") and all other applicable laws, guidelines, rules and regulations, the Company be and is hereby authorised to purchase its own ordinary shares of RM0.50 each ("Shares") through Bursa Securities ("Proposed Share Buy-Back") from time to time, upon such terms and conditions as the Directors may deem fit and expedient in the best interest of the Company provided that:- (Resolution 6)

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

(b) The maximum funds to be allocated by the Company for the purpose of purchasing the Shares shall not exceed the Company's audited retained profits and/or share premium accounts at the time of purchase(s);

(c) The authority conferred by this resolution will be effective immediately from the passing of this ordinary resolution until:-

(i) the conclusion of the next Annual General Meeting ("AGM") at which time it shall lapse unless by ordinary resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions; or
(ii) the expiration of the period within which the next AGM after that date is required by law to be held; or
(iii) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting;

whichever occurs first; and

(d) Upon the purchase(s) by the Company of its own Shares, the Board of Directors of the Company ("Board") be and is hereby authorised to:-

(i) cancel all or part of the Shares purchased pursuant to the Proposed Share Buy-Back ("Purchased Shares"); and/or
(ii) retain all or part of the Purchased Shares as treasury shares; and/or
(iii) distribute the treasury shares as share dividends to the Company's shareholders for the time being; and/or
(iv) resell the treasury shares on Bursa Securities.

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

7. **ORDINARY RESOLUTION III**
- CONTINUATION IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTORS **(Please refer to Note 3 (c))**

"THAT, approval be and is hereby given for Datuk Dr. Syed Muhamad Bin Syed Abdul Kadir who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years, to continue to act as an Independent Non-Executive Director of the Company." (Resolution 7)

"THAT, approval be and is hereby given for To' Puan Rozana Bte Tan Sri Redzuan who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years, to continue to act as an Independent Non-Executive Director of the Company." (Resolution 8)

"THAT, approval be and is hereby given for Ng Wai Pin who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years, to continue to act as an Independent Non-Executive Director of the Company." (Resolution 9)

8. **SPECIAL RESOLUTION**
- PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION ("PROPOSED AMENDMENTS") **(Please refer to Note 3 (d))**

"THAT, the amendments to the Articles of Association of the Company as set out in the Appendix 1 ("Proposed Amendments") on pages 120 to 124 of the 2016 Annual Report be and is hereby approved." (Resolution 10)

"AND THAT, the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds and things as are necessary and/or expedient in order to give full effect to the Proposed Amendment with full powers to assent to any condition, modifications and/or amendments as may be required by the relevant authorities."

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

By Order of the Board

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

Kuala Lumpur
27 December, 2016

Notes:

1. APPOINTMENT OF PROXY

(a) A proxy may but need not be a member of the Company and the provision of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.

(b) A member entitled to attend and vote at the Meeting is entitled to appoint not more than two (2) proxies to attend and vote at the Meeting except where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, in which event it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.

(c) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under Depositories Act which is exempted from compliance with the provisions of subsection 25A(1) of the Depositories Act.

(d) Where a member or the authorised nominee appoints two (2) proxies, or where an exempt authorised nominee appoints two (2) or more proxies, the appointments shall be invalid unless the proportion of shareholdings to be represented by each proxy is specified in the instrument appointing the proxies.

(e) The Proxy Form shall be signed by the appointor or his (her) attorney duly authorised in writing or, if the member is a corporation, must be executed under its common seal or by its duly authorised attorney or officer.

(f) The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarily certified copy of the power or authority must be deposited at the office of the Company's Share Registrar situated at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, not less than 48 hours before the time for holding the meeting or at any adjournment thereof.

(g) Only members whose names appear in the Record of Depositors as at 13 January 2017 will be entitled to attend, vote and speak at the meeting or appoint proxy(ies) to attend, vote and speak on their behalf.

2. AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2016

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

3. EXPLANATORY NOTES ON SPECIAL BUSINESS

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

The proposed Resolution 5 is the renewal of the mandate obtained from the members at the last Annual General Meeting ("the previous mandate"). As at the date of this Notice, the Company did not allot and issue any shares pursuant to the mandate granted to the Directors at the Twelfth Annual General Meeting held on 26 February 2016 as there were no requirements for such fund raising activities.

The proposed Resolution 5, if passed, would provide flexibility to the Directors to undertake fund raising activities, including but not limited to placement of shares for the purpose of funding the Company's future investment project(s), working capital and/or acquisition(s), by the issuance of shares in the Company to such persons at any time as the Directors may deem fit provided that the aggregate number of shares issued pursuant to the mandate does not exceed ten per centum (10%) of the issued and paid-up share capital of the Company for the time being, without having to convene a general meeting. This authority, unless revoked or varied by the Company in a general meeting will expire at the conclusion of the next Annual General Meeting of the Company.

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

The proposed Resolution 6, if passed, will empower the Directors to purchase up to ten per centum (10%) of the issued and paid-up share capital of the Company through Bursa Securities. Please refer to the Statement to Shareholders dated 27 December 2016 in relation to the Proposed Renewal of Authority for Share Buy-Back for further details.

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

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

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

(i) they fulfilled the criteria of an Independent Director pursuant to Bursa Malaysia Securities Berhad Main Market Listing Requirements;

(ii) they are familiar with the Company's business operations as they have been with the Company for a period of more than nine (9) years;

(iii) their long tenures with the Company have neither impaired nor compromised their independent judgement. They continue to remain objective and are able to exercise independent judgement in expressing their views and in participating in deliberations and decision making of the Board and Board Committees in the best interest of the Company; and

(iv) they have exercised due care during their tenure as Independent Directors of the Company and carried out their duties in the interest of the Company and shareholders.

The proposed Resolution 7, Resolution 8 and Resolution 9, if passed, will enable Datuk Dr. Syed Muhamad Bin Syed Abdul Kadir, To' Puan Rozana Bte Tan Sri Redzuan and Ng Wai Pin to continue to act as Independent Non-Executive Directors of the Company.

(d) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION ("PROPOSED AMENDMENTS")

The Special Resolution proposed under Resolution 10, if passed, will authorise the Directors to amend the Company's Articles of Association. The Proposed Amendments will bring the Articles of Association of the Company in line with the amendments to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and to facilitate some administrative matters.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Ngiam Tong Kwan	Executive Chairman
Ngiam Tee Wee	Chief Executive Officer / Executive Director
Ngiam Tee Yang	Deputy Chairman / Executive Director
Teh Yoon Loy	Executive Director
Datuk Dr Syed Muhamad Bin Syed Abdul Kadir	Independent Non-Executive Director
To' Puan Rozana Bte Tan Sri Redzuan	Independent Non-Executive Director
Ng Wai Pin	Independent Non-Executive Director

AUDIT COMMITTEE

Datuk Dr Syed Muhamad Bin Syed Abdul Kadir
Chairman / Independent Non-Executive Director

Ng Wai Pin
Member / Independent Non-Executive Director

To' Puan Rozana Bte Tan Sri Redzuan
Member / Independent Non-Executive Director

COMPANY SECRETARIES

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

WEBSITE

www.bslcorp.com.my

REGISTERED OFFICE

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

Tel : 03 2783 9191
Fax : 03 2783 9111

SHARE REGISTRAR

Tricor Investor & Issuing House Services Sdn Bhd (11324H)
Unit 32-01, Level 32, Tower A,
Vertical Business Suite
Avenue 3, Bangsar South,
No.8, Jalan Kerinchi,
59200 Kuala Lumpur.

Tel : 03 2783 9299
Fax : 03 2783 9222

AUDITORS

Mazars (AF1954)
Wisma Selangor Dredging,
11th Floor, South Block,
142-A, Jalan Ampang, 50450 Kuala Lumpur,
Malaysia

Tel : 03 2161 5222
Fax : 03 2161 3909

PRINCIPAL BANKERS

OCBC Bank (Malaysia) Berhad

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Security Berhad
Stock Name : BSLCORP
Stock Code : 7221

PROFILE
OF DIRECTORS

NGIAM TONG KWAN
Executive Chairman

Aged 67, Malaysian. Appointed to the Board of BSL Corporation Bhd ("BSL") on 28 April 2005, he started his career as an apprentice tool maker in 1966 at Perusahaan Winco Sdn. Bhd. Five (5) years later, he was promoted to Production Supervisor where he not only supervised employees in the production department but was also involved in production and material planning. He was later promoted to Sales Manager. In 1978, he decided to venture out on his own and set up Ban Seng Lee Industries Sdn. Bhd.("BSLI"), guiding it through steady growth over the years. He is also the director and co-founder of Unique Forging & Components Sdn Bhd. ("Unique") and Crestronics (M) Sdn Bhd. ("Crestronics").

He is the Chairman of the Remuneration Committee of BSL.

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

He has no conflict of interest with the company and has no conviction for any offences within the past five years (other than traffic offences, if any) and there was no sanction or penalty imposed by the relevant regulatory bodies during the financial year.

TEH YOON LOY
Executive Director

Aged 59, Malaysian. Appointed to the Board on 28 April 2005, he graduated with a Degree in Business Administraiton from Louisiana State University, USA, and after his graduation in 1982, he started his career as a credit and marketing officer with Sincere Leasing Sdn Bhd. He joined BSLI as a Finance Manager in 1984 and in 1989 he was appointed a Director of Unique.

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

He has no conflict of interest with the company and has no conviction for any offences within the past five years (other than traffic offences, if any) and there was no sanction or penalty imposed by the relevant regulatory bodies during the financial year.

NGIAM TEE WEE
Chief Executive Officer / Executive Director

Aged 48, Malaysian. Appointed to the Board on 28 April 2005, he graduated with a Bachelor of Land Surveying Degree from University of Melbourne, Australia, and started his career in 1993 as Factory Manager of Unique, a subsidiary of BSL. In 1995, he was transferred to BSLI as an Operations Manager. In 1998, one year after he completed his ISO 9000 Lead Assessor training, he led BSLI to ISO 9002 certification. He was promoted to General Manager in 2000 where his responsibilities included overseeing daily operations, sales and marketing, R&D and engineering. He is currently the Managing Director of BSLI and CEO of BSL.

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

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

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

He has no conflict of interest with the company and has no conviction for any offences within the past five years (other than traffic offences, if any) and there was no sanction or penalty imposed by the relevant regulatory bodies during the financial year.

DATUK DR. SYED MUHAMAD BIN SYED ABDUL KADIR

Independent Non-Executive Director

Datuk Dr. Syed Muhamad bin Syed Abdul Kadir, a Malaysian aged 69, is an Independent Non-Executive Chairman of CIMB Islamic Bank Berhad and he was appointed to the Board on 28 May 2005. He graduated with a Bachelor of Arts (Hons.) from University of Malaya in 1971. He obtained a Masters of Business Administration from the University of Massachusetts, USA, in 1977. In 1982 he pursued the Ph. D. programme in Business Management at Virginia Polytechnic Institute and State University, USA and was conferred Ph.D in 1986. In 2005, he obtained a Bachelor of Jurisprudence (Hons.) from the University of Malaya. He obtained the Certificate in Legal Practice in 2008 from the Malaysian Professional Legal Board. He was admitted as an Advocate and Solicitor of the High Court of Malaya in July 2009, and obtained the Master of Law (Corporate Law) from Universiti Teknologi MARA in December 2009. In June 2011 he became a member of The Chartered Institute of Arbitrators, United Kingdom and in May 2012 became the fellow of the Institute.

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

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

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

He does not have any family relationships with any directors and/or major shareholders of the Company. He has no conflict of interest with the Company and has no convictions for any offences within the past five years (other than traffic offences, if any) and there was no sanction or penalty imposed by the relevant regulatory bodies during the financial year.

NGIAM TEE YANG
Deputy Chairman / Executive Director

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

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

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

He has no conflict of interest with the company and has no conviction for any offences within the past five years (other than traffic offences, if any) and there was no sanction or penalty imposed by the relevant regulatory bodies during the financial year.

TO' PUAN ROZANA BTE TAN SRI REDZUAN
Independent Non-Executive Director

Aged 52, Malaysian. Appointed to the Board on 28 December 2006, she is a member of the Chartered Association of Certified Accountants (ACCA) and Malaysian Institute of Accountants (MIA).

She was the Chief Executive Officer of Plantation & Development (M) Berhad (P&D), a company listed on Bursa Malaysia, from 1999 to 2003. P & D was involved in plantation activities, property development and construction. She also spearheaded the corporate restructuring of the company. Prior to joining the P & D Group of companies in 1995, she was an accountant with the now defunct accounting firm, Arthur Andersen & Co, and subsequently joined PB Securities Sdn. Bhd., a stockbroking firm. She presently sits on the board of various private companies that are in activities such as property development and waste-water treatment.

She also sits on the board of Tomypak Holdings Berhad.

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

She has no family relationship with any Director and/or major shareholders of BSL. She has no conflict of interest with the company and has no conviction for any offences within the past five years (other than traffic offences, if any) and there was no sanction or penalty imposed by the relevant regulatory bodies during the financial year.

NG WAI PIN
Independent Non-Executive Director

Aged 51, Malaysian. Appointed to the Board on 28 December 2006, he graduated with a LLB Degree from University of Auckland in 1988 and was a barrister and solicitor attached to a leading legal firm in New Zealand for a number of years.

He later joined Shook Lin & Bok, a legal firm in Kuala Lumpur and was admitted as an Advocate and Solicitor of the High Court of Malaya in 1993. After leaving the legal practice, he became the Chief Executive Officer of a company listed on Bursa Securities and later on the Chief Executive Officer of another company listed on the Australian Stock Exchange.

He is currently the Chairman and Managing Director of Frontken Corporation Berhad and director of various private companies locally and overseas.

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

He has no family relationship with any Director and/or major shareholders of BSL. He has no conflict of interest with the company and has no conviction for any offences within the past five years (other than traffic offences, if any) and there was no sanction or penalty imposed by the relevant regulatory bodies during the financial year.

PROFILE
OF THE KEY SENIOR MANAGEMENT

ANDY WOO WENG KOK

Aged 40, Malaysian
Executive Director of Crestronics (M) Sdn Bhd

He graduated with a Bachelor of Science in Electrical Engineering Degree in 1998 & Bachelor of Science in Computer Engineering Degree in 1999 from Wichita State University, Kansas, USA and started working after graduation in 2000 as a Management Trainee in Western Resources, a Power & Gas Company in Kansas, USA.

He was then being assigned as a Design Engineer for one of its subsidiary, Kansas Gas & Electric (KGE) in 2001. He Works in the engineering design group which is responsible to protect and maintain the running of power sub-station in Wichita, Kansas. His duty also includes doing research and design for electric distribution in Kansas, USA.

He joined Crestronics as a Product Engineer in 2002 and was promoted to Marketing & Purchasing Assistant Manager in 2006. His duty includes developing new customers, acting as a window for existing customers and setting up new models.

He is the son-in-law of the Executive Chairman, Ngiam Tong Kwan. He does not hold any directorship in public companies and listed issuers. He has no conflict of interest with the Company and has no conviction for any offences within the past five years (other than traffic offences, if any) and there was no sanction or penalty imposed by the relevant regulatory bodies during the financial year.

CHAN CHOON KEUW

AGE 58, Malaysian
Deputy General Manager

He began his carrier at Matsushita Industrial Corporation Sdn Bhd after completed his MCE In year 1978 as a dies maintenance staff.

He joined Ban Seng Lee Industries Sdn Bhd in year 1983 attached to Tool room as a tool room technician. Mr. Chan earned much experience at BSLI holding various key positions before being promoted to Deputy General Manager. He was in-charge of the Quality Assurance Department in 1987, Production Department in 1998 and Engineering Department in 2006. In 1998, he successfully completed Lead Assessor training and assisted the company to achieve ISO 9001 certification. Currently he is the Management Representative for both QMS & EMS.

He does not hold any directorship in Public Companies and listed issuers. He does not have any family relationship with director and major shareholder of BSL Corporation Bhd. He has no conflict of interest with the Company and has no conviction for any offences within the past five years (other than traffic offences, if any) and there was no sanction or penalty imposed by the relevant regulatory bodies during the financial year.

PON SIAU SENG

Aged 43, Malaysian
Finance Manager

Pon Siau Seng was appointed as the Accounts Manager of Ban Seng Lee Industries Sdn Bhd on 1st April 2008 and later in 2010 he was promoted as Group Finance Manager. He graduated with a Diploma in Business Administration and Managerial level of Charted Institute of Management Accountant.

He began his career with Wong & Co, an Audit & tax firm in 1996 as tax assistant, subsequently in 1998 he joined a public listed company that was principally engaged in automotive Industry as Accounts Officer. Over the years, he was promoted to Finance & IT Manager where he gained vast experience through involvement in various corporate exercises, group reporting, audit and tax.

He does not hold any directorship in Public Companies and listed issuers. He does not have any family relationship with director and major shareholder of BSL Corporation Bhd. He has no conflict of interest with the Company and has no conviction for any offences within the past five years (other than traffic offences, if any) and there was no sanction or penalty imposed by the relevant regulatory bodies during the financial year.

NISHIMURA KOICHI
Aged 55, Japanese
Business development

Nishimura Koichi was appointed as senior manager of business development of Ban Seng Lee Industries Sdn. Bhd. on jan 2008. He graduated from Osaka College of Art in 1982, majoring in interior design. He started his career in Malaysia in 1991, beginning work as an interior designer where he often handle contract and project management .

Throughout his 8 years with BSLI, he takes care of sales department with special emphasis on Japanese clients and to develop new customers.

He does not hold any directorship in Public Companies and listed issuers. He does not have any family relationship with director and major shareholder of BSL Corporation Bhd. He has no conflict of interest with the Company and has no conviction for any offences within the past five years (other than traffic offences, if any) and there was no sanction or penalty imposed by the relevant regulatory bodies during the financial year.

YUKIHIRO EGUCHI
Aged 54, Japanese
Operation Director for Crestronic (M) Sdn Bhd

He joint Crestronic on 28 April 2005, Mr Eguchi joined his family-owned company Bright Trading Corporation in Tokyo after graduated from Nippon Institute Technology attachment Komaba high school (Formerly Nippon Institute Technology attachment Tokyo Technical High School) in 1981, as an Automotive Mechanical Engineer. In 1986, he joined an American audio-video company, Sound Design Corporation, Tokyo Branch as an Engineer. During this period, he travelled frequently to Korea, and was stationed in Taiwan from 1988 to 1991.

In 1992, he joined New Tech Corporation, Tokyo as an Engineer in the R&D department and was transferred to Nouveau Tech (M) Sdn. Bhd., the Malaysian factory of New Tech Corporation in 1994, as General Manager of the QC department. In 1999, he joined and invested in Crestronics.

He does not hold any directorship in Public Companies and listed issuers. He does not have any family relationship with director and major shareholder of BSL Corporation Bhd. He has no conflict of interest with the Company and has no conviction for any offences within the past five years (other than traffic offences, if any) and there was no sanction or penalty imposed by the relevant regulatory bodies during the financial year.

