Our Faith In Action

Annual Report 2014

BSL CORPORATION BHD 651118-K

CONTENTS

NOTICE OF ELEVENTH
ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Eleventh Annual General Meeting of the Company will be held at Seminar Hall, Commonwealth Forest Park & Resort, KM23, Jalan KL-Rawang, 48000 Rawang, Selangor Darul Ehsan on Thursday, 26 February 2015 at 10.00 a.m. for the following purposes:-

AGENDA

1. To receive the Audited Financial Statements for the financial year ended 31 August 2014 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) Ngiam Tee Yang **(Resolution 2)**
(iii) Datuk Dr. Syed Muhamad Bin Syed Abdul Kadir [Please refer to Note 3] **(Resolution 3)**

3. To approve the payment of Directors' fees for the financial year ended 31 August, 2014. **(Resolution 4)**

4. To re-appoint Messrs Deloitte as Auditors of the Company and authorise the Directors to fix their remuneration. **(Resolution 5)**

AS SPECIAL BUSINESS

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

5. **ORDINARY RESOLUTION**
- AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965 **(Please refer to Note 4(a))**

"THAT, subject always to the Companies Act, 1965, the Articles of Association of the Company and the approval of any relevant governmental and/or regulatory authorities, where such approval is required, the Directors be and are hereby authorised and empowered pursuant to Section 132D of the Companies Act, 1965 to allot and issue shares in the Company, at any time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed ten per centum (10%) of the issued and paid-up share capital of the Company for the time being and that the Directors be and are also empowered to obtain approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company unless revoked or varied by the Company at a general meeting." **(Resolution 6)**

6. **ORDINARY RESOLUTION**
- PROPOSED RENEWAL OF AUTHORITY FOR SHARE BUY-BACK **(Please refer to Note 4 (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 7)**

(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
- CONTINUING IN OFFICE AS INDEPENDENT DIRECTORS **(Please refer to Note 4 (c))**

"THAT, subject to the passing of Resolution 3, 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 since 28 December 2006 and will reach the nine-year term limit on 27 December 2015, to continue to act as an Independent Non-Executive Director of the Company." **(Resolution 8)**

"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 since 28 December 2006 and will reach the nine-year term limit on 27 December 2015, to continue to act as an Independent Non-Executive Director of the Company." **(Resolution 9)**

"THAT, approval be and is hereby given for Ng Wai Pin who has served as an Independent Non-Executive Director of the Company since 28 December 2006 and will reach the nine-year term limit on 27 December 2015, to continue to act as an Independent Non-Executive Director of the Company." **(Resolution 10)**

8. To transact 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
30 January, 2015

NOTICE OF ELEVENTH
ANNUAL GENERAL MEETING (CONT'D)

Notes:

1. APPOINTMENT OF PROXY

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

(b) A member of the Company entitled to attend and vote at the Meeting is entitled to appoint not more than two (2) proxies to attend and vote in his/her stead at the Meeting except where a member of the Company 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.

(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 instrument appointing a proxy shall be in writing under the hand of the appointor or of his (her) attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation's common seal or under the hand of an officer or attorney duly authorised.

(f) The instrument appointing a proxy must be deposited at the Registered Office at Level 18, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, not less than 48 hours before the time set for the meeting or at any adjournment thereof.

(g) Only members whose names appear in the Record of Depositors as at 17 February 2015 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 2014

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. RE-ELECTION OF DIRECTOR

The Board has undertaken an annual assessment on the independence of Datuk Dr. Syed Muhamad Bin Syed Abdul Kadir who is seeking for re-election pursuant to the Articles of Association of the Company, at the forthcoming Eleventh Annual General Meeting. The annual assessment has been disclosed in the Corporate Governance Statement of the Company's 2014 Annual Report.

4. EXPLANATORY NOTES ON SPECIAL BUSINESS

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

The proposed Resolution 6 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 Tenth Annual General Meeting held on 26 February 2014 as there were no requirements for such fund raising activities.

The proposed Resolution 6, 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 7, 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 30 January 2015 in relation to Proposed Renewal of Authority for Share Buy-Back for further details.

(c) CONTINUING 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 Board of Directors ("Board") has 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 almost 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 8, Resolution 9 and Resolution 10, 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 in office as Independent Non-Executive Directors of the Company.

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

Level 18, The Gardens North Tower,
Mid Valley City, Lingkaran Syed Putra,
59200 Kuala Lumpur.

Tel : 03 2264 8888
Fax : 03 2282 2733

SHARE REGISTRAR

Tricor Investor Services Sdn Bhd
Level 17, The Gardens North Tower,
Mid Valley City, Lingkaran Syed Putra,
59200 Kuala Lumpur.

Tel : 03 2264 3883
Fax : 03 2282 1886

AUDITORS

Deloitte (AF 0080)
Level 16, Menara LGB
1 Jalan Wan Kadir, Taman Tun Dr. Ismail
60000 Kuala Lumpur

Tel : 03 7610 8888
Fax : 03 7726 8986

PRINCIPAL BANKERS

Citibank Berhad
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 65, 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"), Crestronics (M) Sdn Bhd. ("Crestronics") and Kotamech Engineering Sdn Bhd.

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.

TEH YOON LOY
Executive Director

Aged 57, 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 currently the Managing Director of Unique, responsible for business development and overall performance of Unique.

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

NGIAM TEE WEE
Chief Executive Officer / Executive Director

Aged 46, 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.

PROFILE OF DIRECTORS

NGIAM TEE YANG

Deputy Chairman / Executive Director

Aged 49, 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.