CHAIRMAN AND CEO'S STATEMENT

"Dear shareholders, on behalf of the board of directors of BSL Corporation Berhad, we present this year's Annual Report and Financial Statements for the year ended 31 August, 2016."

FINANCIAL REVIEW

For the financial year under review, the Group turnover for continuing operation increased by RM10.2 million or 10.4% to RM108.3 million compared to RM98.1 million in the previous year.

The Group reported a profit after tax for the financial year ended 31st August 2016 of RM4.59 million, compared to the loss after tax of RM3.53 million the previous financial year.

The improved result was contributed by the conversion of doubtful debt into securities, the improved performance of PCBA operation and the disposal of vacant factory in Klang.

Profit per share for the continuing operations of the Group is 4.9 sen.

OPERATIONAL REVIEW

The stamping division's turnover continued its recovery for second year in a row. Turnover increased from RM75.4 million to RM96.9 million or a 28.5% hike. Profit before tax however fell from RM0.94 million to RM0.18 million due to several factors. We incurred significant development costs of about RM1 million for two up-coming projects. The stamping division had to invest in packaging racks to cater for the production and delivery of Back Chassis for a reputable TV maker located at Bangi. We further incurred development and travelling cost for our new EMS model production of air sanitizer and air purifier. Both projects are expected to contribute significantly in the financial year 2017. Several clients also moved to higher mix to increase their product range and therefore reverted to manual stamping process that is less profitable to us. Furthermore, minimum wage increased from RM900 to RM1,000 per month, which we duly complied in July 2016. We are optimistic that our turnover will continue to increase for the third year running from the contribution of the two new projects mentioned earlier and from the benefits of a weakened Ringgit.

Our PCB assembly division posted a drop in sales from RM14.7 million to RM11.6 million. Our client involved in the production of home appliances decided to consign components to us for assembly instead of selling. Therefore our sales to them comprised purely of assembly sales without material, which was the main reason for the sales decline. Despite the drop, the PCB assembly division managed to report a profit after tax of RM2.2 million compared to a loss after tax of RM5.8 million. The profit was due to non-operational income derived from the conversion of doubtful debts provided in previous year to the client's share listed in National Stock Exchange of Australia for a total equivalent to RM3.3 million and further helped by higher efficiency in production and lower cost of quality. Close monitoring, tight control and frequent implementation of positive changes helped lower operational cost. Our quality, delivery and inventory control have all shown improvement resulting in higher confidence level from our clients. We believed we have reach the bottom of the sales drop and should post an improved sales number for the new financial year.

The forging division's sales decreased due to a key client who changed the material of their component. This division posted a loss of RM0.19 million compared to a loss of RM0.24 million a year ago. The merger of stamping and forging divisions is timely to absorbed the sales fluctuations and to share operating costs thus cushioning the impact from the sales loss.

CORPORATE DEVELOPMENTS

We are moving aggressively towards our EMS business model. This year we participated in Electronica Munich with our own promotional booth. We received visitors not just from Europe but other parts of the world. Besides the exhibition in Munich, we also invested in marketing materials such as brochures and a promotional video. We hope to continue our participation in future electronics exhibition to increase our company's exposure.

Our investment (via BSL Eco Energy) into green energy is progressing well. We have started with a 1 mega watt farm at UTM's car park. This solar farm should generate income via the Feed-In-Tariff("FIT") program by SEDA beginning January 2017. Besides solar farm, BSL Eco Energy is also involved in the production of inverters. Our inverters had successfully received SEDA's approval in November 2016 for local tariff bonus. Users of our inverters will enjoy higher tariff from SEDA through the FIT programs. We are encouraged by the smooth progress of both projects and are looking into expanding our solar business in the near future.

Our PET aerosol and hand sanitizer/air purifier projects had been hit by slight delays but are still progressing. The clients for PET aerosols are demanding for flat bottom PET bottles instead of petaloid based bottoms. We are finalizing the solution for flat bottom with PET bottle makers and machine maker. We hope that this is the last obstacle before commercialization to begin soon. The hand sanitizer/air purifier project is due to begin in the third quarter of the new financial year. A last minute design change has delayed the project.

In the last financial year, two significant events happened. We sold our former PCBA factory located in Meru, Klang for a gain of RM167,000,00. It was a reasonable sale value in view of the softening property market. In May 2016, BSL also bought over the remaining shares held by Xadacorp in our subsidiary Advance Automotive Industries Sdn. Bhd. This marked the end of our venture into trading and localization of car components for foreign car brands being assembled in Malaysian.

DIVIDEND

The Board does not recommend any dividend payment in respect of the financial year ended 31st August 2016. We decided to be financially conservative in view of the uncertain economic condition

CORPORATE GOVERNANCE

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

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

The level of compliance is set out in our Statement of Corporate Governance in pages 16 to 27.

CURRENT YEAR OUTLOOK

We invested quite significantly to prepare for two projects (back chassis of LCD TV and hand sanitizer/air purifier) and believed that both projects will contribute significantly to our new financial year.

The significant weakening of Ringgit in recent months should have a positive benefit to our business as well. We believe our clients will be attracted to the lower cost of manufacturing in Malaysia. Nevertheless, our Group still need to be cautious with possible increases in minimum wage, transport cost, utilities rate and so on.

APPRECIATION

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

Thank you.

Ngiam Tong Kwan
Chairman

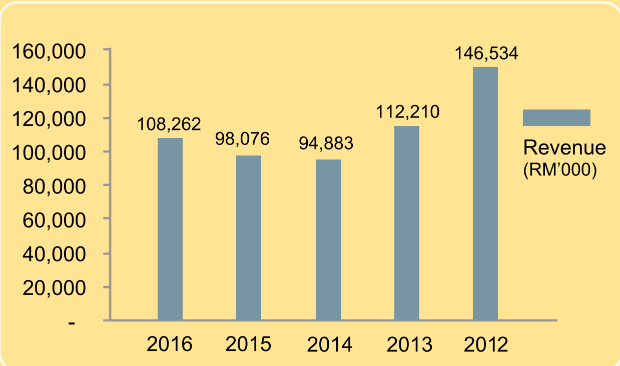
Ngiam Tee Wee
Chief Executive Officer

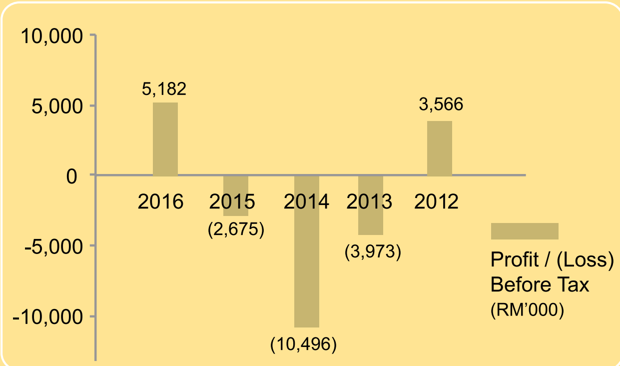
27 December 2016

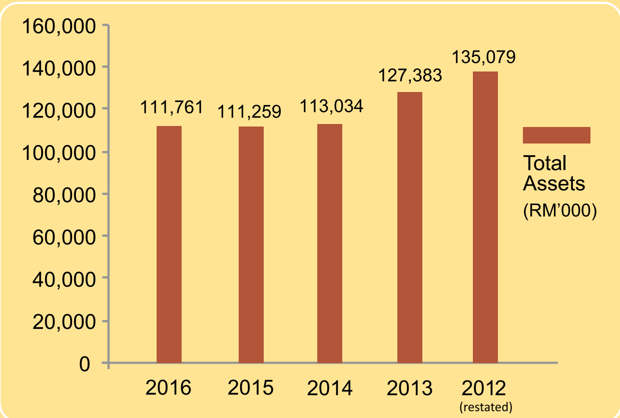
CORPORATE STRUCTURE
AS AT 01 DECEMBER 2016

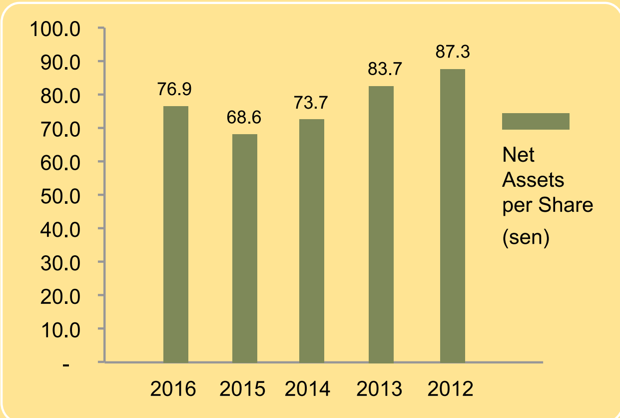
GROUP
FINANCIAL HIGHLIGHTS

	2016 RM'000	2015 RM'000	2014 RM'000	2013 RM'000	2012 RM'000 (restated)
Income					
Revenue	108,262	98,076	94,883	112,210	146,534
Profit / (Loss) Before Tax	5,182	(2,675)	(10,496)	(3,973)	3,566
Profit / (Loss) Attributable to Shareholders	4,761	(3,568)	(9,804)	(4,189)	1,741
Balance Sheet					
Total Assets	111,761	111,259	113,034	127,383	135,079
Shareholders' Fund	74,352	66,395	71,376	81,071	85,584
Paid-up Capital	49,000	49,000	49,000	49,000	49,000
Financial Ratios					
Return on Shareholders' Fund (%)	6.40	(5.37)	(13.74)	(5.17)	2.03
Earnings/(Loss) per Share (sen)	4.9	(3.7)	(10.2)	(4.4)	1.8
Net Assets per Share (sen)	76.9	68.6	73.7	83.7	87.3
Gross Dividend per Share -First and Final (sen)	-	-	-	-	-









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

The Board is therefore pleased to present this statement of corporate governance which outlines how the Company has applied the Principles and Recommendations set out in the Malaysian Code of Corporate Governance 2012 ("the Code") for the financial year ended 31 August 2016. Where there are gaps in the Company's observation of any of the Recommendations of the Code, these are disclosed herein with explanations.

1. ESTABLISH CLEAR ROLES AND RESPONSIBILITIES

1.1 Clear Functions of the Board and Management

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

The Management conducts the daily operation of the companies guided by internally developed 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 AC, Nomination Committee and Remuneration Committee report to the Board subsequent to the respective committee meetings.

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

1.2 Clear Roles and Responsibilities

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

- Review and approve strategies, business plans and significant policies and ensure that the Group's goals are clearly established, and to monitor implementation and performance of the strategy, policies, plans, legal and fiduciary obligations that affect the business by adopting performance appraisal measures;

- 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 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.

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

- To ensure that the Group has appropriate business risk management process, including adequate control environment be it the internal control systems and management information systems, systems for compliance with applicable laws, regulations, rules, directives and guidelines and controls in areas of significant financial and business risks;

- Establish various Board Committees and ensure their effectiveness to address specific issues, by considering recommendations of the various board committees and acting on their reports;

- Ensuring that the statutory accounts of the Company and Group are fairly stated and otherwise conform with the relevant regulations including acceptable accounting policies that result in balanced and understandable financial statements;

- Ensuring that there is in place an appropriate succession plan for members of the Board and senior management; The Board periodically reviews the status of succession of key positions. Whenever the need arises, the Board consider creating a deputy position to ensure continuity. Recently the position Deputy Chairman was created for this purpose.

- 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 Malaysia Securities Berhad. General information has been provided on the company website and is constantly updated. Further important explanations such as condition of business, business direction, status of certain projects, etc are explained in the 'Chairman and CEO's Statement in the Annual Report. AGM are held once a year and EGMs 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.

1.3 Formalised Ethical Standards through Code of Business Ethics

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

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

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. This policy has been in placed since 2012. 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 key persons in-charge are the Group Human Resource Manager and Finance Manager.

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

1.4 Strategies Promoting Sustainability

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

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

The Board ensures that its long-term financial viability, loyalty of key stakeholders and preservation of the environment are achieved. The details of sustainability activities are set out in the Corporate Social Responsibility section on page 29 of the Annual Report.

1.5 Access to Information and Advice

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. 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.

1.6 Qualified and Competent Company Secretary

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

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

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

1.7 Board Charter

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

2. STRENGTHEN COMPOSITION

2.1 Nomination Committee ("NC")

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

2. STRENGTHEN COMPOSITION (cont'd)

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

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

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

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

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

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

The Term of Reference of the NC is available on the Company's website at www.bslcorp.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.

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

(a) Recruitment or New Appointment of Directors

The NC recommends to the Board, candidates for all directorships and to review the Board's policies and procedures for the selection of Board members. In making the recommendations, the NC should also consider candidates proposed by the Chairman/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 programme is in place for future new recruits to the Board.

2. STRENGTHEN COMPOSITION (cont'd)

(b) Gender, Ethnicity and Age Group Diversity Policy

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

(c) Annual Assessment

The NC had on 16 December 2016 reviewed and assessed the mix of skills, expertise, composition, size and experience of the Board, including core competencies of the Directors, the contribution of each individual Director as well as their character, integrity and time commitment, independence of the Independent Directors, effectiveness of the Board as a whole, and the Board Committees; and also the retirement of Directors eligible for re-election.

Self and 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.

2.3 Directors' Remuneration

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

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

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

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

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

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

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

2. STRENGTHEN COMPOSITION (cont'd)

The aggregate remuneration of Directors received from the Company and subsidiary company for the financial year ended 31 August, 2016 are set out as below:

	Salaries & Bonus RM	Other benefits RM	Fees RM	Total RM
Received From Company:				
Executive Directors	-	-	137,600	137,600
Non-Executive Directors	-	5,100	94,600	99,700
Received On Group Basis:				
Executive Directors	1,066,031	37,925	137,600	1,241,556
Non-Executive Directors	-	5,100	94,600	99,700

A breakdown of Directors' remuneration for the financial year ended 31 August 2016 in successive bands of RM50,000.00 are as follows :

Range of Remuneration (RM)	No. of Executive Director	No. of Non-Executive Director
Received from the Company:		
1 – 50,000	3	3
50,001 – 100,000	1	-
Total	4	3
Received On Group Basis:		
1 – 50,000	-	3
200,001 – 250,000	1	-
250,001 – 300,000	1	-
300,001 – 350,000	2	-
Total	4	3

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

3. REINFORCE INDEPENDENCE

3.1 Annual Assessment of Independence

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

3. REINFORCE INDEPENDENCE (cont'd)

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

3.2 Tenure of Independent Directors

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

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

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

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

(i) they fulfilled the criteria of an Independent Director pursuant to MMLR;

(ii) they are familiar with the Company's business operations as they have been with the Company for a period of more than nine (9) years;

(iii) their long tenures with the Company have neither impaired nor compromised their independent judgement. They continue to remain objective and are able to exercise independent judgement in expressing their views and in participating in deliberations and decision making of the Board and Board Committees in the best interest of the Company; and

(iv) they have exercised due care during their tenure as Independent Directors of the Company and carried out their duties in the interest of the Company and shareholders.

Based on the recommendation of NC, the Board was satisfied with the knowledge, contributions and independent judgements of Datuk Dr. Syed Muhamad Bin Syed Abdul Kadir, To Puan Rozana Bte Tan Sri Redzuan and Ng Wai Pin. Hence, the Board recommended the retention of Datuk Dr. Syed Muhamad Bin Syed Abdul Kadir, To Puan Rozana Bte Tan Sri Redzuan and Ng Wai Pin as Independent Non-Executive Directors of the Company, which will be tabled for shareholders' approval at the forthcoming Thirteenth (13th) AGM.

3.4 Separation of Positions of the Chairman and CEO

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

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

3. REINFORCE INDEPENDENCE (cont'd)

3.5 Composition of the Board

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

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

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

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

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

4. FOSTER COMMITMENT

4.1 Time Commitment and Continuing Education Programmes

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

The Board is satisfied with the level of time commitment of the Directors from their attendance at the Meetings. The record of the Directors' attendance at Board Meeting and various Committees' Meeting for the financial year ended 31 August 2016 is contained in the table below.

4. FOSTER COMMITMENT (cont'd)

NAME OF DIRECTOR	NUMBER OF MEETINGS ATTENDED			
	BOARD	AUDIT COMMITTEE	NOMINATION COMMITTEE	REMUNERATION COMMITTEE
Ngiam Tong Kwan	5/5	N/A	N/A	1/1
Ngiam Tee Wee	5/5	N/A	N/A	N/A
Ngiam Tee Yang	5/5	N/A	N/A	N/A
Teh Yoon Loy	4/5	N/A	N/A	N/A
Datuk Dr Syed Muhamad Bin Syed Abdul Kadir	5/5	5/5	1/1	N/A
To' Puan Rozana Bte Tan Sri Redzuan	4/5	4/5	1/1	1/1
Ng Wai Pin	5/5	5/5	1/1	1/1

4.2 Directors' Training

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

The NC had on 16 December 2016 undertaken an assessment of the training needs of the Directors during the annual assessment.

The Board is also briefed by the Company Secretary of any significant changes in laws and regulations that are relevant. The Directors will continue to undergo relevant training programs from time to time to further enhance their knowledge to enable them to discharge their duties and responsibilities more effectively.

During the financial year ended 31 August, 2016, the Directors had attended the following trainings, seminars and forums:

Name of Director	Title of Training/Seminar/Forum	Duration
Ngiam Tee Wee	- ISO 9001 : 2015 Latest Transition	Two Days
Teh Yoon Loy	- Green Business Finance Potential : Understand the Nature & Overcome Challenges - Sustainability Reporting in Malaysia : Putting Public Listed Issuers in the know	One Day One Day
Ng Wai Pin	- Malaysia GST Mechanism and Treatment v2 - BFututre of Auditor Reporting - The Game Changer for Boardroom	One Day One Day
To' Puan Rozana Bte Tan Sri Redzuan	- Detecting Financial Warnings and Financial Shenanigans	One Day

4. FOSTER COMMITMENT (cont'd)

Datuk Dr. Syed Muhamad Bin Syed Abdul Kadir	- Asian World Summit 7th Annual Corporate Governance Summit	One Day
	- FIDE Directors Register Focus Group Sessions:- Insurance Companies (Takaful & Conventional)	One Day
	- Guest Panelist for MINDA Advanced Women Directors' Training Programme (AWDTP) session on "The State of Board Leadership Today – What Must Change?"	One Day
	- Invitation for Panel Session: INSKEN Onboard SME Directors Programme (IDP)	One Day
	- Panelist at MINDA's Corporate Directors Onboarding Programme	One Day
	- Panelist in one of the session s (Type: Panel Presentation) - Corporate Board Leadership Symposium 2015	One Day
	- Focus Group Discussion in preparation for Dialogue with BNM's Senior Management	One Day
	- Composite Risk Rating Meeting Bank Negara Malaysia	One Day
	- Bank Negara Malaysia Annual Report 2015 / Financial Stability and Payment Systems Report 2015 Briefing Session	One Day
	- Risk Appetite Workshop CIMB	One Day
	- Independent Directors Programme : The Essence of Independence	One Day
	- Panelist for the session "Putting it All Together" - MINDA Engagement on Enhancing Director and Board Effectiveness - INSKEN Onboarding Directors Programme	One Day
	- Participated in the RFI Responsible Finance Summit	One Day
	- Breakfast Talk Session entitled "Key Traits to Make or Break a CEO: Establishing the Measures"	One Day
	- Training Session on ISO for EURO Board of Directors	One Day
	- Public Lecture at the University Sultan Zainal Abidin (UniSZA)	One Day
	- Focus Group Discussion on "Islamic Finance for Board" Programme	One Day
	- Future CEO Programme	One Day
	- Competition Law Talk for MMC Group Directors & Senior management	One Day

Mr Ngiam Tong Kwan and Mr Ngiam Tee Yang did not attend any training and seminar courses due to their hectic travelling schedule throughout the year.The Directors will undertake to attain relevant training and seminar courses in 2017 to continue enhancing and knowledge for the purpose of discharging their duties and reponsibilities.

5. UPHOLD INTEGRITY IN FINANCIAL REPORTING

5.1 Compliance with Applicable Financial Reporting Standards

The Board is assisted by the AC to oversee the Group's financial reporting processes and the quality of its financial reporting and to ensure that the financial statements of the Group and the Company comply with applicable financial reporting standards in Malaysia. Such financial statements comprise the quarterly financial report announced to BMSB and the annual audited financial statements. A Statement by the Board of its responsibilities in respect of the preparation of the annual audited financial statements is set out on page 28 of this Annual Report.

5. UPHOLD INTEGRITY IN FINANCIAL REPORTING (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.

5.2 Assessment of Suitability and Independence of External Auditors

The AC oversees and appraises the quality of the audits conducted by the Company's external auditors; maintain open lines of communication between the Board and external auditors for the exchange of views and information, as well as to confirm their respective authority and responsibilities; and assess the adequacy of the risk management systems and internal control environment as well as the financial reporting systems based on audit feedback from the external auditors. Key features underlying the relationship between the AC and the external auditors are included in the AC's Report as detailed on pages 34 to 38 of the Annual Report.

The AC assisted by the management, had on 16 December 2016 undertaken an annual assessment of the suitability and independence of the External Auditors. The assessment of the External Auditor was conducted by completing personalised evaluation form as guided by the Corporate Governance Guide on Evaluation of External Auditors Performance and Independence checklist. The factors considered by the AC 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 AC has assess 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 AC has recommended to the Board the re-appointment of Messrs Mazars as the External Auditors, upon which the shareholders' approval will be sought at the forthcoming Thirteenth (13th) AGM. The External Auditors also provide certain non-audit services. The AC will ensure that provision of these services do not compromise the External Auditors' independence.

The total fees paid to the External Auditors for the financial year ended 31 August 2016 are as follows:-

(1) Audit Fees

The total audit fees (including both statutory and non-statutory audits) charged by the External Auditors, exclusive of expenses and applicable taxes, amounted to RM189,546.00 for the financial year ended 31 August 2016.

(2) Non-audit Fees

The total non-audit fees charged by the External Auditors for other services performed, exclusive of expenses and applicable taxes, amounted to RM5,000.00 for the financial year ended 31 August 2016.

6. RECOGNISE AND MANAGE RISK

6.1 Sound Framework to Manage Risk

The Board ensures that there is an on-going process of identifying, evaluating and managing the significant risks via the examination of principal business risks in critical areas, assessing the likelihood of material exposures and the identification of measures taken to mitigate, avoid or reduce these risks are undertaken by the Executive Directors and senior management through regular meetings held throughout the financial year. Kindly refer to pages 31 and 33 of the Annual Report on the Statement on Risk Management and Internal Control for more information.

6. RECOGNISE AND MANAGE RISK (cont'd)

6.2 Internal Audit Function

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

Key features underlying the relationship between the AC and the internal auditors are included in the AC's Report as detailed on pages 34 to 38 of the Annual Report. The Statement on Risk Management and Internal Control furnished on pages 31 to 33 of the Annual Report provides an overview of the system of internal controls of the Group.

7. ENSURE TIMELY AND HIGH QUALITY DISCLOSURE

7.1 Corporate Disclosure Policy

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

7.2 Leverage on Information Technology for Effective Dissemination of Information

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

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

8. STRENGTHEN RELATIONSHIP BETWEEN COMPANY AND SHAREHOLDERS

8.1 Encourage Shareholder Participation at General Meetings

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

8.2 Effective Communication and Proactive Engagement

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

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

The Board is responsible for ensuring that the financial statements of the Group give a true and fair view of the state of affairs of the Group and of the Company as at 31 August 2016 and of their profit or loss and cashflows for the year then ended. In preparing the financial statements, the Directors have ensured that applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965 have been adhered to.

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

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

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

a) Workplace

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

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

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

As of 16 December 2016, the breakdown of the Group's employees by gender, age group, and ethnicity in percentage are as follows:

					EXECUTIVE STAFF					
Age range	**20>30**		**30>40**		**40>50**		**50>60**		**>60**	
Gender	**Male**	**Female**	**Male**	**Female**	**Male**	**Female**	**Male**	**Female**	**Male**	**Female**
Malay	1%	1%	1%	1%	2%	-	-	-	-	-
Chinese	-	-	1%	1%	1%	1%	1%	1%	1%	1%
India	-	-	1%	-	1%	1%	-	-	-	-
Others	-	-	1%	-	-	-	1%	-	-	-
					NON-EXECUTIVE STAFF					
Age range	**20>30**		**30>40**		**40>50**		**50>60**		**>60**	
Gender	**Male**	**Female**	**Male**	**Female**	**Male**	**Female**	**Male**	**Female**	**Male**	**Female**
Malay	3%	4%	2%	2%	1%	2%	1%	1%	-	-
Chinese	-	-	-	-	-	-	-	-	1%	-
India	4%	6%	2%	3%	-	3%	-	3%	-	-
Others	14%	2%	17%	3%	2%	2%	-	-	-	-
TOTAL	**23%**	**14%**	**24%**	**10%**	**7%**	**9%**	**4%**	**5%**	**2%**	**1%**

b) The Environment

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

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

c) The Market Place

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

OTHER
COMPLIANCE INFORMATION

(a) Utilisation of Proceeds

The Company did not raise any proceeds from corporate proposals during the financial year ended 31 August, 2016.

(b) Sanctions and / or Penalties

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

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

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

(c) Non-audit Fees

There were non-audit fees of RM5,000 payable to the External Auditors during the financial year ended 31 August, 2016.

(d) Material Contracts or loans

There were no material contract entered into by the Company which involved Directors' and major shareholders' interest, either still subsisting at the end of the financial year ended 31 August, 2016 or, if not then subsisting, entered into since the end of the previous financial year.

INTRODUCTION

The Malaysian Code on Corporate Governance 2012 requires the Board of Directors ("Board") of listed companies to establish a sound risk management framework and internal control system to safeguard shareholders' investment and assets of BSL Corporation Berhad and it's subsidiary companies (the "Group"). Under Paragraph 15.26(b) of Bursa Malaysia Securities Berhad's Main Market Listing Requirements, 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.

BOARD'S RESPONSIBILITY

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

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

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

INTERNAL AUDIT FUNCTION

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

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

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

During the financial year ended 31 August 2016, the reviews covered the following areas:-

- Credit Management, particularly focusing on risk analysis in order to identify, evaluate and prioritize the risk associated with the management of Credit Management Process such as testing on samples of transactions to validate the controls are in place, identify the effectiveness bad debts provision assessment and control gaps as well as looking out for ineffective operating controls.

- Information Technology Management, particularly focusing on risk analysis in order to identify, evaluate and prioritize the risk associated with the management of IT Management Process such as assess the adequacy of the security procedures to protect the user's data, design and control database, segregation of duties among the personnel involved and effectiveness and efficiencies of the backup and recovery procedures for the operation of the system and assurance of business continuity.

- Occupational Health, Safety & Security (OHSAS), particularly focusing on risk analysis in order to identify, evaluate and prioritize the risk associated with the management of OHSAS such as assess the adequacy of the emergency response procedure, insurance protection, security systems, safety signboards and frequency of the machine maintenance and safety trainings held and its effectiveness.

- Warehouse Licensing (LMW) Compliance and Goods & Services Tax (GST) review.particularly focusing on risk analysis in order to identify, evaluate and prioritize the risk associated with the management of LMW and GST Compliance process such as ascertain the completeness and accuracy of related documentations and records, assess the adequacy of the procedures and control practices for compliance and effectiveness and efficiencies report preparation to Royal Malaysia Customs Department.

The Audit Committee had reviewed the Internal Auditors' findings and recommendations, management response and proposed action plans as well as presented its findings and recommendations to the Board. Follow up reviews on previous audit issues are carried out in order to ensure that the recommendations made by the Internal Auditors are adopted accordingly.

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 welldefined delegation of responsibilities and accountabilities within the Group's senior management. The roles and responsibilities, appropriate authority limits and approval procedures and established in order to enhance the internal control system of the Group's various operations;

- **Board Committees**
  Board Committees such as Audit Committee, Nominating Committee and Remuneration Committee are established with formal terms of references clearly outlining their functions and duties delegated by the Board. The Audit Committee meets as least four (4) times a year and reviews the effectiveness of the Group's system of internal control and risk management. The Committee meet with the internal auditors and external auditors to review their reports whilst assisting the Board to review the effectiveness of the ongoing monitoring processes on risk and control matters for areas with 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 Audit Committee 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 individually for its subsidiary companies on a quarterly basis. The Senior Management and the Audit Committee were briefed on the key risks of the operating companies in the Group and the risk mitigation plans.

CONCLUSION

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

The Executive Chairman and Chief Executive Officer had provided assurance to the Board that the Group's risk management and internal control system, in all material aspects, is operating adequately and effectively.

The Audit Committee currently comprises the following directors:

Datuk Dr Syed Muhamad Bin Syed Abdul Kadir
Chairman, Independent Non-Executive Director

To' Puan Rozana Bte Tan Sri Redzuan
Member, Independent Non-Executive Director

Ng Wai Pin
Member, Independent Non-Executive Director

TERMS OF REFERENCE

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

COMPOSITION OF THE COMMITTEE

(1) The Committee shall be appointed by the Board of Directors from among its members which fulfils the following requirements:-

(a) shall comprise not less than 3 members;

(b) all the audit committee members must be non-executive director, with a majority of them being independent directors; and

(c) at least one member of the audit committee : -

(i) must be a member of the Malaysian Institute of Accountants ("MIA"); or
(ii) if he is not a member of MIA, he must have least 3 years' working experience, and : -
(aa) he must have passed the examinations specified in Part 1 of the 1st schedule of the Accountants Act, 1967; or
(bb) he must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act, 1967; or
(iii) fulfils such other requirements as prescribed or approved by Bursa Securities Malaysia Berhad ("Bursa Securities").

(d) no alternate director is appointed as a member of the audit committee.

(2) In the event of any vacancy in an audit committee resulting in the non-compliance of the above, the Company must fill the vacancy within 3 months as per the Bursa Securities Listing Requirement.

(3) The Board of Directors must review the term of office and performance of the Committee and each of its members at least once every 3 years to determine whether such Committee and members have carried out their duties in accordance with their terms of reference.

DUTIES AND RESPONSIBILITIES OF THE COMMITTEE

The Committee shall discharge the following functions: -

(1) To review the following and report the same to the Board of Directors: -

(a) with the external auditor, the audit plan, his/her evaluation of the system of internal controls, his/her audit report;

(b) the assistance given by the employees of the Company to the external auditor;

DUTIES AND RESPONSIBILITIES OF THE COMMITTEE (cont'd)

(c) the adequacy of the scope, functions, competency and resources of the internal audit functions and that it has the necessary authority to carry out its work;

(d) the internal audit programme, processes, the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;

(e) the quarterly results and year-end financial statements, prior to the approval by the Board of Directors, focusing particularly on: -
(i) change in or implementation of major accounting policy changes;
(ii) significant and unusual events; and
(iii) compliance with accounting standards and other legal requirements;

(f) any related party transaction and conflict of interest situation that may arise within the Company or group including any transaction, procedure or course of conduct that raises questions of management integrity;

(g) any letter of resignation from the external auditors of the Company; and

(h) whether there is reason (supported by grounds) to believe that the external auditor is not suitable for re-appointment;

(2) To recommend the nomination of a person or persons as external auditors.

(3) To report promptly to the Bursa Securities where the Committee is of the view that a matter reported by it to the Board of Directors has not been satisfactorily resolved resulting in a breach of the Listing Requirements.

(4) To carry out any other function that may be mutually agreed upon by the Committee and the Board of Directors.

RIGHTS OF THE COMMITTEE

The Committee shall: -

(1) have authority to investigate any matter within its terms of reference;

(2) have the resources which are required to perform its duties;

(3) have full and unrestricted access to any information pertaining to the Company;

(4) have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity;

(5) be able to obtain independent professional or other advice; and

(6) be able to convene meetings with the external auditors, the internal auditors or both, excluding the attendance of other directors and employees of the Company, whenever deemed necessary.

PROCEDURE OF COMMITTEE MEETING

(1) **Chairman**
The chairman, who shall be an independent director, shall be elected by the Committee from among their members.

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

(2) **Quorum**
The majority of members who must be the independent directors present shall be a quorum.

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

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

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

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

(5) **Frequency**
Meetings shall be held at least 4 times a year.

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

(7) **Voting**
A resolution put to the vote of the meeting shall be decided on a show of hands.

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

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

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

SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE

During the financial year ended 31 August, 2016, the Audit Committee held five (5) meetings and the attendance record is as follows:

Name of Committee Members	Number of Meetings Attended
Datuk Dr Syed Muhamad Bin Syed Abdul Kadir	5/5
To' Puan Rozana Bte Tan Sri Redzuan	4/5
Ng Wai Pin	5/5

The following activities were carried out by the Audit Committee during the financial year ended 31 August, 2016:

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

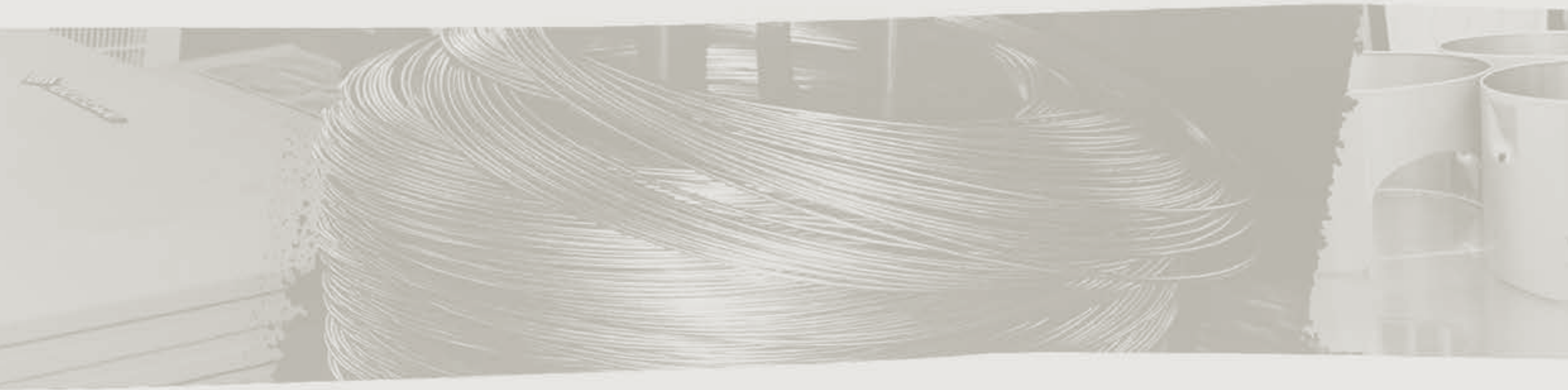
INTERNAL AUDIT FUNCTION

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

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

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

The internal audit plan was approved by the Audit Committee and the scope of internal audit covers the audits of the selected business processes of operating subsidiary companies in the Group. The cost incurred for the internal audit function for the financial year ended 31 August 2016 was RM33,782.00.



FINANCIAL STATEMENTS

The Directors are pleased to submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 August 2016.

PRINCIPAL ACTIVITIES

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

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

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

RESULTS

	Group RM	Company RM
Profit for the year	4,597,446	3,051,766
Attributable to:		
Equity holders of the Company	4,761,230	
Non-controlling interests	(163,784)	
	4,597,446	

DIVIDENDS

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

RESERVES AND PROVISIONS

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

ISSUE OF SHARES AND DEBENTURES

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

DIRECTORS

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

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

In accordance with the Article 78 of the Company's Article of Association, Ngiam Tong Kwan and Teh Yoon Loy, retire by rotation at the forthcoming Annual General Meeting and, being eligible, offers themselves for re-election.

DIRECTORS' INTEREST IN SHARES

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

	Number of ordinary shares of RM0.50 each			
	Balance at 1.9.2015	**Bought**	**Sold**	**Balance at 31.8.2016**
Shares in the Company				
Registered in name of Directors				
Datuk Dr. Syed Muhamad Bin Syed Abdul Kadir	100,000	-	-	100,000
Ngiam Tee Wee	135,000	2,150,100	-	2,285,100
Ngiam Tee Yang	100,000	-	-	100,000
Ngiam Tong Kwan	406,315	2,150,000	-	2,556,315
Teh Yoon Loy	36,347	675,000	-	711,347
Deemed interest				
Ngiam Tong Kwan*	49,980,000	-	-	49,980,000
Ngiam Tong Kwan**	4,057 ,670	-	-	4,057,670
Ng Wai Pin**	17,000	-	-	17,000

* Deemed interest by virtue of his substantial interest in Esteem Role Sdn. Bhd.
** Deemed interest held through his family members

DIRECTORS' INTERESTS IN SHARES (cont'd)

	Number of ordinary shares of RM1 each			
	Balance at 1.9.2015	Bought	Sold	Balance at 31.8.2016
Shares in the holding company, Esteem Role Sdn. Bhd.				
Registered in name of Directors				
Ngiam Tee Wee	7,000	-	-	7,000
Ngiam Tee Yang	5,000	-	-	5,000
Ngiam Tong Kwan	25,472	-	-	25,472
Teh Yoon Loy	7,060	-	-	7,060

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

DIRECTORS' BENEFITS

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

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

OTHER STATUTORY INFORMATION

(a) Before the statements of profit or loss and other comprehensive income and statements of financial position of the Group and of the Company were made out, the Directors took reasonable steps:

  (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that there were no known bad debts to be written off and that adequate allowance had been made for doubtful debts; and

  (ii) to ensure that any current assets which were unlikely to realise in the ordinary course of business their values as shown in the accounting records of the Group and of the Company had been written down to an amount which they might be expected so to realise.