DATUK DR. SYED MUHAMAD BIN SYED ABDUL KADIR

Independent Non-Executive Director

Aged 67, Malaysian. Appointed to Board on 28 December 2006, Datuk Dr. Syed Muhamad 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 and proceeded to obtain a PhD (Business Management) from Virginia Polytechnic Institute and State University, USA, 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 thereafter assumed the position of Deputy Secretary (Foreign and Domestic Borrowing, Debt Management), Finance Division of Federal Treasury. From 1993 to 1997, he joined the Board of Directors of Asian Development Bank, Manila, Philippines, first as Alternate Executive 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 in the Ministry of Human Resources.

Currently, he is a board member of CIMB Bank Berhad, CIMB Islamic Bank Berhad, Euro Holdings Berhad, Solution Engineering Holdings Berhad, ACR ReTakaful Berhad (formerly known as ACR ReTakaful SEA Berhad), Malakoff Corporation Berhad, Sun Life Malaysia Assurance Berhad (formerly known as CIMB Aviva Assurance Berhad) and Sun Life Malaysia Takaful Berhad (formerly known as CIMB Aviva Takaful Berhad).

He is the Chairman of the Audit Committee, Nomination Committee and the Risk Assesment & Monitoring Committee of BSL.

He has no family relationship with any Director and/or major shareholders of BSL.

PROFILE OF DIRECTORS

TO' PUAN ROZANA BTE TAN SRI REDZUAN

Independent Non-Executive Director

Aged 50, 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 mining, IT-related business and property development.

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.

NG WAI PIN

Independent Non-Executive Director

Aged 49, 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. He is currently the Chairman and Managing Director of Frontken Corporation Berhad and he is also Vice-Chairman and director of a company listed on the Gre Tai Securities Market in Taiwan.

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.

Note :

a : None of the directors have any conviction for offence
(other than traffic offences) within the past 10 years.

b : None of the directors have any conflict of interest with the Company.

CHAIRMAN'S 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, 2014."

FINANCIAL REVIEW

For the financial year under review, the Group turnover for continuing operation decreased by RM17 million or 15% to RM94.9 million compared with RM112.2 million in the previous year.

The Group reported a loss before tax for the financial year ended 31st August 2014 of RM10.49 million, compared with the loss before tax of RM3.97 million the previous financial year.

The Group posted a loss was due to existing clients especially Japanese consumer electronics companies suffering from declining market share and stiff competition, and the impairment of investment, plant & machinery and provision for slow moving stock.

Loss per share for the continuing operations of the Group is 10.2 sen.

OPERATIONAL REVIEW

The stamping division sales declined further to RM69 million, a drop of 10.3% or RM8.0 million compared with the previous financial year. Sales to clients in the TV sector dropped by RM11.5 million being the main contributor. Several other clients in the audio, air-conditioner, camcorder and automotive sectors also contributed to the declining sales for financial year 2014. The world economy remained sluggish in 2014 and struggling Japanese MNCs involved in electrical/electronics products further compounded our situation. However, earlier efforts to bring in new clients began to show results thus helping to cushion the sales drop. Our European client involved in agriculture registered a sales increase of 36.2% providing further relief. On the operation side, we employed a retired Japanese consultant to advise on waste eliminations. Despite achieving savings from improved operational efficiency, electricity savings, material savings and others; this division reported a loss after tax of RM1.5 million compared with a profit of RM0.14 million in the previous year.

Crestronics (M) Sdn Bhd completed its move from Klang to Rawang at beginning of financial year 2014. Unfortunately sales continued to decline from RM25.5 million to RM17.3 million. The decline was mostly attributed to the drop in orders from the Japanese MNCs. Losses after tax widened to RM5.87 million from RM2.80 million a year earlier. Included in this loss was RM1.60 million in Plant and Machinery impairment. The sales drop was contributed by a client who relocated their Blue Ray player production to Penang and another client who design change meant lesser PCB per set of receiver.

The forging division's sales decreased by 13.11% to RM8.4 million for the financial year 2014. The decrease in sales resulted in this division recording a loss. It recorded a loss of RM0.85 million after tax compared with a profit of RM0.1 million in the previous year. The loss was mostly attributed to the declining price of raw material (brass) throughout 2014 thus affecting margins. Furthermore, this division incurred substantial cost in developing rotors for a car air-conditioner producer. We are confident that this rotor will contribute substantially in next financial year.

CORPORATE DEVELOPMENTS

During financial year 2014, we commenced business for Crestronics Greentech Sdn Bhd (manufacturing and sales of LED lightings) and invested in Petapak Holdings Limited ("Petapak") with 22.5% equity interest (patents owner of PET aerosol solution). As expected, our LED lightings sales were rather slow at the beginning. Sales has since picked up, as the quality of our lightings became known to the public.

As for Petapak, several international consumer brands in the United States of America has tested our PET aerosol solutions and reported positive results. We believe we should be able to see the first sales in next financial year.

On the OEM/final assembly of products, we had limited success in financial year 2014. We managed to secure the final assembly of an energy bar console from a Singaporean company and a wireless communication product for 'stay at home' patients with chronic sickness. In order to enhance our business opportunities, we participated in Matrade's Mid-tier Companies Development Program. Matrade and partner McKinsey have helped us develop new strategies to attract OEM businesses. We are reasonably confident of better success in 2015.

We are happy to announce that our subsidiary, Unique Forging and Components Sdn Bhd (UFC) had successfully moved its operations to Rawang at the end of December 2014. Beginning 1st January 2015, UFC's business and operation are absorbed by the stamping division, Ban Seng Lee Industries Sdn. Bhd. This is another positive step towards consolidating our manufacturing operations and removing duplications of operational costs. We have now successfully moved the stamping division in 2010, the PCB assembly division in 2013 and the forging division in 2014 to our 11.6 acres facilities located at the exit of Rawang toll.

DIVIDEND

The Board does not recommend any dividend payment in respect of the financial year ended 31st August 2014. We decided to be financially conservative in view of the uncertain economic condition, struggling Japanese clients and to recover from financial costs of moving subsidiaries to Rawang.

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 14 to 24.

CURRENT YEAR OUTLOOK

Despite the uncertain economic outlook, the Group expects a better year in 2015. We cautiously hope that current and earlier efforts will begin to show results towards the second half of financial year 2015. Nevertheless, it is difficult to predict the effects from the big drop in crude oil price, the weakening Ringgit and the effect of Goods and Services Tax implementation.

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.

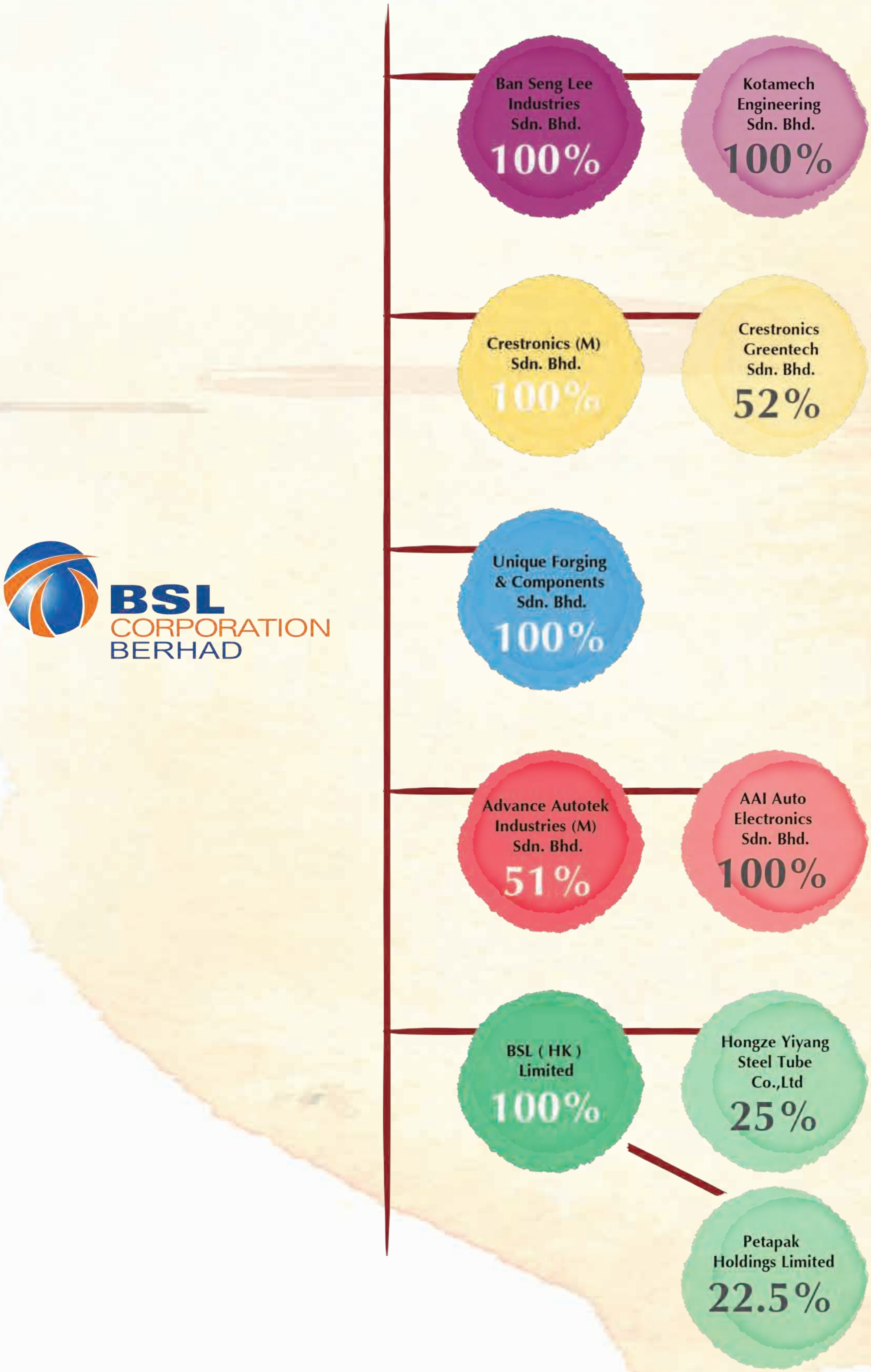
Thank you.