OTHER STATUTORY INFORMATION (cont'd)

(b) At the date of this report, the Directors are not aware of any circumstances:

(i) which would render it necessary to write off any debt or render the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent, or

(ii) which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading; or

(iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

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

(i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

(ii) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

(d) No contingent or other liability of the Group and of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

(e) At the date of this report, the Directors are not aware of any circumstances, not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

(f) In the opinion of the Directors:

(i) the results of the operations of the Group and of the Company for the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

(ii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

HOLDING COMPANY

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

AUDITORS

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

Signed on behalf of the Directors in accordance with a Directors' resolution dated 16 December 2016.

NGIAM TONG KWAN
Director

NGIAM TEE WEE
Director

Report on the Financial Statements

We have audited the financial statements of BSL Corporation Berhad, which comprise the statements of financial position as at 31 August 2016 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended and a summary of significant accounting policies and other explanatory information, as set out on pages 47 to 113.

Directors' Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as of 31 August 2016 and of their financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.

Emphasis of Matter

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

Report on Other Legal and Regulatory Requirements

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

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

(b) We have considered the accounts and the auditors' reports of the subsidiary company of which we have not acted as auditors, which are indicated in Note 4 to the financial statements.

(c) We are satisfied that the accounts of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

(d) The audit reports on the accounts of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other Reporting Responsibilities

The supplementary information set out in Note 40 on page114 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants (the "MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

MAZARS
No. AF: 001954
Chartered Accountants

CHONG FAH YOW
No. 03004/07/18 J
Chartered Accountant

Date: 16 December 2016

Kuala Lumpur

STATEMENTS OF FINANCIAL POSITION
31 AUGUST 2016

	Note	Group		Company	
		2016	2015	2016	2015
		RM	RM	RM	RM
			(Restated)		
ASSETS					
Non-current assets					
Property, plant and equipment	3	51,327,344	52,404,446	-	-
Investment in subsidiary companies	4	-	-	45,005,547	48,493,048
Investment in associated company	5	-	-	-	-
Investment in joint venture	6	4,805,234	4,217,156	-	-
Other investment	7	-	-	-	-
Total non-current assets		56,132,578	56,621,602	45,005,547	48,493,048
Current assets					
Inventories	8	12,053,401	9,432,408	-	-
Trade receivables	9	19,385,180	17,344,881	-	-
Other receivables, deposits and prepayments	10	5,721,839	3,665,036	20,833	17,808
Amount owing by corporate shareholders	11	6,781	7,824	-	-
Amount owing by subsidiary companies	4	-	-	15,083,912	17,760,705
Current tax assets		175,368	796,946	83,955	-
Other investment	7	3,381,546	-	-	-
Short-term deposits with licensed banks	12	5,836,620	11,092,819	1,000,000	-
Cash and bank balances	13	9,067,833	6,946,507	569,198	122,093
		55,628,568	49,286,421	16,757,898	17,900,606
Non-current asset classified as held for sale	14	-	5,350,712	-	-
Total current assets		55,628,568	54,637,133	16,757,898	17,900,606
TOTAL ASSETS		111,761,146	111,258,735	61,763,445	66,393,654

STATEMENTS OF FINANCIAL POSITION
31 AUGUST 2016 (CONT'D)

	Note	Group 2016 RM	Group 2015 RM (Restated)	Company 2016 RM	Company 2015 RM
EQUITY AND LIABILITIES					
Equity					
Share capital	15	49,000,000	49,000,000	49,000,000	49,000,000
Treasury shares	16	(422,661)	(420,453)	(422,661)	(420,453)
Reserves	17	25,775,106	17,815,736	7,183,438	4,131,672
Equity attributable to equity holders of the Company		74,352,445	66,395,283	55,760,777	52,711,219
Non-controlling interests		429,049	5,152,023	-	-
Total equity		74,781,494	71,547,306	55,760,777	52,711,219
Non-current liabilities					
Hire purchase liabilities	18	1,472,690	713,796	-	-
Term loans	19	9,749,157	12,254,909	-	-
Deferred tax liabilities	20	1,567,908	1,714,501	-	-
Total non-current liabilities		12,789,755	14,683,206	-	-
Current liabilities					
Trade payables	21	16,250,132	14,702,747	-	-
Other payables and accruals	22	3,440,608	3,525,746	107,509	137,075
Provision	23	200,000	200,000	-	-
Amount owing to subsidiary companies	4	-	-	5,895,159	13,485,714
Hire purchase liabilities	18	1,343,184	754,548	-	-
Bank borrowings	24	347,658	3,092,584	-	-
Term loans	19	2,586,471	2,660,128	-	-
Derivative financial liability		87	11,162	-	-
Tax liabilities		21,757	81,308	-	59,646
Total current liabilities		24,189,897	25,028,223	6,002,668	13,682,435
Total liabilities		36,979,652	39,711,429	6,002,668	13,682,435
TOTAL EQUITY AND LIABILITIES		111,761,146	111,258,735	61,763,445	66,393,654

The accompanying notes form an integral part of the financial statements

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 AUGUST 2016

	Note	Group 2016 RM	Group 2015 RM	Company 2016 RM	Company 2015 RM
Revenue		108,262,044	98,075,993	9,700,000	-
Other income		10,668,831	5,350,206	390,576	3,033,441
Investment income	25	290,884	282,701	901	-
Changes in inventories of work-in progress and finished goods		106,876	491,267	-	-
Raw materials and consumables used		(64,979,408)	(58,698,443)	-	-
Production overheads		(10,750,584)	(9,765,587)	-	-
Staff costs	26	(23,190,750)	(21,334,822)	-	-
Depreciation of property, plant and equipment	3	(4,711,620)	(5,808,445)	-	-
Finance costs	27	(999,700)	(1,253,666)	-	-
Other expenses		(9,392,886)	(9,668,565)	(7,102,062)	(2,398,233)
Share of results of associated company	5	-	-	-	-
Share of results of joint venture	6	(121,479)	(345,524)	-	-
Profit/(Loss) before tax	28	5,182,208	(2,674,885)	2,989,415	635,208
Tax (expense)/credit	29	(584,762)	(852,536)	62,351	(113,450)
Profit/(Loss) for the year		4,597,446	(3,527,421)	3,051,766	521,758
Other comprehensive (loss)/income:					
Items that will be subsequently reclassified to profit or loss					
Share of other comprehensive loss in joint venture		(73,582)	-	-	-
Exchange differences on translation of foreign operations		224,532	(1,398,237)	-	-
Other comprehensive income/(loss), net of tax		150,950	(1,398,237)	-	-
Total comprehensive income/(loss) for the year		4,748,396	(4,925,658)	3,051,766	521,758
Profit/(Loss) for the year attributable to:					
Equity holders of the Company		4,761,230	(3,567,866)		
Non-controlling interests		(163,784)	40,445		
		4,597,446	(3,527,421)		
Total comprehensive income/(loss) for the year attributable to:					
Equity holders of the Company		4,912,180	(4,966,103)		
Non-controlling interests		(163,784)	40,445		
		4,748,396	(4,925,658)		
Basic earnings/(loss) per ordinary share (sen)	30	4.92	(3.69)		

The accompanying notes form an integral part of the financial statements

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 AUGUST 2016

Group	Share capital RM	Treasury shares RM	← Non-distributable → Share premium RM	Foreign currency translation reserve RM	Distributable reserve - Retained earnings RM	Attributable to equity holders of the Company RM	Non-controlling interest RM	Total RM
At 1 September 2015	49,000,000	(420,453)	1,767,230	(1,096,648)	17,145,154	66,395,283	5,152,023	71,547,306
Repurchase of shares	-	(2,208)	-	-	-	(2,208)	-	(2,208)
Acquisition of equity interest from non-controlling interests (Note 4)	-	-	-	-	3,047,190	3,047,190	(5,047,190)	(2,000,000)
Acquisition of a subsidiary	-	-	-	-	-	-	(1,999)	(1,999)
Increase in share capital (Note 4)	-	-	-	-	-	-	489,999	489,999
Profit/(Loss) for the year	-	-	-	-	4,761,230	4,761,230	(163,784)	4,597,446
Other comprehensive profit, net of tax	-	-	-	150,950	-	150,950	-	150,950
Total comprehensive income/(loss) for the year	-	-	-	150,950	4,761,230	4,912,180	(163,784)	4,748,396
At 31 August 2016	49,000,000	(422,661)	1,767,230	(945,698)	24,953,574	74,352,445	429,049	74,781,494

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 AUGUST 2016 (CONT'D)

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

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 AUGUST 2016 (CONT'D)

Company	Share capital RM	Treasury shares RM	Non-distributable reserve - Share premium RM	Distributable reserve - Retained earnings RM	Total RM
At 1 September 2014	49,000,000	(405,390)	1,767,230	1,842,684	52,204,524
Repurchase of shares	-	(15,063)	-	-	(15,063)
Profit for the year	-	-	-	521,758	521,758
Other comprehensive income, net of tax	-	-	-	-	-
Total comprehensive income for the year	-	-	-	521,758	521,758
At 31 August 2015	49,000,000	(420,453)	1,767,230	2,364,442	52,711,219
Repurchase of shares	-	(2,208)	-	-	(2,208)
Profit for the year	-	-	-	3,051,766	3,051,766
Other comprehensive income, net of tax	-	-	-	-	-
Total comprehensive income for the year	-	-	-	3,051,766	3,051,766
At 31 August 2016	49,000,000	(422,661)	1,767,230	5,416,208	55,760,777

The accompanying notes form an integral part of the financial statements

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2016

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit/(loss) before tax	5,182,208	(2,674,885)	2,989,415	635,208
Adjustments for:				
Depreciation of property, plant and equipment	4,711,620	5,808,445	-	-
Impairment of:				
- Property, plant and equipment	-	2,200,000	-	-
- Investment in subsidiary company	-	-	6,000,000	552,999
- Goodwill	38,739	-	-	-
Interest expense	999,700	1,253,666	-	-
Share of results of joint venture	121,479	345,524	-	-
Net inventory written down	13,449	11,406	-	-
(Reversal)/Increase in allowance for doubtful debts:				
- Trade receivables	(38,947)	6,050	-	-
- Amount owing from subsidiary company	-	-	-	1,350,000
Property, plant and equipment written off	107,078	1,055	-	-
Gain on fair value of interest rate swap	(11,075)	-	-	-
Gain on disposal of property, plant and equipment	(4,476,082)	(166,489)	-	-
Deposit forfeited from proposed disposal of property, plant and equipment	(3,000)	-	-	-
Gain on initial recognition of other investment	(2,240,521)	-	-	-
Interest income from short-term deposits	(290,884)	(282,701)	(901)	-
Net unrealised loss/(gain) on foreign exchange	707,220	(2,970,000)	442,839	(2,582,911)
Dividend income	-	-	(9,700,000)	-
Interest receivable from subsidiary companies	-	-	(390,576)	(450,530)
Operating profit/(loss) before working capital changes	4,820,984	3,532,071	(659,223)	(495,234)
Changes in inventories	(2,634,442)	41,403	-	-
Changes in receivables	(5,538,869)	(5,018,201)	(3,025)	(17,808)
Changes in payables	1,697,200	5,080,230	(29,566)	68,396
Cash (used in)/generated from operations	(1,655,127)	3,635,503	(691,814)	(444,646)
Income tax refunded	-	30,420	-	-
Income tax paid	(169,328)	(599,441)	(81,250)	(93,750)
Net cash (used in)/generated from operating activities	(1,824,455)	3,066,482	(773,064)	(538,396)

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2016 (CONT'D)

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment in subsidiary companies	-	-	(2,512,499)	-
Dividend received	-	-	9,700,000	-
Proceeds from disposal of property, plant and equipment	9,921,130	275,482	-	-
Interest received	290,884	282,701	391,477	-
Additions to property, plant and equipment (note)	(1,409,691)	(1,537,360)	-	-
(Advances to)/Repayment from subsidiaries companies	-	-	(5,356,601)	63,844
Increase in investment in direct/indirect subsidiary by non-controlling interest	489,999	144,000	-	-
Acquisition of additional equity interest in subsidiary company	(2,000,000)	-	-	-
Net cash outflow arising from the acquisitions	(1,631)	-	-	-
Increase in investment in joint venture	(1,000,000)	-	-	-
Payment for buy-back of shares	(2,208)	(15,063)	(2,208)	(15,063)
Net cash generated from/(used in) investing activities	6,288,483	(850,240)	2,220,169	48,781
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of hire purchase liabilities	(1,075,711)	(778,999)	-	-
Repayment of bank borrowings	(2,744,926)	(936,872)	-	-
Interest paid	(986,393)	(1,189,381)	-	-
Repayment of term loans	(2,579,409)	(2,573,044)	-	-
Decrease in short-term deposits pledged with licensed banks	(160,666)	(121,301)	-	-
Net cash used in financing activities	(7,547,105)	(5,599,597)	-	-
NET CHANGES IN CASH AND CASH EQUIVALENTS	(3,083,077)	(3,383,355)	1,447,105	(489,615)
Effect of changes in foreign currency translation reserves	(212,462)	329,814	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	17,400,519	20,454,060	122,093	611,708
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 13)	14,104,980	17,400,519	1,569,198	122,093

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

	Group	
	2016 RM	2015 RM
Total cost of property, plant and equipment acquired	3,832,932	2,726,113
Less: Purchase consideration satisfied by hire purchase arrangements	(2,423,241)	(1,188,753)
Cash payments	1,409,691	1,537,360

The accompanying notes form an integral part of the financial statements

1. GENERAL INFORMATION

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

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

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

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

2. SINGIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

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

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

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

(b) Application of new and revised standards

In current year, the Group and the Company have applied a number of new standards, amendments and interpretations that become effective mandatorily for the financial periods beginning on or after 1 September 2015.

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

(c) Standards issued that are not yet effective

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

New MFRS and Amendments to MFRSs		**Effective for financial periods beginning on or after**
MFRS 14	Regulatory Deferral Accounts	1 January 2016
Amendments to MFRS 116 and MFRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to MFRS 11	Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to MFRS 116	Incorporating Bearer Plants into the Scope of MFRS 116	1 January 2016
Amendments to MFRS 141	Amendments Resulting from the Incorporation of Bearer Plants into the scope of MFRS 116	1 January 2016

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

New MFRS and Amendments to MFRSs		**Effective for financial periods beginning on or after**
Amendments to MFRS 127	Equity Method in Separate Financial Statements	1 January 2016
Amendments to MFRS 5, MFRS 7, MFRS 119 and MFRS 134	Annual Improvements to MFRSs 2012-2014 Cycle	1 January 2016
Amendments to MFRS 101	Disclosure Initiative	1 January 2016
Amendments to MFRS 10, MFRS 12 and MFRS 128	Investment Entities: Applying the Consolidation Exception	1 January 2016
Amendments to MFRS 107	Disclosure Initiative	1 January 2017
Amendments to MFRS 112	Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
MFRS 9	Financial Instruments	1 January 2018
MFRS 15	Revenue from Contracts with Customers	1 January 2018
MFRS 82	Classification and Measurement of Share-based Payment Transactions	1 January 2018
MFRS 16	Leases	1 January 2019
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be announced by the MASB

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

MFRS 9 Financial Instruments

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

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

MFRS 15 Revenue from Contracts with Customers

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

MFRS 16 Leases

Currently under MFRS 117, leases are classified either as finance leases or operating leases. A lessee recognises on its statement of financial position assets and liabilities arising from finance leases but not operating leases. MFRS 16 eliminates the distinction between finance and operating leases for lessees. All leases will be brought onto its statement of financial position, and recording of certain leases as off-balance sheet leases will no longer be allowed except for some limited exemptions. For a lessee that has material operating leases, the application of MFRS 16 may result in significant increase in assets and liabilities reported on its statement of financial position as compared with MFRS 117.

MFRS 16 will replace MFRS 117 Leases, IC Interpretation 4 Determining whether an Arrangement contains a Lease, IC Interpretation 115 Operating Leases – Incentives and IC Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

The Group and the Company are currently assessing the impact to the financial statements upon adopting MFRS 16, and will adopt MFRS 16 on the mandatory effective date.

(d) Significant accounting judgements and estimates

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

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

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

<u>Critical judgements in applying the Group's accounting policies</u>

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 6 for details.

(ii) Provision

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

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

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) Allowance for doubtful debts

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

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

(ii) Depreciation of property, plant and equipment

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

(iii) Impairment of assets

Determining whether assets are impaired requires an estimation of the recoverable amounts of the assets. As of 31 August 2016, the Group and the Company recognised accumulated impairment losses in respect of the following:

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Property, plant and equipment	4,174,713	4,175,384	-	-
Investment in associated company	462,091	462,091	-	-
Investment in subsidiary company	-	-	6,552,999	552,999
Other investment	1,500,000	1,500,000	1,500,000	1,500,000

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

(iv) Impairment of goodwill in joint venture

Determining whether goodwill is impaired requires an estimation of the VIU of the cash-generating units to which goodwill has been allocated. The VIU calculation requires the Directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value of those cash flows. The carrying amount of goodwill at the end of the reporting period, pertaining to the investment in joint venture, was RM4,673,782 (2015: RM4,183,649) and no impairment loss has been recognised in profit or loss during the current financial year as the Directors are of the opinion that the recoverable amount of the cash-generating unit is higher than the carrying amount. Details of the cash-generating unit calculation is disclosed in Note 6.

(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 8.

(e) Basis of consolidation

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

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

(i) power over the entity;

(ii) exposure, or rights, to variable returns from its involvement with the entity; and

(iii) the ability to use its power over the entity to affect the amount of the returns.

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

The Company 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 entity shall begin from the date the Company obtains control of the entity and ceases when the Company loses control of the entity.

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

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(e) Basis of consolidation (cont'd)

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

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

Changes of interests in subsidiaries

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

Loss of control

When the Company loses control of a subsidiary:

(i) It derecognises the assets and liabilities, non-controlling interests, and other amounts previously recognised in other comprehensive income relating to the former subsidiary.

(ii) It recognises any gain or loss in profit or loss attributable to the Group, which is calculated as the difference between (i) the aggregate of the fair value of the consideration received, if any, from the transaction, event or circumstances that resulted in the loss of control; plus any investment retained in the former subsidiary at its fair value at the date when control is lost; and (ii) the net carrying amount of assets, liabilities, goodwill and any non-controlling interests attributable to the former subsidiary at the date when control is lost.

(iii) It recognises any investment retained in the former subsidiary at its fair value when control is lost and subsequently accounts for it and for any amounts owed by or to the former subsidiary in accordance with relevant MFRS. That fair value shall be regarded as the fair value on initial recognition of a financial asset in accordance with MFRS 9 or, when appropriate, the cost on initial recognition of an investment in an associate or joint venture.

(f) Business combination

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

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(f) Business combination (cont'd)

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 acquire; and (ii) in a business combination achieved in stages, the fair value of the Group's previously held equity interest in the investee.

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

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

(g) Investments in subsidiaries

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

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

(h) Investments in associate and joint venture

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

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

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

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

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.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

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

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

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

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

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

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

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

(i) Property, plant and equipment

(i) *Measurement basis*

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

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

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

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.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

(ii) *Depreciation*

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

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

The principal annual rates used for this purpose are:

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

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

(j) Leases

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

(i) *Finance lease*

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

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

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

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

(ii) *Operating lease*

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(k) Goodwill

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

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

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

(l) Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is determined on the first-in-first-out basis or the weighted average basis, depending on the nature of inventories.