Ngiam Tong Kwan
Chairman

Ngiam Tee Wee
Chief Executive Officer

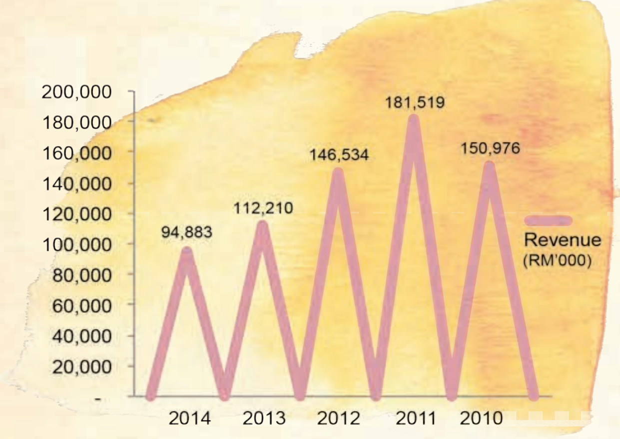
30 January 2015

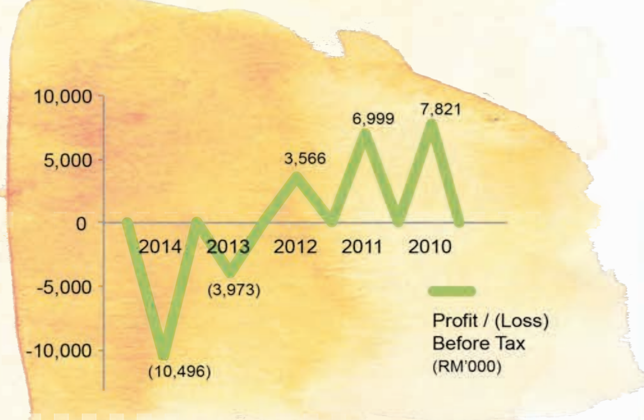
CORPORATE STRUCTURE

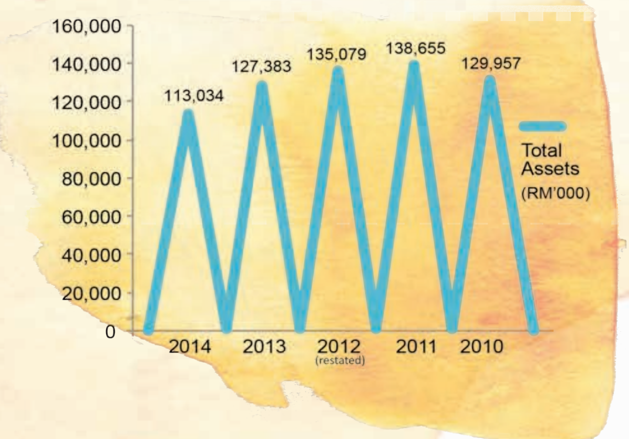


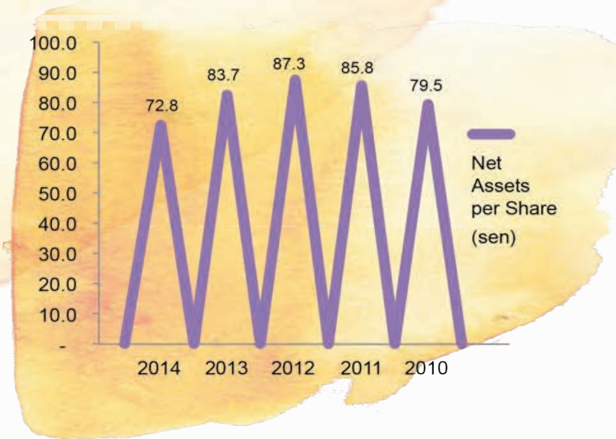
GROUP FINANCIAL HIGHLIGHTS

	2014 RM'000	2013 RM'000	2012 RM'000 (restated)	2011 RM'000	2010 RM'000 (restated)
Income					
Revenue	94,883	112,210	146,534	181,519	150,976
Profit / (Loss) Before Tax	(10,496)	(3,973)	3,566	6,999	7,821
Profit / (Loss) Attributable to Shareholders	(9,864)	(4,280)	1,703	6,209	8,275
Balance Sheet					
Total Assets	113,034	127,383	135,079	138,655	129,957
Shareholders' Fund	71,376	81,071	89,669	84,085	77,923
Paid-up Capital	49,000	49,000	49,000	49,000	49,000
Financial Ratios					
Return on Shareholders' Fund (%)	(13.74)	(5.17)	1.94	7.38	10.62
Earnings / (Loss) per Share (sen)	(10.2)	(4.4)	1.8	5.3	7.9
Net Assets per Share (sen)	73.7	83.7	87.3	85.8	79.5
Gross Dividend per Share -First and Final (sen)	-	-	-	-	-









CORPORATE GOVERNANCE STATEMENT

The Board of Directors (the "Board") of 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 set out in the Malaysian Code of Corporate Governance 2012 ("the Code") for the financial year ended 31 August 2014. 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 of Directors 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, and Directors are clearly delineated and defined in the Board Charter.

To assist the Board in carrying out its fiduciary duties and to enhance business and operational efficiency, the Board of Directors delegates certain duties to its Board Committees, namely Audit Committee ("AC"), Risk Assessment and Monitoring Committee, Nominating Committee and Remuneration Committee.

All Board Committees have written terms of reference which is approved by the Board. The Chairman of the AC, Nominating Committee and Remuneration Committee reports to the Board accordingly subsequent to the respective committee meetings.

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;

- 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;

- 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;

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

- Ensuring that there is in place an appropriate succession plan for members of the Board and senior management;

- 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 amongst 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 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 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.

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 creating 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 CSR section on pages 26 of the Annual Report.

1.5 Access to Information and Advice

Prior to the meetings of the Board and the Board Committees, notice of agenda together with previous minutes and other relevant qualitative and quantitative information were compiled into reports to be circulated to all members on a timely basis. Management is also 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.

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

1.6 Qualified and Competent Company Secretary

The Company Secretaries play an advisory role to the Board and are capable of carrying out their duties efficiently to ensure the effective functioning of the Board. The Company Secretaries are suitably qualified and has 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.

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 Chief Executive Officer and Executive Directors. The NC also reviews and recommends training and orientation needs/requirements for each individual Director and ensures the same are fulfilled accordingly.

The NC shall be appointed by the Board of Directors and shall comprise exclusively of non-executive directors, a majority of whom are independent directors. The Chair of the NC is the Senior Independent Director of the Company.

The NC consists entirely of non-executive Directors, all of whom are independent. 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

2. STRENGTHEN COMPOSITION (cont'd)

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

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/Chief Executive Officer, 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.

(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.

(c) Annual Assessment

The NC had on 27 January 2015 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 directors 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.

2. STRENGTHEN COMPOSITION (cont'd)

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 Company'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 - Chairman, Executive Director;
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.

Details of the remuneration of the Directors for the financial year ended 31 August, 2014 are set out as below:

	Salaries & Bonus RM	Other benefits RM	Fees RM	Total RM
Executive Directors	1,624,028	130,550	162,600	1,917,178
Non-Executive Directors	-	3,600	94,600	98,200
Total	1,624,028	134,150	257,200	2,015,378

2. STRENGTHEN COMPOSITION (cont'd)

A breakdown of Directors' remuneration for the financial year ended 31 August 2014 in successive bands of RM50,000.00 are as follows :

Range of Remuneration(RM)	No. of Executive Director	No. of Non-Executive Director
1 – 50,000	-	3
200,001 – 250,000	1	-
250,001 – 300,000	1	-
300,001 – 350,000	1	-
350,001 – 400,000	1	-
Total	4	3

During the financial year, the RC had reviewed and recommended to the Board, the remuneration package for the Chairman/Chief Executive Officer 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 Group's independent directors based on the criteria which had been developed prior to the assessment of independence of the Independent Directors.

The NC and the Board are of the view that all the three (3) Independent Non-Executive Directors 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. REINFORCE INDEPENDENCE (cont'd)

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 will reach a cumulative term of nine (9) Years on 27 December 2015. 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 almost 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 Eleventh (11th) AGM.

3.4 Separation of Positions of the Chairman and Chief Executive Officer

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

The role of the Chairman and the Chief Executive Officer 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. 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 Chief Executive Officer is responsible for the day to day management of the business as well as implementation of the Board's policies and decisions

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 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 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.

3. REINFORCE INDEPENDENCE (cont'd)

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

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

Although the Board does not comprise a majority of Independent Directors, 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 six (6) occasions; where it deliberated on matters such as the Group's financial results, major investments and strategic decisions, its business plan, corporate finance and developments and the strategic direction of the Group among others. Board meetings for each year are scheduled in advance before the end of the preceding year in order for Directors to plan their schedules.

The Board is 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 2014 is contained in the table below.

NAME OF DIRECTOR	NUMBER OF MEETINGS ATTENDED		
	BOARD	AUDIT COMMITTEE	NOMINATION COMMITTEE
Ngiam Tong Kwan	6/6	N/A	N/A
Ngiam Tee Wee	6/6	N/A	N/A
Ngiam Tee Yang	6/6	N/A	N/A
Teh Yoon Loy	6/6	N/A	N/A
Datuk Dr Syed Muhamad Bin Syed Abdul Kadir	6/6	5/5	1/1
To' Puan Rozana Bte Tan Sri Redzuan	5/6	4/5	1/1
Ng Wai Pin	5/6	5/5	1/1

4. FOSTER COMMITMENT (cont'd)

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 undertaken an assessment of the training needs of the Directors during the annual assessment.

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, 2014, the Directors had attended the following trainings, seminars and forums:

Directors	Title of Training	Duration
Ngiam Tong Kwan	- Corporate Board Leadership Symposium 2014	One Day
Ngiam Tee Wee	- Top Team Experience	Two Day
Teh Yoon Loy	- Corporate Board Leadership Symposium 2014	One Day
Ngiam Tee Yang	- Corporate Board Leadership Symposium 2014	One Day
Ng Wai Pin	- GST Insight	One Day
Datuk Dr. Syed Muhamad Bin Syed Abdul Kadir	- 2014 Palm Oil Conference	One Day
	- Malaysian Accounting Standards Board (MASB) Roundtable Discussion on Financial Reporting	One Day
	- FIDE FORUM's Focus Group Discussion in Preparation for Dialogue with the Governor	One Day
	- FIDE FORUM Dialogue with the Governor: Economic and Financial Services Sector: Trends and Challenges Moving Forward"	One Day
	- FIDE FORUM Focus Group Discussion on: "Building a Talent Pool of Directors: Directors Register"	One Day
	- Invitation to become a Panelist at MINDA's Corporate Directors Programme (CDAP) on Human Capital 2014	One Day
	- Invest Malaysia 2014	One Day
	- 2014 Car Regional Conference	One Day
	- Bursa Board Continuous Education Programme: Derivatives Trading, Global Trends and Moving Forward	One Day
	- EURO Directors Training on GST	One Day
	- 2015 Risk Posture Workshop with Group BRC and 3FIs BRC (Combined)	One Day
To' Puan Rozana Bte Tan Sri Redzuan	- To' Puan Rozana did not attend any relevant training and seminar courses due to her hectic travelling schedule troughout the year. She will undertake to attend relevant training and seminar courses in 2015 to continue enhancing her skills and knowledge for the purpose of discharging her duties and responsibilities as a Director of the Company.	

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 is set out on page 25 of this Annual Report.

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 31 to 35 of the Annual Report.

The AC had on 23 December 2014, reviewed the suitability and independence of the external auditors and recommended their re-appointment to the Board, upon which the shareholders' approval will be sought at the forthcoming 11th AGM. The external auditors had provided their confirmation to the AC that they have complied with the ethical requirements regarding independence with respect to the audit of the Group in accordance with all relevant professional and regulatory requirements. 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.

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 29 and 30 of the Annual Report on the Statement on Risk Management and Internal Control for more information.

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 31 to 35 of the Annual Report. The Statement of Risk Management and Internal Control furnished on pages 29 to 30 of the Annual Report provides an overview of the system of internal controls of the Group. The cost incurred for the internal audit function for the financial year ended 31 August 2014 was RM38,130.