In the case of finished goods and work-in-progress, cost comprises materials, direct labour, other direct charges and an appropriate proportion of factory 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.

(m) Non-current asset held for sale

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(n) Equity instruments

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

(i) Issuance expenses

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

(ii) Ordinary shares

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

(iii) Dividends

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

(o) Share buy-back

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

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

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

(p) Contingent liabilities

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

(q) Provisions

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(r) Financial instrument

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

(i) Initial recognition and measurement

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

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

(ii) Financial instrument categories and subsequent measurement

<u>Financial assets</u>

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

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

Loans and receivables

Loans and receivables are included in current assets, except for maturities greater than 12 months after the end of each reporting period, which are classified as non-current asset.

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

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

Available-for-sale financial assets

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

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

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

All financial assets are subject to review for impairment.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(r) Financial instrument (cont'd)

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

Financial liabilities

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

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

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

(iii) Derecognition of financial assets and liabilities

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

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

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

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

(iv) Derivative financial instruments

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(s) 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 the goodwill, exceeds the recoverable amount of the cash-generating unit. Recoverable amount of the cash-generating unit is the higher of the cash-generating unit's fair value less cost to sell and its value in use.

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

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

(ii) Property, plant and equipment

Property, plant and equipment, investments in subsidiaries, 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.

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

(t) Impairment of financial assets

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

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

(i) Assets carried at amortised cost

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

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

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

(ii) Assets carried at cost

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

Such impairment losses are not reversed in subsequent periods.

(iii) Available-for-sale financial assets

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

(u) Revenue recognition

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(v) Income tax

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

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

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

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

(i) goodwill, or

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

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

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

(w) Borrowing costs

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

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

(x) Employee benefits

(i) *Short term employee benefits*

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

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(x) Employee benefits (cont'd)

(ii) *Post-employment benefits*

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

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

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

(y) Goods and services tax ("GST")

Revenue, expenses and assets are recognised net of GST, unless the GST is not recoverable from the tax authority. The amount of GST not recoverable from the tax authority is recognised as an expense or as part of cost of acquisition of an asset. Receivables and payables relate to such revenue, expenses or acquisitions of assets are presented in the statement of financial position inclusive of GST recoverable or GST payable.

GST recoverable from or payable to tax authority may be presented on net basis should such amounts are related to GST levied by the same tax authority and the taxable entity has a legally enforceable right to set off such amounts.

(z) Foreign currencies

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

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

(ii) *Transactions and balances in foreign currencies*

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(z) 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 exchange rates approximating those ruling on transactions dates.

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

(aa) Cash and cash equivalents

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

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

(bb) 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.

3. PROPERTY, PLANT AND EQUIPMENT

Group

2016 **Cost**	**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**	**Construction-in-progress** **RM**	**Total** **RM**
At 1 September 2015	8,200,000	3,633,020	27,976,866	71,732,931	7,835,484	4,348,950	-	123,727,251
Additions	-	-	-	2,674,804	405,858	752,270	-	3,832,932
Disposals	-	-	(100,000)	(149,446)	-	(533,889)	-	(783,335)
Write-offs	-	-	-	-	(213,413)	-	-	(213,413)
At 31 August 2016	8,200,000	3,633,020	27,876,866	74,258,289	8,027,929	4,567,331	-	126,563,435
Accumulated depreciation								
At 1 September 2015	-	107,974	2,177,403	57,018,160	4,867,493	2,976,391	-	67,147,421
Additions	-	38,242	535,832	3,143,184	554,477	439,885	-	4,711,620
Disposals	-	-	(16,168)	(146,476)	-	(529,355)	-	(691,999)
Write-offs	-	-	-	-	(105,664)	-	-	(105,664)
At 31 August 2016	-	146,216	2,697,067	60,014,868	5,316,306	2,886,921	-	71,061,378

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

Group

2016 Accumulated Impairment losses	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	Construction-in-progress RM	Total RM
At 1 September 2015	-	-	-	3,852,971	230,117	92,296	-	4,175,384
Write-offs	-	-	-	-	(671)	-	-	(671)
At 31 August 2016	-	-	-	3,852,971	229,446	92,296	-	4,174,713
Net book value								
At 31 August 2016	8,200,000	3,486,804	25,179,799	10,390,450	2,482,177	1,588,114	-	51,327,344

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

Group 2015 Cost	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	Construction-in-progress RM	Total RM
At 1 September 2014	10,923,043	3,616,943	30,150,981	75,001,906	7,514,332	4,390,108	736,030	132,333,343
Additions	-	16,077	-	1,281,170	637,152	434,176	357,538	2,726,113
Reclassification	-	-	1,093,568	-	-	-	(1,093,568)	-
Disposals	-	-	(100,000)	(1,001,841)	(316,000)	(475,334)	-	(1,893,175)
Write-offs	-	-	-	(3,548,304)	-	-	-	(3,548,304)
Transfer to non-current asset held for sale	(6,130,000)	-	(3,670,000)	-	-	-	-	(9,800,000)
As previously stated	4,793,043	3,633,020	27,474,549	71,732,931	7,835,484	4,348,950	-	119,817,977
Restatement	3,406,957	-	502,317	-	-	-	-	3,909,274
As restated	8,200,000	3,633,020	27,976,866	71,732,931	7,835,484	4,348,950	-	123,727,251
Accumulated depreciation								
At 1 September 2014	-	69,801	2,118,917	57,395,832	4,669,549	2,875,154	-	67,129,253
Additions	-	38,173	614,500	4,134,022	491,078	530,672	-	5,808,445
Disposals	-	-	(16,000)	(964,445)	(293,134)	(429,435)	-	(1,703,014)
Write-offs	-	-	-	(3,547,249)	-	-	-	(3,547,249)
Transfer to non-current asset held for sale	-	-	(239,027)	-	-	-	-	(239,027)
As previously stated	-	107,974	2,478,390	57,018,160	4,867,493	2,976,391	-	67,448,408
Restatement	-	-	(300,987)	-	-	-	-	(300,987)
As restated	-	107,974	2,177,403	57,018,160	4,867,493	2,976,391	-	67,147,421

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

Group 2015 Accumulated Impairment losses	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	Construction-in-progress RM	Total RM
At 1 September 2014	-	-	-	2,056,552	-	-	-	2,056,552
Additions	-	-	-	1,877,587	230,117	92,296	-	2,200,000
Disposals	-	-	-	(81,168)	-	-	-	(81,168)
As previously stated	-	-	-	3,852,971	230,117	92,296	-	4,175,384
Net book value								
At 31 August 2015								
As previously stated	4,793,043	3,525,046	24,996,159	10,861,800	2,737,874	1,280,263	-	48,194,185
Restatement	3,406,957	-	803,304	-	-	-	-	4,210,261
As restated	8,200,000	3,525,046	25,799,463	10,861,800	2,737,874	1,280,263	-	52,404,446

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

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

	Group	
	2016 RM	2015 RM
Net book value:		
Plant and machinery	2,893,232	2,085,119
Motor vehicles	1,479,331	643,034
	4,372,563	2,728,153

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

	Group	
	2016 RM	2015 RM
Cost:		
Plant and machinery	42,653,753	35,445,531
Office equipment and furniture, fittings, renovation, factory upgrade and factory equipment	3,007,889	2,318,579
Motor vehicles	1,356,975	1,390,337
	47,018,617	39,154,447

During the financial year 2015, as a result of the poor performance of the printed circuit board ("PCB") and module assembly segment of the Group, the Group carried out a review of the recoverable amount of plant and machinery in this segment. The recoverable amount was determined from value-in-use calculation which uses cash flow projections based on financial budget approved by the Directors covering a five-year period and a discount rate of 8.57% per annum. The key assumptions for the value-in-use calculation are those regarding the revenue growth rates, budgeted gross margin and expected changes to selling prices and direct costs during the projection period.

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

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

In addition to the review above, the Group had identified certain assets which are under utilised. Thus, an impairment loss of RM2,200,000 was recognised in profit or loss.

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

As of 31 August 2016, the following property, plant and equipment are charged to licensed banks as security for term loans and other credit facilities, as mentioned in Notes 19 and 24, granted to the Group:

	Group	
	2016	**2015**
	RM	**RM**
Net book value:		
Freehold land	8,200,000	8,200,000
Leasehold land	3,486,804	3,525,046
Buildings	23,923,798	24,455,464
	35,610,602	36,180,510

4. INVESTMENT IN SUBSIDIARY COMPANIES

	Company	
	2016	**2015**
	RM	**RM**
Unquoted shares at cost	51,558,546	49,046,047
Less: Accumulated impairment losses	(6,552,999)	(552,999)
	45,005,547	48,493,048

The details of the subsidiary companies are as follows:

Name of subsidiary companies	**Effective equity interest 2016 %**	**Effective equity interest 2015 %**	**Country of incorporation**	**Principal activities**
Direct subsidiaries				
Ban Seng Lee Industries Sdn. Bhd.	100	100	Malaysia	Stamping and manufacturing of precision metal parts and fabrication of tools and dies.
Crestronics (M) Sdn. Bhd.	100	100	Malaysia	Printed circuit board assembly and assembly of all types of electronic and electrical components, devices and system.
Unique Forging & Components Sdn. Bhd.	100	100	Malaysia	Fabrication and forging of base metal components.
BSL (HK) Limited*	100	100	Hong Kong, People's Republic of China	Investment holding.

4. INVESTMENT IN SUBSIDIARY COMPANIES (cont'd)

Name of subsidiary companies	Effective equity interest 2016 %	2015 %	Country of incorporation	Principal activities
Direct subsidiaries				
Advance Autotek Industries (M) Sdn. Bhd.	100	51	Malaysia	Investment holding.
BSL Eco Energy Sdn. Bhd.	51	-	Malaysia	Manufacturing, sales and marketing of solar inverter, and other products.
Indirect subsidiaries				
Kotamech Engineering Sdn. Bhd.**	-	100	Malaysia	Liquidated
Crestronics Greentech (M) Sdn. Bhd. ***	52	52	Malaysia	Research and development, trading and manufacturing of energy efficient products.
AAI Auto Electronics Sdn. Bhd****	100	51	Malaysia	Dormant.
Matahari Suria Sdn Bhd#	100	-	Malaysia	Supplying and installing power products.

* Audited by a firm of auditors other than Mazars.
** Held through Ban Seng Lee Industries Sdn. Bhd.
*** Held through Crestronics (M) Sdn. Bhd.
**** Held through Advance Autotek Industries (M) Sdn. Bhd.
# Held through Unique Forging & Components Sdn. Bhd.

(i) Member's voluntary winding up of Kotamech Engineering Sdn. Bhd.

The Group announced that the Liquidator of Kotamech Engineering Sdn Bhd (In Member's Voluntary Winding up) ("Kotamech"), a wholly owned subsidiary of Ban Seng Lee Industries Sdn Bhd, which in turn is a wholly owned subsidiary of the Company, had on 30 August 2016 convened final meeting of Kotamech to conclude the Member's Voluntary Winding up.

(ii) Changes in equity interest in a subsidiary

During the financial year, the Company acquired 245,000 ordinary shares of RM1 each, representing the remaining 49% of the issued and paid-up share capital of Advance Autotek Industries (M) Sdn. Bhd. ("AAI") from a corporate shareholder for a total cash consideration of RM2,000,000. Following the completion of the acquisition, the Company holds 100% equity interest in AAI.

4. INVESTMENT IN SUBSIDIARY COMPANIES (cont'd)

(ii) Changes in equity interest in a subsidiary (cont'd)

The impact of the purchase of further interest in AAI is as follows:

	RM
Consideration paid to non-controlling interest	2,000,000
Carrying amount of non-controlling interest acquired	(5,047,266)
Difference recognised in equity	(3,047,266)

Accordingly, AAI became a wholly owned subsidiary of the Company. The financial effect of this transaction resulted in a transfer of RM3,047,266 from non-controlling interests to shareholders' equity.

(iii) Acquisition of investment in BSL Eco Energy Sdn. Bhd. ("BSLE")

During the financial year, the Company acquired 1 ordinary share of RM1 each in the capital of BSLE, which represent 50% of the entire issued and paid up share capital of BSLE for a total consideration of RM2,500. Accordingly, BSLE became a 50% subsidiary of the Company.

Subsequently, BSLE issued additional 999,998 ordinary shares of RM1 each to its shareholders. The Company subscribe for an additional 509,999 ordinary shares of RM1 each in BSLE for a total cash consideration of RM509,999. Non-controlling interests subscribed for an additional 489,999 ordinary shares of RM1 each in BSLE for a total cash consideration of RM489,999. Upon the subscription of those shares, the Group's equity interest in BSLE was increased from 50% to 51%.

The acquisition has no significant effect on the financial results and position of the Group as at 31 August 2016.

(iv) Acquisition of investment in Matahari Suria Sdn. Bhd. ("MS")

During the financial year, Unique Forging & Components Sdn. Bhd. ("UFC"), a wholly owned subsidiary of the Company, has acquired 100 ordinary shares of RM1 each representing 100% equity interest of MS for a total consideration of RM100.

Following the above acquisition, MS became a wholly owned subsidiary of UFC and the Company.

The acquisition has no significant effect on the financial results and position of the Group as at 31 August 2016.

4. INVESTMENT IN SUBSIDIARY COMPANIES (cont'd)

Subsidiary companies that have material non-controlling interests

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

	Proportion of ownership interests and voting right held by non-controlling interests		(Loss)/Profit allocated to non-controlling interests		Accumulated non-controlling interests	
	2016	2015	2016	2015	2016	2015
	%	%	RM	RM	RM	RM
Advance Autotek Industries (M) Sdn. Bhd.	-	49	86,315	74,942	-	4,960,950
BSL Eco Energy Sdn. Bhd.	49	-	(213,467)	-	274,610	-
Individually immaterial subsidiary company with non-controlling interests					154,439	191,073
					429,049	5,152,023

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.

Advance Auototek Industries (M) Sdn. Bhd.	2015 RM
Current assets	10,163,848
Current liabilities	39,459
Equity attributable to owners of the Company	5,163,439
Non-controlling interest	4,960,950
Other income	227,372
Other expenses	(74,430)
Profit for the year	152,942
Profit attributable to owners of the Company	78,000
Profit attributable to the non-controlling interests	74,942
Profit for the year	152,942
Total comprehensive income attributable to owners of the Company	78,000
Total comprehensive income attributable to the non-controlling interest	74,942
Total comprehensive income for the year	152,942
Net cash outflow from operating activities	(74,808)
Net cash inflow from investing activities	227,373
Net cash outflow from financing activities	-
Net cash (outflow)/inflow	152,565

4. INVESTMENT IN SUBSIDIARY COMPANIES (cont'd)

BSL Eco Energy Sdn. Bhd.	**2016 RM**
Non-current assets	44,233
Current assets	1,861,251
Current liabilities	1,345,056
Equity attributable to owners of the Company	285,818
Non-controlling interest	274,610

	2016 RM
Revenue	9,113
Other income	1,368
Other expenses	(446,053)
Loss for the year	(435,572)
Loss attributable to owners of the Company	(222,105)
Loss attributable to the non-controlling interests	(213,467)
Loss for the year	(435,572)
Total comprehensive loss attributable to owners of the Company	(222,105)
Total comprehensive loss attributable to the non-controlling interest	(213,467)
Total comprehensive loss for the year	(435,572)
Net cash outflow from operating activities	(1,243,767)
Net cash outflow from investing activities	(46,353)
Net cash inflow from financing activities	1,459,998
Net cash inflow	169,878

Amount owing by subsidiary companies comprises of the following:

	Company	
	2016 RM	**2015 RM**
Gross outstanding	20,700,225	23,377,018
Loss: Allowance for doubtful debts	(5,616,313)	(5,616,313)
	15,083,912	17,760,705

The amount owing by subsidiary companies arose mainly from advances granted which bear interest at 3.5% - 9% (2015: 3.5%) per annum and are unsecured and repayable on demand.

4. INVESTMENT IN SUBSIDIARY COMPANIES (cont'd)

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

	Company 2016 RM	Company 2015 RM
RM	9,805,294	13,114,718
Hong Kong Dollar ("HKD")	5,278,618	4,645,987
	15,083,912	17,760,705

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

5. INVESTMENT IN ASSOCIATED COMPANY

	Group 2016 RM	Group 2015 RM
Unquoted shares at cost	4,701,171	4,701,171
Share of post-acquisition losses	(4,239,080)	(4,239,080)
	462,091	462,091
Less: Accumulated impairment losses	(462,091)	(462,091)
	-	-

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

Name of company	Effective equity interest 2016 %	Effective equity interest 2015 %	Principal activities
Hongze Yiyang Steel Tubes Co., Ltd.	25	25	Production, manufacturing, sales and distribution of seamless steel tubes and pipes.

5. INVESTMENT IN ASSOCIATED COMPANY (cont'd)

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

	2016 RM	2015 RM
Revenue	67,074,467	55,950,742
Other income	188,500	375,100
Other expenses	(68,743,972)	(57,490,550)
Loss before tax	(1,481,005)	(1,164,708)
Income tax expense	-	-
Loss after tax	(1,481,005)	(1,164,708)
Share of results of associated company	-	-
Assets and liabilities		
Current assets	15,582,327	18,001,706
Non-current assets	16,200,256	19,637,296
Current liabilities	(34,368,085)	(38,398,442)
Net liabilities	(2,585,502)	(759,440)
Share of net assets of associated company	-	-
Impairment loss recognised	-	-
	-	-

6. INVESTMENT IN JOINT VENTURE

	Group	
	2016 RM	2015 RM
Unquoted shares at cost	4,502,444	3,502,444
Share of post-acquisition profit	302,790	714,712
	4,805,234	4,217,156

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

	Effective equity interest		
Name of company	2016 %	2015 %	Principal activity
Petapak Holdings Ltd. ("PHL")	22.5	22.5	Investment holding company.

6. INVESTMENT IN JOINT VENTURE (cont'd)

On 21 July 2014, BSL HK Limited ("BSL HK"), a wholly owned subsidiary company, entered into a sale and purchase of shares agreement ("SPA") with Southern Star Corporation ("SS") and Asim Salameh ("AS") (as guarantor to guarantee the performance of SS) for the acquisition of 450 ordinary shares by BSL HK from SS, representing 22.5% of the total issued and paid up share capital of PHL, for a total cash consideration of RM3,825,000.

During the year, BSL HK further acquired additional 225 ordinary shares in PHL for a total cash consideration of RM1,000,000. As a result, BSL HK held 675 ordinary shares in PHL, representing 22.5% of the total issued and paid up share capital of PHL.