7. ENSURE TIMELY AND HIGH QUALITY DISCLOSURE

7.1 Corporate Disclosure Policy ("CDP")

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 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 meeting and provided with a copy of the Company's Annual Report 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 Poll Voting

The Board encourages poll voting at general meetings in case of substantive resolutions which require shareholders' approval. At the Tenth (10th) AGM held on 26 February 2014, the Chairman had notified the shareholders at the commencement of the AGM of their right to demand for poll, provided that the minimum requirement for demanding a poll as set out the Articles of Association of the Company is met. All resolutions put forth for Shareholders' approval at the 10th AGM were voted by show of hands.

8.3 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 a resolution 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 2014 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.

CORPORATE SOCIAL RESPONSIBILITY ("CSR")

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 13 January 2015, 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%	2%	2%	3%	1%	1%	1%	1%	-
Chinese	-	-	1%	1%	2%	1%	1%	-	1%	1%
India	-	1%	1%	1%	1%	1%	-	-	-	-
Others	2%	-	3%	-	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	-	-	1%	1%	-	1%	1%	-	-	-
Chinese	-	-	-	-	-	-	-	-	-	-
India	-	3%	1%	3%	-	2%	-	1%	-	1%
Others	25%	3%	18%	7%	1%	1%	-	-	-	-
TOTAL	**28%**	**8%**	**26%**	**14%**	**8%**	**8%**	**3%**	**2%**	**2%**	**2%**

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, 2014.

(b) Share Buy-back

Details of the Share Buy-Back of the Company during the financial year ended 31 August, 2014 are disclosed under Note 19 in the Audited Financial Statements on page 92 and 93 of this Annual Report.

During the financial year ended 31 August 2014, the company had purchased shares of its issued shares (all of which are retained as Treasury Shares) from the open market, details of which are set out below:

Month of Purchase(s)	Number of Shares Purchased	Purchase Price/Average Purchase Price per Share (RM)	Total Consideration Paid (RM)*
October 2013	10,000	0.2550	2,593.77
February 2014	55,000	0.2412	13,376.79
May 2014	10,000	0.2600	2,643.78

*inclusive of brokerage expenses

(c) Options, Warrants or Convertible Securities

There were no options, warrants or convertible securities exercised during the financial year ended 31 August, 2014.

(d) American Depository Receipt (" ADR ") / Global Depository Receipt (" GDR ")

The Company did not sponsor any of those programs during the financial year ended 31 August, 2014.

(e) 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.

(f) Non-audit Fees

There were non-audit fees of RM5,000 payable to the External Auditor during the financial year ended 31 August, 2014.

OTHER COMPLIANCE INFORMATION
(CONT'D)

(g) Variation in Results

There is no material variance between the audited results for the financial year ended 31 August, 2014 and the unaudited results previously announced.

(h) Profit Guarantees

During the financial year ended 31 August, 2014, there were no profit guarantees given by the Company or its subsidiaries.

(i) 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, 2014 or, if not then subsisting, entered into since the end of the previous financial year.

(j) Recurrent Related Party Transactions

All recurrent related party transactions entered into by the Group during the financial year ended 31 August, 2014 are disclosed in Notes 6 and 26 of the financial statements in pages 73 ,99 and 100 of this Annual Report.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Malaysian Code on Corporate Governance 2012 requires the Board of Directors of listed companies to establish a sound risk management framework and internal control system to safeguard shareholders' investment and the Company's assets. Under paragraph 15.26(b)of the Bursa Malaysia Securities Berhad's Main Market Listing Requirements, the Board of Directors of listed companies is required to produce a statement on the state of the Companies' internal control as a group in their Annual report. In this regards, the Board of Directors ("Board") of BSL Corporation Berhad ("BSL") is pleased to set out below the statement on risk management and internal control for BSL and its Subsidiary Companies ("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 2014, the reviews covered areas on Inventory Management, Asset Management, Production Reject Rate/Yield, Sales and Marketing. 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.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

INTERNAL CONTROL SYSTEM

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

- Organisation structure with clearly defined delegation of responsibilities to the Committees of the Board;
- Regular meetings are held at operational and management levels to identify and resolve business, financial, operational and management issues;
- The subsidiary companies were accredited ISO 9001:2008 & ISO 14001:2004. Documented internal procedures and standard operating procedures have been put in place and surveillance audits are conducted once a year by assessors of the ISO certification body to ensure that the system is adequately implemented;
- Regular internal audit visits and other specific assignments, if and when the need arises, assigned by the Audit Committee and/or Board who monitors compliance with procedures and assesses the integrity of financial information provided;
- Regular information is provided by the management to the Board on financial performance and key business indicators;
- Monthly monitoring of results by the management through financial reports such as monthly management accounts and cash flow statements;
- Regular meetings between the Audit Committee and the management on the actions taken on internal control issues identified through reports prepared by the internal auditors, external auditors and/or management; and
- Proper approval and review by the Board on new ventures/business diversification.

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 CEO and Finance Manager 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, 2014, the Audit Committee held five (5) meetings and the attendance record is as follows:

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

The following activities were carried out by the Audit Committee during the financial year ended 31 August, 2014:

- Evaluated the performance of the external auditors and recommended their re-appointment to the Board.
- 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.
- Met with the external auditors without the presence of the Executive Directors and Management.
- 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 external independent professional firms 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.

DIRECTOR'S REPORT

The directors of **BSL CORPORATION BERHAD**, hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended August 31, 2014.

PRINCIPAL ACTIVITIES

The Company is principally an investment holding company.

The principal activities of the subsidiary companies are disclosed in Note 11 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 OF OPERATIONS

The results of operations of the Group and of the Company for the financial year are as follows:

	The Group RM	The Company RM
Loss before tax	(10,496,377)	(1,028,442)
Income tax credit/(expense)	692,499	(95,550)
Loss for the year	(9,803,878)	(1,123,992)
(Loss)/Profit attributable to:		
Equity holders of the Company	(9,863,961)	
Non-controlling interest	60,083	
	(9,803,878)	

In the opinion of the directors, the results of operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDENDS

No dividend has been paid or declared by the Company since the end of the previous financial year. The directors also do not recommend any payment of dividend in respect of the current financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

ISSUE OF SHARES AND DEBENTURES

The Company has not issued any new shares or debentures during the financial year.

SHARE OPTIONS

No options have been granted by the Company to any parties during the financial year to take up unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of any option to take up unissued shares of the Company. As of the end of the financial year, there were no unissued shares of the Company under options.

OTHER STATUTORY INFORMATION

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

(a) to ascertain that proper action had been taken in relation to the writing off of bad receivables and the making of allowance for doubtful receivables and had satisfied themselves that no known bad receivables need to be written off and that adequate allowances for doubtful receivables had been made; and

(b) to ensure that any current assets which were unlikely to realise their book values in the ordinary course of business had been written down to their estimated realisable values.

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

(a) which would require the writing off of bad receivables or render the amount of allowance for doubtful receivables in the financial statements of the Group and of the Company inadequate to any substantial extent; or

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

(c) 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; or

(d) not otherwise dealt with in this report or financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

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

(a) 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 liability of any other person; or

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

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

In the opinion of the directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of operations of the Group and of the Company for the succeeding financial year other than those as disclosed in Note 31(b) to the financial statements.

DIRECTORS' REPORT
(CONT'D)

DIRECTORS

The following directors served on the Board of the Company since the date of the last report:

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
Yukihiro Eguchi (retired on 26.2.2014)
Andy Woo Weng Kok (retired on 26.2.2014)

DIRECTORS' INTERESTS

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 1.9.2013	**Bought**	**Sold**	**Balance at 31.8.2014**
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	-	-	135,000
Ngiam Tee Yang	100,000	-	-	100,000
Ngiam Tong Kwan	406,315	-	-	406,315
Teh Yoon Loy	36,347	-	-	36,347
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 (cont'd)

	Number of ordinary shares of RM1.00 each			
	Balance at 1.9.2013	Bought	Sold	Balance at 31.8.2014
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 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 the benefit included in the aggregate amount of emoluments received or due and receivable by directors as disclosed in the financial statements or being 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 other than any benefit which may be deemed to have arisen by virtue of the transactions as disclosed in Notes 24 and 26 to the financial statements.

During and at the end of the financial year, no arrangement subsisted to which the Company was a party whereby the directors of the Company might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

HOLDING COMPANY

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.

AUDITORS

The auditors, Messrs. Deloitte, have indicated their willingness to continue in office.

Signed on behalf of the Board
in accordance with a resolution of the Directors,

NGIAM TONG KWAN

NGIAM TEE WEE

Rawang,

December 23, 2014

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF BSL CORPORATION BERHAD
(INCORPORATED IN MALAYSIA)

Report on the Financial Statements

We have audited the financial statements of **BSL CORPORATION BERHAD**, which comprise the statements of financial position of the Group and of the Company as of August 31, 2014 and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 43 to 109.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of these 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 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 the auditors' judgement, including the assessment of the risks of material misstatement of financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation of the 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 entity'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 that 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 August 31, 2014 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 31(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 company, demanding the payment of sales tax and import duty that should have been paid in respect of the period 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 by the subsidiary companies of which we have acted as auditors, have been properly kept in accordance with the provisions of the Act;

(b) We have considered the financial statements and auditors' reports of the subsidiary company of which we have not acted as auditors, as mentioned in Note 11 to the financial statements, being financial statements that have been included in the financial statements of the Group;

(c) We are satisfied that the financial statements of the subsidiary companies that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements of the Group, and we have received satisfactory information and explanations as required by us for these purposes; and

(d) The auditors' reports on the financial statements of the subsidiary companies were not subject to any qualification and did not include any adverse comment made under sub-section (3) of Section 174 of the Act.

Other Reporting Responsibilities

The supplementary information set out in Note 32 to the financial statements 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 and Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements" as issued by the Malaysian Institute of Accountants ("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 Matter

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.

DELOITTE
AF 0080
Chartered Accountants

KHONG SIEW CHIN
Partner - 3049/03/15 (J)
Chartered Accountant

December 23, 2014

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED AUGUST 31, 2014

	Note	The Group 2014 RM	The Group 2013 RM	The Company 2014 RM	The Company 2013 RM
Revenue		94,883,293	112,209,728	3,500,000	1,200,000
Other income	6	1,014,565	1,236,155	443,996	657,535
Investment income	6	384,242	394,911	-	-
Changes in inventories of work-in-progress and finished goods		(63,078)	(234,855)	-	-
Raw materials and consumables used		(59,277,879)	(67,188,671)	-	-
Production overheads		(9,460,926)	(10,890,404)	-	-
Staff costs	6	(19,885,622)	(21,306,901)	-	-
Depreciation of property, plant and equipment	10	(6,546,213)	(7,052,717)	-	-
Finance costs	7	(1,361,727)	(1,098,097)	-	-
Other expenses	6	(9,021,250)	(8,337,264)	(4,972,438)	(520,933)
Share of results of associated company	12	(1,043,592)	(1,704,512)	-	-
Share of results of joint venture	13	(118,190)	-	-	-
(Loss)/Profit before tax		(10,496,377)	(3,972,627)	(1,028,442)	1,336,602
Tax credit/(expense)	8	692,499	(216,225)	(95,550)	(429,232)
(Loss)/Profit for the year		(9,803,878)	(4,188,852)	(1,123,992)	907,370
Other comprehensive income/(loss):					
Exchange differences on translation of foreign operations		187,875	(213,063)	-	-
Other comprehensive income/(loss) for the year, net of tax		187,875	(213,063)	-	-
TOTAL COMPREHENSIVE (LOSS)/ INCOME FOR THE YEAR		(9,616,003)	(4,401,915)	(1,123,992)	907,370
(Loss)/Profit attributable to:					
Equity holders of the Company		(9,863,961)	(4,279,836)		
Non-controlling interest		60,083	90,984		
		(9,803,878)	(4,188,852)		
Total comprehensive (loss)/income attributable to:					
Equity holders of the Company		(9,676,086)	(4,492,899)		
Non-controlling interest		60,083	90,984		
		(9,616,003)	(4,401,915)		
Basic loss per ordinary share (sen)	9	(10.19)	(4.4)		