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

(i) A subscription cum shareholders agreement ("SSA") was executed between PHL, BSL HK and SS to govern the conduct, obligation and understanding amongst the shareholders of PHL, including the subscription of additional 2,000 new ordinary shares to be issued by BSL HK and SS in accordance with the existing proportions of their shareholdings for working capital purposes for a cash consideration of RM3,000,000; and

(ii) A master manufacturing agreement ("MMA") was executed by Ban Seng Lee Industries Sdn. Bhd. ("BSLI"), a wholly owned subsidiary company, with Petapak Aerosol International Limited ("PAIL"), a wholly owned subsidiary company of PHL and a company incorporated in Hong Kong, in respect of the appointment of BSLI by PAIL as an exclusive manufacturer and supplier for metal collars (a component of plastic aerosol containers) worldwide save for Australia and New Zealand. The MMA shall become effective on the date of MMA and shall be in full force and effect for 20 years thereafter, provided that BSLI shall not be in breach of the MMA, the term shall be automatically extended on a yearly basis.

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

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

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

	Group	
	2016 RM	2015 RM
Revenue	21	21,522
Other expenses	(539,929)	(1,557,185)
Loss before tax	(539,908)	(1,535,663)
Tax expense	-	-
Loss after tax	(539,908)	(1,535,663)
Share of results of joint venture	(121,479)	(345,524)

6. INVESTMENT IN JOINT VENTURE (cont'd)

	Group	
	2016 RM	2015 RM
Assets and liabilities		
Current assets	608,527	148,919
Current liabilities	(24,297)	-
Net assets	584,230	148,919
Share of net assets of joint venture	131,452	33,507

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

	Group	
	2016 RM	2015 RM
Net assets of the joint venture	131,452	33,507
Goodwill	4,673,782	4,183,649
Carrying amount of the Group's interest in the joint venture	4,805,234	4,217,156

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

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

The recoverable amount of this CGU is determined based on a value in use calculation which uses cash flow projections based on financial budgets approved by the Directors covering a five-year period, and a discount rate of 15% (2015: 15%) per annum.

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

The Directors estimate discount rate of 15% (2015: 15%) per annum reflects the current market assessment of the time value of money and the risk specific to the CGU. The Directors believe that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the carrying amount to exceed the recoverable amount of the CGU.

7. OTHER INVESTMENTS

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Non-current assets				
Available-for-sale financial assets:				
Unquoted subordinated bonds - at cost	1,500,000	1,500,000	1,500,000	1,500,000
Less: Accumulated impairment losses	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)
	-	-	-	-
Current assets				
Available-for-sale financial assets:				
Quoted shares outside Malaysia - at fair value	3,381,546	-	-	-

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

8. INVENTORIES

	Group	
	2016 RM	2015 RM
Raw materials	5,339,647	4,106,741
Work-in-progress	2,960,435	2,564,174
Finished goods	3,573,619	2,756,123
Goods-in-transit	179,700	5,370
	12,053,401	9,432,408

Cost of inventories recognised as expenses of the Group amounting RM103,292,344 (2015: RM94,347,802).

The cost of inventories recognised as cost of sales in profit or loss includes RM13,449 (2015: RM11,406) in respect of write-downs of inventories to its net realisable value.

The amount of inventories carried at net realisable value is RM585,689 (2015: RM193,919).

9. TRADE RECEIVABLES

	Group 2016 RM	Group 2015 RM
Trade receivables	20,455,077	18,453,725
Less: Allowance for doubtful debts	(1,069,897)	(1,108,844)
	19,385,180	17,344,881

Trade receivables comprise amounts receivable for sales of goods. The average credit period on sales of goods is 30 to 90 (2015: 30 to 90) days. No interest is charged on trade receivables.

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

	Group 2016 RM	Group 2015 RM
RM	14,174,952	14,120,097
United States Dollar ("USD")	6,280,125	4,333,628
	20,455,077	18,453,725

10. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Advance payment to suppliers	1,300,600	54,214	-	-
Other receivables	2,069,076	2,074,041	-	-
Refundable deposits	934,753	44,820	-	-
GST recoverable	500,183	332,182	-	-
Prepayments	917,227	1,159,779	20,833	17,808
	5,721,839	3,665,036	20,833	17,808

The currency exposure profile of other receivables, deposits and prepayments are as follows:

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
RM	5,574,071	3,665,036	20,833	17,808
USD	147,768	-	-	-
	5,721,839	3,665,036	20,833	17,808

11. AMOUNT OWING BY CORPORATE SHAREHOLDERS

The amount owing by corporate shareholders are trade in nature and expected to be settled within the normal credit periods.

The foreign currency exposure profile of amount owing by corporate shareholders are as follows:

	Group	
	2016 RM	2015 RM
RM	6,739	7,824
USD	42	-
	6,781	7,824

12. SHORT-TERM DEPOSITS WITH LICENSED BANKS

The short-term deposits of the Group bear interest at rates ranging from 2.45% to 3.99% (2015: 2.45% to 3.51%) per annum and have maturity periods ranging from 31 to 365 (2015: 31 to 231) days.

Included in the short-term deposits are deposits amounting to RM799,473 (2015: RM638,807) pledged to a licensed bank as collateral for term loan, bank overdrafts and other credit facilities granted to a subsidiary company as mentioned in Notes 19 and 24.

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

13. CASH AND CASH EQUIVALENTS

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Cash and bank balances	9,067,833	6,946,507	569,198	122,093
Short-term deposits with licensed banks (Note 12)	5,836,620	11,092,819	1,000,000	-
	14,904,453	18,039,326	1,569,198	122,093
Less: Short-term deposits pledged to a bank	(799,473)	(638,807)	-	-
	14,104,980	17,400,519	1,569,198	122,093

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

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
RM	5,281,383	4,874,046	569,198	122,093
USD	3,769,105	2,067,276	-	-
HKD	17,345	5,185	-	-
	9,067,833	6,946,507	569,198	122,093

14. NON-CURRENT ASSET CLASSIFIED AS HELD FOR SALE

Non-current asset classified as held for sale:

	Group 2016 RM	Group 2015 RM
At cost	-	9,800,000
Accumulated depreciation	-	(239,027)
As previously stated	-	9,560,973
Restatement	-	(4,210,261)
As restated	-	5,350,712

On 9 September 2015, Crestronics (M) Sdn. Bhd., a wholly owned subsidiary, entered into sales and purchase agreement with a third party to dispose the freehold land and buildings at consideration of RM9,878,660. The transaction was completed during the financial year.

15. SHARE CAPITAL

	Group and Company 2016 RM	Group and Company 2015 RM
Authorised:		
500,000,000 ordinary shares of RM0.50 each	250,000,000	250,000,000
Issued and fully paid:		
98,000,000 ordinary shares of RM0.50 each	49,000,000	49,000,000

16. TREASURY SHARES

	Group and Company			
	Number of ordinary shares of RM0.50 each		Amount	
	2016	2015	2016 RM	2015 RM
At 1 September	1,275,113	1,209,113	420,453	405,390
Repurchased during the year	9,000	66,000	2,208	15,063
At 31 August	1,284,113	1,275,113	422,661	420,453

During the financial year, the Company purchased 9,000 (2015: 66,000) of its own shares through purchases on Bursa Malaysia Securities Berhad for RM2,208 (2015: RM15,063) which has been deducted from equity. The repurchased transactions were financed by internally generated funds and the average price paid for the shares was RM0.2454 (2015: RM0.2282) per share.

17. RESERVES

	Note	Group 2016 RM	Group 2015 RM	Company 2016 RM	Company 2015 RM
Non-distributable reserves:					
Share premium	(i)	1,767,230	1,767,230	1,767,230	1,767,230
Foreign currency translation reserve		(945,698)	(1,096,648)	-	-
		821,532	670,582	1,767,230	1,767,230
Distributable reserve:					
Retained earnings		24,953,574	17,145,154	5,416,208	2,364,442
		25,775,106	17,815,736	7,183,438	4,131,672

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

18. HIRE PURCHASE LIABILITIES

	Group 2016 RM	Group 2015 RM
Total outstanding	3,024,589	1,565,004
Less: Interest-in-suspense	(208,715)	(96,660)
Principal outstanding	2,815,874	1,468,344
Less: Portion due within the next 12 months (shown under current liabilities)	(1,343,184)	(754,548)
Non-current portion	1,472,690	713,796

The non-current portion are repayable as follows:

	Group 2016 RM	Group 2015 RM
Financial year ending August 31:		
2017	-	528,677
2018	1,053,563	185,119
2019 and thereafter	419,127	-
	1,472,690	713,796

The term of the hire purchase liabilities is 3 years and interest rates implicit in the hire purchase arrangements range from 4.90% to 6.56% (2015: 4.46% to 6.56%) per annum. The interest rates are fixed at the inception of the hire purchase arrangement.

19. TERM LOANS

	Group 2016 RM	Group 2015 RM
Total outstanding	12,335,628	14,915,037
Less: Portion due within the next 12 months (shown under current liabilities)	(2,586,471)	(2,660,128)
Portion due after the next 12 months	9,749,157	12,254,909

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

	Group 2016 RM	Group 2015 RM
Financial year ending 31 August:		
2017	-	2,666,665
2018	2,593,338	2,592,668
2019	2,600,520	2,680,653
2020	2,608,031	4,314,923
Thereafter	1,947,268	-
	9,749,157	12,254,909

The Group has term loans facilities totalling RM34,515,800 (2015: RM34,515,800) obtained from licensed banks. The term loans of the Group bears interest at rates ranging from 4.50% to 7.35% (2015: 4.50% to 7.35%) per annum.

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

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

The outstanding balance as of 31 August 2016 was RM4,767,750 (2015: RM6,234,750); and

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

The outstanding balance as of 31 August 2016 was RM6,547,474 (2015: RM7,517,482).

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

During the financial years ended 2015 and 2016, the subsidiary company has breached certain loan covenant. The bank has confirmed not to recall the term loan.

(iii) A ten (10) year loan of RM1,530,533 repayable by 120 equal monthly installments of RM15,975 each, commencing in November 2012. The outstanding balance as at 31 August 2016 was RM1,020,404 (2015: RM1,162,805).

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

20. DEFERRED TAX LIABILITIES

	Group	
	2016 RM	2015 RM (Restated)
At 1 September	1,714,501	1,092,000
Recognised in profit or loss	(146,593)	622,501
At 31 August	1,567,908	1,714,501

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

	Group	
	2016 RM	2015 RM
Tax effects of:		
- Excess of capital allowances over accumulated depreciation on property, plant and equipment	2,311,965	2,629,499
- Unabsorbed capital allowances	(272,139)	(656,333)
- Others	(471,918)	(258,665)
	1,567,908	1,714,501

21. TRADE PAYABLES

Trade payables comprise amounts outstanding for trade purchases and ongoing costs. The credit period granted to the Group on purchases of goods ranges from 60 to 90 (2015: 60 to 90) days.

The currency exposure profile of trade payables are as follows:

	Group	
	2016 RM	2015 RM
RM	12,128,386	11,793,193
USD	4,121,746	2,909,554
	16,250,132	14,702,747

22. OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Accrued expenses	1,884,055	2,420,778	98,745	137,075
Advance billings	215,000	-	-	-
Other payables	1,202,851	986,546	8,764	-
Interest payable	50,978	64,285	-	-
GST payable	87,724	54,137	-	-
	3,440,608	3,525,746	107,509	137,075

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

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
RM	3,147,608	3,483,466	107,509	137,075
USD	78,000	42,280	-	-
	3,225,608	3,525,746	107,509	137,075

23. PROVISION

	Group	
	2016 RM	2015 RM
At 1 September/31 August (Note 34 (b))	200,000	200,000

24. BANK BORROWINGS

	Group	
	2016 RM	2015 RM
Bank overdrafts	129,658	2,822,584
Bankers' acceptances	218,000	270,000
	347,658	3,092,584

In addition to the term loans facilities as mentioned in Note 19, the Group has bank overdrafts and other credit facilities which bear interest at rates ranging from 6.24% to 8.31% (2015: 6.29% to 8.35%) per annum.

24. BANK BORROWINGS (cont'd)

The overdrafts and other credit facilities are secured by:

(i) Fixed and floating charges over certain property, plant and equipment of a subsidiary company (Note 3);

(ii) Short-term deposits of a subsidiary company (Note 12); and

(iii) Corporate guarantee by the Company.

25. INVESTMENT INCOME

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Interest income from short-term deposits with licensed banks	290,884	282,701	901	-

26. STAFF COSTS

Staff costs include salaries, contributions to EPF, bonuses and all other staff related expenses. During the financial year, included in staff costs are contributions to EPF made by the Group amounting to RM1,187,034 (2015: RM1,113,340).

The remuneration of the key management personnel, who are also the Directors of the Group and of the Company, are as disclosed in Note 28. The estimated monetary value of benefit-in-kind received by the Directors from the Group amounting to RM27,425 (2015: RM34,525).

27. FINANCE COSTS

	Group	
	2016 RM	2015 RM
Interest expense on:		
Term loans	732,922	892,676
Bankers acceptances	6,129	42,981
Hire purchase	141,709	76,770
Bank overdrafts	118,940	241,239
	999,700	1,253,666

28. PROFIT/(LOSS) BEFORE TAX

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

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Net allowance for doubtful debts:				
- Trade receivables	-	6,050	-	-
- Amount owing by subsidiary company	-	-	-	1,350,000
Auditors' remuneration	198,879	175,000	48,000	44,000
Depreciation of property, plant and equipment	4,711,620	5,808,445	-	-
Directors' remuneration*	1,341,256	1,424,860	237,300	236,400
Impairment of:				
- Property, plant and equipment	-	2,200,000	-	-
- Investment in subsidiary company	-	-	6,000,000	552,999
- Goodwill	38,739	-	-	-
Net inventories written down	13,449	11,406	-	-
Property, plant and equipment written off	107,078	1,055	-	-
Rental of motor vehicles	459,113	513,716	-	-
Rental of premises	-	125,000	-	-
Net unrealised loss on foreign exchange	707,220	-	442,839	-

and crediting:

	Group 2016 RM	Group 2015 RM	Company 2016 RM	Company 2015 RM
Net allowance for doubtful debt no longer required	38,947	-	-	-
Dividend income	-	-	9,700,000	-
Gain on disposal of property, plant and equipment	4,479,082	166,489	-	-
Gain on fair value of interest rate swap	11,075	-	-	-
Net gain on foreign exchange				
- Realised	20,351	427,992	-	-
- Unrealised	-	2,970,000	-	2,582,911
Gain on initial recognition of other investment	2,240,521	-	-	-
Interest income from short-term deposits	290,884	282,701	901	-
Interest receivable from subsidiary companies	-	-	390,576	450,530

* Directors' remuneration consists of the following:

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Executive Directors:				
Company				
- Fees	137,600	137,600	137,600	137,600
Subsidiary companies				
- Other emoluments	1,103,956	1,188,460	-	-
	1,241,556	1,326,060	137,600	137,600
Non-executive Directors:				
- Fees	94,600	94,600	94,600	94,600
- Other emoluments	5,100	4,200	5,100	4,200
	1,341,256	1,424,860	237,300	236,400

29. TAX EXPENSE/(CREDIT)

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Current tax expense:				
- Current year	492,730	168,571	10,186	107,000
- Prior years	(70,225)	61,464	(72,537)	6,450
	422,505	230,035	(62,351)	113,450
Real Property Gain Tax	308,850	-	-	-
Deferred tax:				
- Current year	(163,325)	413,265	-	-
- Prior years	16,732	209,236	-	-
	(146,593)	622,501	-	-
Total tax expense/(credit)	584,762	852,536	(62,351)	113,450

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 is as follows:

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Profit/(Loss) before tax and share of results of associated company and joint venture:	5,303,687	(2,329,361)	2,989,415	635,208
Taxation at applicable tax rate of 24% (2015: 25%)	1,272,885	(582,340)	717,460	158,802
Tax effects arising from:				
- Expenses which are not deductible	600,170	548,200	1,620,942	498,777
- Income which are not taxable	(1,633,087)	(645,278)	(2,328,216)	(550,579)
- Reduction in tax rate	-	(71,438)	-	-
- Deferred tax assets not recognised	89,437	1,332,692	-	-
- (Over)/Under provision in prior years:				
Current tax	(70,225)	61,464	(72,537)	6,450
Deferred tax	16,732	209,236	-	-
Real property gain tax	308,850	-	-	-
	584,762	852,536	(62,351)	113,450

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

As of 31 August 2016, the tax exempt income of the Group and of the Company are as follows:

	Note	Group and Company 2016 RM	2015 RM
Reinvestment allowances	(i)	17,534,630	3,512,184
Tax exempt income	(ii)	342,192	342,192
		17,876,822	3,854,376

(i) Arising from reinvestment allowances claimed and utilised under Schedule 7A of the Income Tax Act, 1967.

(ii) Arising from chargeable income on which tax was waived in 1999 in accordance with the Income Tax (Amendment) Act, 1999.

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

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

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

	Group 2016 RM	2015 RM
Unused tax losses	6,345,901	5,639,432
Unabsorbed capital allowances	12,905,592	12,565,903
Other temporary differences	(1,119,434)	(445,932)
	18,132,059	17,759,403

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

30. BASIC EARNINGS/(LOSS) PER ORDINARY SHARE

	Group	
	2016 RM	2015 RM
Profit/(Loss) attributable to equity holders of the Company	4,761,230	(3,567,866)
Weighted average number of ordinary shares in issue	96,720,387	96,757,887
Basic earnings/(loss) per ordinary share (sen)	4.92	(3.69)

The basic earnings/(loss) per ordinary share is calculated by dividing the profit/(loss) attributable to equity holders of Company of RM4,761,230 (2015: loss of RM3,567,866) by weighted average number of ordinary shares in issue during the financial year of 96,720,387 (2015: 96,757,887) shares.

31. HOLDING COMPANY AND RELATED PARTY TRANSACTIONS

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

Related parties comprise:

(a) Entity in which a Director of the Company and a subsidiary company has substantial interest;

(b) Entity related to an associated company; and

(c) Non-controlling interest in a subsidiary company.

Related Party Transactions

Save as disclosed elsewhere in the financial statements, significant related party transactions during the financial year which are determined on a basis negotiated between the Company and the related parties are as follows:

	Group	
	2016 RM	2015 RM
Rental payable to companies in which certain Directors of the Company are also Directors		
- Teh & Co. Sdn. Bhd.	-	75,000
- Teh Chooi Choon Enterprise Sdn. Bhd.	-	50,000
Total	-	125,000
Administrative fees paid to non-controlling interests of the Group		
- Eco Seido Sdn Bhd	22,500	-
Expenses paid to companies in which certain Director of a subsidiary company are also Directors		
- Ceiba Capital Sdn Bhd	92,891	-

31. HOLDING COMPANY AND RELATED PARTY TRANSACTIONS (cont'd)

Related Party Transactions (cont'd)

Save as disclosed elsewhere in the financial statements, significant related party transactions during the financial year which are determined on a basis negotiated between the Company and the related parties are as follows (cont'd):

	Group	
	2016 RM	2015 RM
Purchases from non-controlling interests of the Group		
- JDY Energy Saving Technology Co Ltd	12,394	42,019
- Hightech Factory Automation (M) Sdn. Bhd.	1,655	1,718
Total	14,049	43,737
Sales of goods to non-controlling interests of the Group		
- Hightech Factory Automation (M) Sdn. Bhd.	47,282	18,059

	Company	
	2016 RM	2015 RM
Gross dividends receivable from subsidiary company		
- Advanced Autotek Industries (M) Sdn Bhd	9,700,000	-
Interest receivable from subsidiary companies		
- Crestronics (M) Sdn. Bhd.	381,802	441,957
- Unique Forging & Components Sdn. Bhd .	8,774	8,573
Total	390,576	450,530

32. SEGMENT REPORTING

Business Segments

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

(i) Investment holding;

(ii) Stamping and manufacturing of precision metal parts and fabrication of tools and dies;

(iii) Printed circuit board ("PCB") assembly and assembly of all types of electronics and electrical components, devices and systems;

(iv) Fabrication and forging of base metal components; and

(v) Others (those subsidiary companies are currently dormant and semi-active respectively).

32. SEGMENT REPORTING (cont'd)

Inter-segment sales are charged at cost plus a percentage of profit mark-up. Revenue from one major customer contributed approximately RM30,399,647 (2015: RM28,889,482) of the Group's total revenue.

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

Group 2016	Investment holding RM	Precision stamping and tooling RM	PCB and module assembly RM	Fabrication and forging RM	Others RM	Eliminations RM	Consolidated RM
Revenue							
External sales	-	90,969,358	11,024,509	5,918,684	349,493	-	108,262,044
Inter-segment sales	9,700,000	32,874	610,329	-	23,649	(10,366,852)	-
Total revenue	9,700,000	91,002,232	11,634,838	5,918,684	373,142	(10,366,852)	108,262,044
Results							
Segment results	2,988,514	981,776	2,648,784	(90,228)	(655,097)	138,754	6,012,503
Profit/(Loss) from operations	2,988,514	981,776	2,648,784	(90,228)	(655,097)	138,754	6,012,503
Finance costs	-	(836,552)	(416,911)	(111,175)	(41,442)	406,380	(999,700)
Share of results of joint venture	-	-	-	-	-	(121,479)	(121,479)
Investment income	901	33,135	-	17,616	239,232	-	290,884
Profit/(Loss) before tax	2,989,415	178,359	2,231,873	(183,787)	(457,307)	423,655	5,182,208
Tax income/(expense)	62,351	(291,942)	(37,782)	(9,274)	(52,484)	(255,631)	(584,762)
Profit/(Loss) for the year	3,051,766	(113,583)	2,194,091	(193,061)	(509,791)	168,024	4,597,446

32. SEGMENT REPORTING (cont'd)

Group 2016	Investment holding RM	Precision stamping and tooling RM	PCB and module assembly RM	Fabrication and forging RM	Others RM	Eliminations RM	Consolidated RM
Other information							
Capital additions	-	3,978,970	147,863	-	46,353	(340,254)	3,832,932
Depreciation of property, plant and equipment	-	3,899,812	624,050	170,037	6,733	10,988	4,711,620
Consolidated statement of financial position							
Assets							
Segment assets	61,679,490	98,361,905	9,451,127	6,543,089	10,130,459	(74,580,292)	111,585,778
Unallocated corporate assets	83,955	289,635	-	1,361	12,210	(211,793)	175,368
Consolidated total assets							111,761,146
Liabilities							
Segment liabilities	6,002,668	32,262,565	15,887,912	1,420,113	14,154,540	(34,337,811)	35,389,987
Unallocated corporate liabilities	-	1,583,345	-	-	21,757	(15,437)	1,589,665
Consolidated total liabilities							36,979,652

32. SEGMENT REPORTING (cont'd)

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

32. SEGMENT REPORTING (cont'd)

Group 2015	Investment holding RM	Precision stamping and tooling RM	PCB and module assembly RM	Fabrication and forging RM	Others RM	Eliminations RM	Consolidated RM
Other information							
Capital additions	-	2,699,802	5,148	16,077	5,086	-	2,726,113
Impairment of property, plant and equipment	-	-	2,200,000	-	-	-	2,200,000
Depreciation of property, plant and equipment	-	3,723,896	1,708,052	372,229	4,268	-	5,808,445
Consolidated statement of financial position							
Assets							
Segment assets	66,393,654	97,110,830	14,992,829	8,280,846	15,593,565	(91,909,935)	110,461,789
Unallocated corporate assets							796,946
Consolidated total assets							111,258,735
Liabilities							
Segment liabilities	13,622,789	31,464,319	23,623,705	2,966,284	10,634,836	(44,315,005)	37,996,928
Unallocated corporate liabilities							1,714,501
Consolidated total liabilities							39,711,429

Geographical segments

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

33. CAPITAL COMMITMENT

As of 31 August 2016, the Group has the following capital commitment:

	Group	
	2016 RM	2015 RM
Approved and contracted for:		
Purchase of plant and machinery and motor vehicles	8,381,733	671,247
Investment in joint venture	-	1,000,000
Investment in a subsidiary company	-	509,999
	8,381,733	2,181,246

34. CONTINGENT LIABILITIES

(a) As of 31 August 2016, the Group and the Company have the following contingent liabilities:

	Group and Company	
	2016 RM	2015 RM
Unsecured corporate guarantees given to:		
Licensed banks for credit facilities granted to subsidiary companies	15,450,644	18,358,838
Creditor of a subsidiary company	48,516	1,117,127
	15,499,160	19,475,965

(b) In financial year 2015, Crestronics (M) Sdn. Bhd. ("CMSB"), a wholly owned subsidiary company, received bills of demand from the relevant authority demanding payment of sales tax and import duty amounting to RM11,100,000 that should have been paid in respect of the period December 2011 to July 2014.

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

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

35. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Financial assets				
Loans and receivables, at amortised cost:				
Trade receivables	19,385,180	17,344,881	-	-
Other receivables and deposits	3,003,829	2,118,861	-	-
Amount owing by subsidiary companies	-	-	15,083,912	17,760,705
Amount owing by corporate shareholders	6,781	7,824	-	-
Short-term deposits with licensed banks	5,836,620	11,092,819	1,000,000	-
Cash and bank balances	9,067,833	6,946,507	569,198	122,093
	37,300,243	37,510,892	16,653,110	17,900,606
Available for sales, at fair value:				
Other investment	3,381,546	-	-	-
Total	40,681,789	37,510,892	16,653,110	17,900,606
Financial liabilities				
At amortised cost:				
Trade payables	16,250,132	14,702,747	-	-
Other payables and accruals	3,137,884	3,471,609	107,509	137,075
Amount owing to subsidiary companies	-	-	5,895,159	13,485,714
Hire purchase liabilities	2,815,874	1,468,344	-	-
Bank borrowings	347,658	3,092,584	-	-
Term loans	12,335,628	14,915,037	-	-
	34,887,176	37,650,321	6,002,668	13,622,789
At fair value through profit or loss:				
Derivative financial liability	87	11,162	-	-
Total	34,887,263	37,661,483	6,002,668	13,622,789

(b) Fair value of financial instruments

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

The carrying amounts of the Group's financial assets and liabilities as reported at the statement of financial position as of 31 August 2016 approximate their fair values because of the short maturity terms of these instruments except as follows:

	2016		2015	
Group	Carrying Amount RM	Fair Value RM	Carrying Amount RM	Fair Value RM
Financial Liabilities				
Hire purchase liabilities	2,815,874	2,902,829	1,468,344	1,481,435
Term loans	12,335,628	14,882,095	14,915,037	14,952,756
Total	15,151,502	17,784,924	16,383,381	16,434,191

35. FINANCIAL INSTRUMENTS (cont'd)

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

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

The fair value of the 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.

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

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

Fair value measurements recognised in the statement of financial position

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

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
31 August 2016				
Financial assets				
Other investment	3,381,546	-	-	3,381,546
Financial liabilities				
Derivative financial liability	-	87	-	87
31 August 2015				
Financial liabilities				
Derivative financial liability	-	11,162	-	11,162

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

The fair value of other investment is measured based on quoted bid price in active market.

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

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

(i) Credit risk

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

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

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

The Group has no major concentration of credit risk except for amounts due from the Five (2015: Six) trade receivables which constitute approximately RM12,204,000 (2015: RM9,000,000) or 60% (2015: 51%) of gross trade receivables at the end of the reporting period.

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

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

The analysis of trade receivables are as follows:

	2016 **RM**	**2015** **RM**
Not past due and not impaired	16,608,969	15,023,212
Past due but not impaired:		
Past due 0-30 days	1,646,784	1,069,776
Past due 31-60 days	290,096	507,910
Past due 61-90 days	670,023	627,513
Past due 91-120 days	99,619	54,921
Past due more than 121 days	69,689	61,549
Past due and impaired	1,069,897	1,108,844
Total trade receivables	20,455,077	18,453,725

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

(i) Credit risk (cont'd)

Movement in allowance for doubtful debts:

	2016 RM	2015 RM
At 1 September	1,108,844	1,102,794
Doubtful debts recognised	1,063,847	6,050
Doubtful debts written back	(1,102,794)	-
At 31 August	1,069,897	1,108,844

Ageing of impaired trade receivables:

	2016 RM	2015 RM
Past due more than 90 days	1,069,897	1,108,844

(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

If interest rates had been 50 (2015: 50) basis points higher/lower and all other variables were held constant, the Group's profit for the year ended 31 August 2016 would decrease/increase by RM48,312 (2015: RM41,916). This is mainly attributable to the Group's exposure to interest rates on its variable rate for short-term deposits and borrowings.

Interest rate swap contract

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

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

	Average contracted fixed interest rate		Notional principal value		Fair value liabilities	
	2016 %	2015 %	2016 RM	2015 RM	2016 RM	2015 RM
Outstanding receive floating pay fixed contract						
2 to 5 years	3.78	3.78	4,822,229	6,166,979	(87)	(11,162)

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

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

(iii) Foreign currency risk

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

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

The sensitivity rate used by the Group when reporting foreign currency risk internally to key management personnel is 10% (2015: 8%) and represents management's assessment of the reasonably possible change in foreign exchange rates.

If the United States Dollar (2015: United States Dollar) were to change by 10% up or down against the Ringgit Malaysia, the Group's profit for the year will increase/decrease by RM607,530 (2015: RM279,344).

(iv) Liquidity and cash flow risk

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

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

Analysis of financial instruments by remaining contractual maturities

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

Group 2016	**Weighted average effective interest rate %**	**Less than 1 year RM**	**1 to 5 years RM**	**More than 5 years RM**	**Total RM**
Trade payables	-	16,250,132	-	-	16,250,132
Other payables and accruals	-	3,137,884	-	-	3,137,884
Derivative financial liability	-	87	-	-	87
Bank borrowings	7	372,950	-	-	372,950
Hire purchase liabilities	5	1,480,537	1,543,778	-	3,024,315
Term loans	6	3,180,206	8,952,749	1,987,954	14,120,909
		24,421,796	10,496,527	1,987,954	36,906,277

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

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

Company 2016	Weighted average effective interest rate %	Less than 1 year RM	1 to 5 years RM	More than 5 years RM	Total RM
Other payables and accruals	-	107,509	-	-	107,509
Amount owing to subsidiary companies	-	5,895,159	-	-	5,895,159
		6,002,668	-	-	6,002,668

Group 2015	Weighted average effective interest rate %	Less than 1 year RM	1 to 5 years RM	More than 5 years RM	Total RM
Trade payables	-	14,702,747	-	-	14,702,747
Other payables and accruals	-	3,471,609	-	-	3,471,609
Derivative financial liability	-	11,162	-	-	11,162
Bank borrowings	7	3,309,065	-	-	3,309,065
Hire purchase liabilities	6	820,129	744,875	-	1,565,004
Term loans	5	2,796,593	11,070,938	3,242,602	17,110,133
		25,111,305	11,815,813	3,242,602	40,169,720

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

37. CAPITAL MANAGEMENT

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

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

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

The Group's total debt-to-equity ratios at 31 August 2016 were as follow:

	2016 RM	2015 RM
Debt:		
Term loans	12,335,628	14,915,037
Hire purchase liabilities	2,815,874	1,468,344
Bank borrowings	347,658	3,092,584
	15,499,160	19,475,965
Equity	74,781,494	71,547,306
Debt to equity ratio (%)	21%	27%

The Company has no gearing as at 31 August 2015 and 2016.

38. COMPARATIVES

In prior year, freehold and buildings and deferred tax liabilities were erroneously classified in non-current asset held for sale and liabilities directly associated with non-current asset classified as held for sale. The effects of correction of the error are disclosed below:

Group	As previously stated RM	Reclassification RM	As restated RM
Statement of financial position			
Property, plant, and equipment	48,194,185	4,210,261	52,404,446
Non-current asset classified as held for sale	9,560,973	(4,210,261)	5,350,712
Deferred tax liabilities	1,443,433	271,068	1,714,501
Liabilities directly associated with non-current asset classified as held for sale	271,068	(271,068)	-

39. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

These financial statements were authorised for issue on 16 December 2016 by the Board of Directors.

40. SUPPLEMENTARY INFORMATION

Breakdown of realised and unrealised profit or loss

The breakdown of the retained earnings of the Group and of the Company at the reporting date, into realised and unrealised profits, pursuant to the Bursa Malaysia Securities Berhad Listing Requirements are as follows:

	Group	
	2016 RM	**2015 RM**
Total retained earnings of the Company and its subsidiary companies:		
Realised	52,128,615	52,669,189
Unrealised	(5,259,670)	1,056,401
	46,868,945	53,725,590
Total share of post-acquisition results in associated company:		
Realised	(4,239,080)	(4,239,080)
Unrealised	(462,091)	(462,091)
	(4,701,171)	(4,701,171)
Total share of post-acquisition results in joint venture company:		
Realised	(656,552)	(463,714)
Unrealised	-	-
	(656,552)	(463,714)
Less: Consolidation adjustments	(16,557,648)	(31,415,551)
Total retained earnings as per statement of financial position	24,953,574	17,145,154

	Company	
	2016 RM	**2015 RM**
Total retained earnings of the Company:		
Realised	9,276,136	(218,469)
Unrealised	(3,859,928)	2,582,911
Total retained earnings as per statement of financial position	5,416,208	2,364,442

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

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

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

In the opinion of the Directors, the financial statements set out on pages 47 to 113 are drawn up:

(a) so as to give a true and fair view of the state of affairs of the Group and of the Company at 31 August 2016 and of their results and cash flows for the year then ended; and

(b) in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the provisions of the Companies Act 1965 in Malaysia.

The information set out in Note 40 to the financial statements has been prepared in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profit or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by the Malaysia Institute of Accountants, and presented based on the format prescribed by Bursa Malaysia Securities Berhad.

Signed on behalf of the Directors in accordance with a Directors' resolution dated 16 December 2016.

NGIAM TONG KWAN
Director

NGIAM TEE WEE
Director

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

I, Ngiam Tee Wee (I/C No.: 680302-10-5097), being the Director primarily responsible for the financial management of BSL Corporation Berhad, do solemnly and sincerely declare that the accompanying financial statements for the year ended 31 August 2016 as set out on pages 47 to 114, are in my opinion correct.

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

Subscribed and solemnly	)	
declared by the above named	)	
Ngiam Tee Wee	)	
at Kuala Lumpur in the	)	NGIAM TEE WEE
State of Federal Territory	)	
	)	
this 16 day of December, 2016	)	Before me,

(Commissioner of Oaths)

LIST
OF PROPERTIES

The details of the properties of the BSL Group as at August 31, 2016 are set out below :

	Name of registered owner / beneficial owner / Location	Description / Existing use	Land / built-up area (sq. m.)	Approximate age of building (Years)	Tenure	Audited NBV as at 31 August 2016 (RM)	Date of Acquisition/ Revaluation
	Ban Seng Lee Industries Sdn. Bhd.						
1	Lot 4220 Persimpangan Jalan Batu Arang/ Lebuhraya PLUS, 48000 Rawang, Selangor Darul Ehsan Geram No.50480 Lot No. 4220 Mukim Rawang Daerah Gombak Selangor Darul Ehsan	Single storey detached factory with annexed 2 storey office building / office and factory	19,551 / 11,941	19	Freehold	15,239,884	26 Aug 2009
2	Lot 4212 Mukim Rawang Daerah Gombak Selangor Darul Ehsan	11/2 Storey detached factory with office / office and factory	25,495 / 11,148	4	Freehold	17,975,914	30 Sep 2010
3	32A, 1st Floor Jalan Bukit Idaman 8/1 Taman Bukit Idaman 68100 Batu Caves Selangor Darul Ehsan P.M. 289, Lot No. 52171 Mukim Batu Daerah Gombak Selangor Darul Ehsan	1 unit of apartment located on the 1st floor of 21/2 storey intermediate shop apartment / workers' hostel	Not applicable / 120	22	Leasehold for 99 years expiring on 17 Oct 2089	82,000	24 Aug 2007
4	35A, 1st Floor Jalan Bukit Idaman 8/1 Taman Bukit Idaman 68100 Batu Caves Selangor Darul Ehsan P.M. 292, Lot No. 52174 Mukim Batu Daerah Gombak Selangor Darul Ehsan	1 unit of apartment located on the 1st floor of 21/2 storey intermediate shop apartment / workers' hostel	Not applicable / 120	22	Leasehold for 99 years expiring on 17 Oct 2089	82,000	24 Aug 2007
	Unique Forging & Components Sdn. Bhd.						
5	HSD 62560 Lot No.PT1985 Mukim Bandar Kundang Daerah Gombak Selangor Darul Ehsan	Vacant Land	1,214 Hektar	-	Leasehold for 99 years expiring on 31 Mar 2107	3,486,804	31 Oct 2012

ANALYSIS OF SHAREHOLDINGS
AS AT 01 DECEMBER, 2016

Authorised Share Capital	:	RM250,000,000
Issued and Paid-up Capital	:	RM49,000,000 (Including 1,294,113 treasury shares held)
Class of shares	:	Ordinary Shares of RM0.50 each
Voting Rights	:	One vote per ordinary share

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Holders	%	No. of Shares	%
1 - 99	6	0.498	317	0.000
100 - 1,000	465	38.653	113,827	0.117
1,001 - 10,000	397	33.000	2,249,412	2.326
10,001 - 100,000	265	22.028	8,860,340	9.162
100,001 - 4,835,293 (*)	69	5.735	35,501,991	36.711
4,835,294 and above (**)	1	0.083	49,980,000	51.682
TOTAL :	1,203	100.000	96,705,887	100.000

(*) Less than 5% of issued shares
(**) 5% and above of issued shares

LIST OF SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

	Direct Shareholdings		Indirect Shareholdings	
Names	No. of Shares	%	No. of Shares	%
Esteem Role Sdn. Bhd.	49,980,000	51.68	-	-
Ngiam Tong Kwan	2,556,315	2.64	49,980,000 (*)	51.68
Nyeam Tong Eng @ Ngiam Tong Yang	269,361	0.28	49,980,000 (*)	51.68
Teh Eng Hock	944,361	0.98	49,980,000 (*)	51.68

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

LIST OF DIRECTORS' SHAREHOLDINGS

	Direct Shareholdings		Indirect Shareholdings	
Names	No. of Shares	%	No. of Shares	%
Ngiam Tong Kwan	2,556,315	2.64	53,977,670 (*)	55.81
Ngiam Tee Wee	2,285,000	2.36	-	-
Ngiam Tee Yang	100,000	0.10	-	-
Datuk Dr. Syed Muhamad Bin Syed Abdul Kadir	100,000	0.10	-	-
Teh Yoon Loy	711,347	0.74	-	-
To' Puan Rozana Bte Tan Sri Redzuan	-	-	-	-
Ng Wai Pin	-	-	17,000 (**)	0.02

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

LIST OF TOP 30 SHAREHOLDERS

No.	Name	Shareholdings	%
1	ESTEEM ROLE SDN. BHD.	49,980,000	51.682
2	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD PLEDGED SECURITIES ACCOUNT FOR TEH PEN SIM (M14)	3,880,670	4.012
3	NGIAM TONG KWAN	2,556,315	2.643
4	NGIAM TEE WEE	2,285,100	2.362
5	ONG LEI IM	1,613,000	1.667
6	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR GOH HOON GHEE (M14)	1,347,900	1.393
7	KIM POH HOLDINGS SDN BHD	1,000,000	1.034
8	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM SOON KWUI	925,600	0.957
9	YAP SEE SEE	900,000	0.930
10	CHANG YOKE MOOI	890,437	0.920
11	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR WOO YAM SANG	868,000	0.897
12	TAN SEE CHONG	834,900	0.863
13	CHANG MOOI YOONG	800,100	0.827
14	CHANG YOKE LAN	800,000	0.827
15	CHEANG WAN YING	800,000	0.827
16	KONG CHUN WAH	766,800	0.792
17	S'NG KING KIOK	711,700	0.735
18	KOH AH MEE @ HOH AH MEE	699,800	0.723
19	TEH ENG HOCK	675,000	0.697
20	TEH YOON LOY	675,000	0.697
21	WOO YAM SANG	546,400	0.565
22	GOH TOH LIM	505,000	0.522
23	CIMSEC NOMINEES (ASING) SDN BHD EXEMPT AN FOR CIMB SECURITIES (SINGAPORE) PTE LTD (RETAIL CLIENTS)	500,000	0.517
24	LOKE KENG HUNG	491,800	0.508
25	TAN KIM TIANG	448,000	0.463
26	CIMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KHOR HOI PENG (PENANG-CL)	429,600	0.444
27	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YEE FOONG SENG (REM 646)	424,000	0.438
28	NIK FAUZI BIN NIK HUSSEIN	423,500	0.437
29	GOH YOKE CHOO	408,400	0.422
30	TONG SOON MOI	388,000	0.401

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

Registered in name of directors

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

APPENDIX I

BSL Corporation Berhad – Proposed Amendment to the Articles of Association
The details of the Proposed Amendment to the Articles of Association is as follows:-

Article No.	Existing Provision	Amended Provision
To amend Article 70	The instrument appointing a proxy shall be in the following form with such variations as circumstances may require or the statues permit or in such other form as the Directors may approve:- BSL CORPORATION BERHAD (651118 K) I/We (NRIC No./Company No.) of being a member/members of BSL CORPORATION BERHAD (hereby appoint* the Chairman of the meeting or (NRIC No.) of , or failing whom (NRIC No.) of , as my/our Proxy(ies) to vote for me/us and act on my/our behalf at the Annual/Extraordinary General Meeting of the Company to be held at on ……… day of ………………… at and, at my adjournment thereof for/against * the resolution(s) to be proposed thereat. Dated this ……… day of ……………. No. of shares held Signature of Member/Common Seal of Shareholder(s) * Delete if not applicable Notes: 1. A proxy may but need not be a Member of the Company and the provisions of Section 149(1)(b) of the Act shall not apply to the Company. 2. A Member entitled to attend and vote at the meeting is entitled to appoint not more than two (2) proxies to attend and vote at the meeting except where a Member is an Authorised Nominee, in which event it may appoint not more than two (2) proxies in respect of each Securities Account it holds in ordinary shares of the Company standing to the credit of the said Securities Account.	The instrument appointing a proxy shall be in the following form with such variations as circumstances may require or the statues permit or in such other form as the Directors may approve:- BSL CORPORATION BERHAD (651118 K) I/We (NRIC No./Company No.) of being a member/members of BSL CORPORATION BERHAD (hereby appoint* the Chairman of the meeting or (NRIC No.) of , or failing whom (NRIC No.) of , as my/our Proxy(ies) to vote for me/us and act on my/our behalf at the Annual/Extraordinary General Meeting of the Company to be held at on ……… day of ………………… at and, at my adjournment thereof for/against * the resolution(s) to be proposed thereat. Dated this ……… day of ……………. No. of shares held Signature of Member/Common Seal of Shareholder(s) * Delete if not applicable Notes: 1. A proxy may but need not be a Member of the Company and the provisions of Section 149(1)(b) of the Act shall not apply to the Company. 2. A Member entitled to attend and vote at the meeting is entitled to appoint not more than two (2) proxies to attend and vote at the meeting except where a Member is an Authorised Nominee, in which event it may appoint not more than two (2) proxies in respect of each Securities Account it holds in ordinary shares of the Company standing to the credit of the said Securities Account.

BSL Corporation Berhad – Proposed Amendment to the Articles of Association
The details of the Proposed Amendment to the Articles of Association is as follows:-

Article No.	Existing Provision	Amended Provision
To amend Article 70	3. Where a Member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) Securities Account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under Depositories Act which is exempted from compliance with the provisions of subsection 25A(1) of the Depositories Act. 4. Where a Member or the Authorised Nominee appoints two (2) proxies, or where an exempt authorised nominee appoints two (2) or more proxies, the appointment shall be invalid unless the proportion of shareholdings to be represented by each proxy is specified in the instrument appointing the proxies. 5. The Proxy Form shall be signed by the appointor or his (her) attorney duly authorised in writing or, if the member is a corporation, must be executed under its common seal or by its duly authorised attorney or officer. 6. The instrument appointing a Proxy must be deposited at the Office of the Company not less than 48 hours before the time for holding the meeting or at any adjournment thereof.	3. Where a Member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) Securities Account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under Depositories Act which is exempted from compliance with the provisions of subsection 25A(1) of the Depositories Act. 4. Where a Member or the Authorised Nominee appoints two (2) proxies, or where an exempt authorised nominee appoints two (2) or more proxies, the appointment shall be invalid unless the proportion of shareholdings to be represented by each proxy is specified in the instrument appointing the proxies. 5. The Proxy Form shall be signed by the appointor or his (her) attorney duly authorised in writing or, if the member is a corporation, must be executed under its common seal or by its duly authorised attorney or officer. 6. The instrument appointing a Proxy **and the power of attorney or other authority, if any, under which it is signed or a notarily certified copy of the power or authority** must be deposited at the Office of the Company **or at such other place within Malaysia** not less than 48 hours before the time for holding the meeting or at any adjournment thereof.

BSL Corporation Berhad – Proposed Amendment to the Articles of Association
The details of the Proposed Amendment to the Articles of Association is as follows:-

Article No.	Existing Provision	Amended Provision
To amend Article 124	**MANAGING DIRECTOR** The Directors may from time to time appoint any one (1) or more of their body to be Managing Director or Deputy Managing Director and if the appointment is for a fixed term, that term shall not exceed three (3) years, and upon such conditions as they think fit, and may vest in such Managing Director or Deputy Managing Director the power hereby vested in the Directors generally as they may think fit, but provided always that such Managing Director or Deputy Managing Director shall be subject to the control of the Board of Directors.	**MANAGING DIRECTOR/EXECUTIVE DIRECTOR** The Directors may from time to time appoint any one (1) or more of their body to be Managing Director, Deputy Managing Director or Executive Director and if the appointment is for a fixed term, that term shall not exceed three (3) years, and upon such conditions as they think fit, and may vest in such **Managing Director, Deputy Managing Director or Executive Director** the power hereby vested in the Directors generally as they may think fit, but provided always that such **director so appointed** shall be subject to the control of the Board of Directors.
To amend Article 125	A Managing Director or Deputy Managing Director shall, while he continues to hold that office, be subject to retirement by rotation, and he shall be reckoned as a Director for the purpose of determining the rotation of retirement of Directors or in fixing the number of Directors to retire and subject to provisions of any contract between him and the Company shall, be subject to the same provisions as to resignation and removal as the other Directors of the Company and if he ceases to hold the office of Director for any cause shall ipso facto and immediately cease to be a Managing Director or Deputy Managing Director.	**A Managing Director, Deputy Managing Director or Executive Director** shall, while he continues to hold that office, be subject to retirement by rotation, and he shall be reckoned as a Director for the purpose of determining the rotation of retirement of Directors or in fixing the number of Directors to retire and subject to provisions of any contract between him and the Company shall, be subject to the same provisions as to resignation and removal as the other Directors of the Company and if he ceases to hold the office of Director for any cause, **he** shall ipso facto and immediately cease to be a **Managing Director, Deputy Managing Director or Executive Director.**
To amend Article 126	A Managing Director or Deputy Managing Director shall, subject to the terms of any agreement entered into in any particular case, receive such remuneration (whether by way of salary, commission, or participation in profits or partly in one way and partly in another) but shall not include a commission on or a percentage of turnover as the Directors may determine.	**A Managing Director, Deputy Managing Director** or **Executive Director** shall, subject to the terms of any agreement entered into in any particular case, receive such remuneration (whether by way of salary, commission, or participation in profits or partly in one way and partly in another) but shall not include a commission on or a percentage of turnover as the Directors may determine.

BSL Corporation Berhad – Proposed Amendment to the Articles of Association
The details of the Proposed Amendment to the Articles of Association is as follows:-

Article No.	Existing Provision	Amended Provision
To amend Article 127	The Directors may entrust to and confer upon a Managing Director or Deputy Managing Director any of the powers exercisable by them upon such terms and conditions and with such restrictions as they may think fit, and either collaterally with or to the exclusion of their own powers, and may from time to time revoke, withdraw, alter, or vary all or any of those powers.	The Directors may entrust to and confer upon a **Managing Director, Deputy Managing Director or Executive Director** any of the powers exercisable by them upon such terms and conditions and with such restrictions as they may think fit, and either collaterally with or to the exclusion of their own powers, and may from time to time revoke, withdraw, alter, or vary all or any of those powers.
To amend Article 136	The Directors shall from time to time in accordance with section 169 of the Act and the Listing Requirements, cause to be prepared and laid before the Company in general meeting such profit and loss accounts, balance sheets and reports as are referred to in the section and the Listing Requirements. **The interval between the close of a financial year of the Company and the issue of the annual audited accounts, the Directors' and Auditors' reports shall not exceed four (4) months.** A copy of each of such documents in printed form or in CD-ROM form or in such other form of electronic media shall not less than twenty-one (21) days before the date of the meeting, provided always that it shall not exceeding six (6) months from the close of a financial year of the Company be sent to every Member of, and to every holder of debentures of the Company under the provisions of the Act or of these Article. The requisite number of copies of each of such document as may be required by Exchange or other stock exchange(s), if any, upon which the Company's shares may be listed, shall at the same time be likewise sent to Exchange or other stock exchange(s) provided that these Articles shall not require a copy of these documents to be sent to any person of whose address the Company is not aware or outside Malaysia, but any Member to whom a copy of these documents has not been sent shall be entitled to receive a copy, free of charge on application at the Office of the Company. In the event that the annual report is sent in CD-ROM form or such form of electronic media and a Member requires a printed form of such documents, the Company shall send such documents to the Member within four (4) market days from the date of receipt of the Members' request or such period as may be prescribed by the Exchange.	The Directors shall from time to time in accordance with section 169 of the Act and the Listing Requirements, cause to be prepared and laid before the Company in general meeting such profit and loss accounts, balance sheets and reports as are referred to in the section and the Listing Requirements. A copy of each of such documents in printed form or in CD-ROM form or in such other form of electronic media shall not less than twenty-one (21) days before the date of the meeting, provided always that it shall not exceeding six (6) months from the close of a financial year of the Company be sent to every Member of, and to every holder of debentures of the Company under the provisions of the Act or of these Article. The requisite number of copies of each of such document as may be required by Exchange or other stock exchange(s), if any, upon which the Company's shares may be listed, shall at the same time be likewise sent to Exchange or other stock exchange(s) provided that these Articles shall not require a copy of these documents to be sent to any person of whose address the Company is not aware or outside Malaysia, but any Member to whom a copy of these documents has not been sent shall be entitled to receive a copy, free of charge on application at the Office of the Company. In the event that the annual report is sent in CD-ROM form or such form of electronic media and a Member requires a printed form of such documents, the Company shall send such documents to the Member within four (4) market days from the date of receipt of the Members' request or such period as may be prescribed by the Exchange.

BSL Corporation Berhad – Proposed Amendment to the Articles of Association
The details of the Proposed Amendment to the Articles of Association is as follows:-

Article No.	Existing Provision	Amended Provision
To amend Article 138	The directors may issue the Company's annual report in CD-ROM form provided that:- (a) (i) the Company must print copy of the annual report to its shareholder upon request , whether verbal or written; (ii) the printed copy of the annual report is forwarded to the shareholders requesting the same within 4 market days from the date of receipt of the said request; (iii) the Company must maintain designated person(s) to answer queries from the shareholders relating to the use of the CD-ROM However it is imperative to note that :- (b) together with the CD-ROM annual report, the Company must issue hard copies of the notice of the annual general meeting, the proxy forms and the following documents to its shareholders i) a note setting out the following statement/information :- • the listed Company shall forward a hard copy of the annual report to the shareholder within 4 market days from the receipt of the verbal or written request; and • Company's website and email address, name(s) of designated person(s) attending to shareholders' request and queries and contact number(s) ii) request form to enable a shareholders to request for annual report in hard copy with the particulars of the Company's facsimile number and mailing address.	The directors may issue the Company's annual report in CD-ROM form provided that:- (a) (i) the Company must print copy of the annual report to its shareholder upon request , whether verbal or written; (ii) the printed copy of the annual report is forwarded to the shareholders requesting the same within 4 market days from the date of receipt of the said request; (iii) the Company must maintain designated person(s) to answer queries from the shareholders relating to the use of the CD-ROM However it is imperative to note that :- (b) together with the CD-ROM annual report, the Company must issue hard copies of the notice of the annual general meeting, the proxy forms and the following documents to its shareholders i) a note setting out the following statement/information :- • the listed Company shall forward a hard copy of the annual report to the shareholder within 4 market days from the receipt of the verbal or written request; and • Company's website and email address, name(s) of designated person(s) attending to shareholders' request and queries and contact number(s) • **the designated website link or address where a copy of the annual report may be downloaded.** ii) request form to enable a shareholders to request for annual report in hard copy with the particulars of the Company's facsimile number and mailing address.

No of shares held	
If more than 1 proxy, please specify number of shares represented by each proxy	
Name of proxy 1:	
Name of proxy 2:	

PROXY FORM

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

I/We ______________________________ (NRIC No./Company No.) ______________________
FULL NAME IN BLOCK LETTERS

of ____
FULL ADDRESS

being a member/members of **BSL CORPORATION BERHAD** hereby appoint ______________________________
FULL NAME IN BLOCK LETTERS

______________________________ (NRIC No.) ______________________________

of ____
FULL ADDRESS

or failing whom ______________________________ (NRIC No.) ______________________________
FULL NAME IN BLOCK LETTERS

of ____
FULL ADDRESS

or failing him/her, the chairman of the meeting as my/our proxy(ies) to vote for me/us and on my/our behalf at the Thirteenth Annual General Meeting of the Company to be held at Meeting Room, Ground Floor, Hotel S.Damansara, No. 1, Jalan Cempaka SD 12/5, Bandar Sri Damansara, PJU 9, 52200 Kuala Lumpur on Friday, 20th day of January 2017 at 9.00 a.m. and at any adjournment thereof for/against the resolution(s) to be proposed thereat.

NO.	RESOLUTIONS	For	Against
1.	To re-elect Ngiam Tong Kwan who retires pursuant to Article 78 of the Company's Articles of Association as Director.		
2.	To re-elect Teh Yoon Loy who retires pursuant to Article 78 of the Company's Articles of Association as Director.		
3.	To approve the payment of Directors' Fees for the financial year ended 31 August 2016.		
4.	To re-appoint Messrs Mazars as Auditors of the Company and to authorise the Directors to fix their remuneration.		
5.	To grant authority to the Directors to allot and issue shares pursuant to Section 132D of the Companies Act, 1965.		
6.	To approve the Proposed Renewal of Authority for Share Buy-Back.		
7.	To approve Datuk Dr. Syed Muhamad Bin Syed Abdul Kadir to continue to act as an Independent Non-Executive Director.		
8.	To approve To' Puan Rozana Bte Tan Sri Redzuan to continue to act as an Independent Non-Executive Director.		
9.	To approve Ng Wai Pin to continue to act as an Independent Non-Executive Director.		
10 .	To approve the Proposed Amendments to the Articles of Association.		

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

Dated this ____________ day of ______________ 2016/2017

____
Signature of member(s)/Common Seal of member
Contact Number:

*Delete whichever is not applicable

Notes:

(i) A proxy may but need not be a member of the Company and the provision of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.

(ii) A member entitled to attend and vote at the Meeting is entitled to appoint not more than two (2) proxies to attend and vote at the Meeting except where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, in which event it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.

(iii) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under Depositories Act which is exempted from compliance with the provisions of subsection 25A (1) of the Depositories Act.

(iv) Where a member or the authorised nominee appoints two (2) proxies, or where an exempt authorised nominee appoints two (2) or more proxies, the appointments shall be invalid unless theproportion of shareholdings to be represented by each proxy isspecified in the instrument appointing the proxies.

(v) The Proxy Form shall be signed by the appointor or his (her) attorney duly authorised in writing or, if the member is a corporation, must be executed under its common seal or by its duly authorised attorney or officer.

(vi) The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarily certified copy of the power or authority must be deposited at the office of the Company's Share Registrar situated at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, not less than 48 hours before the time for holding the meeting or at any adjournment thereof.

(vii) Only members whose names appear in the Record of Depositors as at 13 January 2017 will be entitled to attend, vote and speak at the meeting or appoint proxy(ies) to attend, vote and speak on their behalf.

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STAMP

To

The Share Registrar
Tricor Investor & Issuing House Services Sdn Bhd
Unit 32-01, Level 32, Tower A,
Vertical Business Suite,
Avenue 3, Bangsar South,
No.8, Jalan Kerinchi,
59200 Kuala Lumpur.

Then fold here

BSL CORPORATION BHD (651118-K)
Unit 30-01, Level 30, Tower A,
Vertical Business Suite,
Avenue 3, Bangsar South,
No.8, Jalan Kerinchi,
59200 Kuala Lumpur.