The accompanying Notes form an integral part of the Financial Statements.

STATEMENTS OF FINANCIAL POSITION
AS OF AUGUST 31, 2014

		The Group		The Company	
	Note(s)	2014 RM	2013 RM	2014 RM	2013 RM
ASSETS					
Non-current Assets					
Property, plant and equipment	10	63,147,538	68,410,039	-	-
Investment in subsidiary companies	11, 26	-	-	49,046,047	49,046,047
Investment in associated company	12	-	1,144,909	-	-
Investment in joint venture	13	3,384,254	-	-	-
Other investment	14	-	-	-	-
Total Non-current Assets		66,531,792	69,554,948	49,046,047	49,046,047
Current Assets					
Inventories	15	9,485,217	9,876,576	-	-
Trade receivables	16	14,925,052	17,177,353	-	-
Other receivables, deposits and prepaid expenses	16	669,360	936,107	-	-
Amount owing by related party	26	7,286	-	-	-
Amount owing by subsidiary companies	11, 26	-	-	16,118,164	16,976,506
Tax recoverable		443,831	1,086,990	-	139,718
Short-term deposits with licensed banks	17, 27	12,251,386	17,366,037	-	-
Cash and bank balances	27	8,720,180	11,384,840	611,708	2,174,895
Total Current Assets		46,502,312	57,827,903	16,729,872	19,291,119
TOTAL ASSETS		113,034,104	127,382,851	65,775,919	68,337,166
EQUITY AND LIABILITIES					
Capital and Reserves					
Share capital	18	49,000,000	49,000,000	49,000,000	49,000,000
Treasury shares	19	(405,390)	(386,775)	(405,390)	(386,775)
Reserves	20	22,781,839	32,457,925	3,609,914	4,733,906
Equity attributable to equity holders of the Company		71,376,449	81,071,150	52,204,524	53,347,131
Non-controlling interest		4,967,578	4,907,495	-	-
Total Equity		76,344,027	85,978,645	52,204,524	53,347,131
Non-current and Deferred Liabilities					
Hire-purchase payables	21	489,030	469,062	-	-
Term loans	22	1,168,747	17,426,474	-	-
Deferred tax liabilities	23	1,092,000	1,970,000	-	-
Total Non-current and Deferred Liabilities		2,749,777	19,865,536	-	-

STATEMENTS OF FINANCIAL POSITION
AS OF AUGUST 31, 2014 (CONT'D)

		The Group		The Company	
	Note(s)	2014	2013	2014	2013
		RM	RM	RM	RM
Current Liabilities					
Trade payables	24	9,657,887	9,811,564	-	-
Other payables and accrued expenses	24	2,730,072	3,597,004	68,679	47,265
Provision	24	200,000	-	-	-
Amount owing to related parties	26	355,650	89,691	-	-
Amount owing to subsidiary company	11, 26	-	-	13,462,770	14,942,770
Hire-purchase payables	21	569,560	1,129,070	-	-
Bank borrowings	25	4,029,456	4,101,174	-	-
Term loans	22	16,319,334	2,627,353	-	-
Derivative financial liability	28	11,162	127,081	-	-
Tax liabilities		67,179	55,733	39,946	-
Total Current Liabilities		33,940,300	21,538,670	13,571,395	14,990,035
Total Liabilities		36,690,077	41,404,206	13,571,395	14,990,035
TOTAL EQUITY AND LIABILITIES		113,034,104	127,382,851	65,775,919	68,337,166

The accompanying Notes form an integral part of the Financial Statements.

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED AUGUST 31, 2014

The 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
Balance as of September 1, 2013	49,000,000	(386,775)	1,767,230	113,714	30,576,981	81,071,150	4,907,495	85,978,645
Repurchase of shares	-	(18,615)	-	-	-	(18,615)	-	(18,615)
Profit/(Loss) for the year	-	-	-	-	(9,863,961)	(9,863,961)	60,083	(9,803,878)
Other comprehensive loss	-	-	-	187,875	-	187,875	-	187,875
Total comprehensive income/ (loss) for the year	-	-	-	187,875	(9,863,961)	(9,676,086)	60,083	(9,616,003)
Balance as of August 31, 2014	49,000,000	(405,390)	1,767,230	301,589	20,713,020	71,376,449	4,967,578	76,344,027

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED AUGUST 31, 2014 (CONT'D)

The 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
Balance as of September 1, 2012	49,000,000	(366,573)	1,767,230	326,777	34,856,817	85,584,251	4,720,511	90,304,762
Repurchase of shares	-	(20,202)	-	-	-	(20,202)	-	(20,202)
Incorporation of subsidiary company	-	-	-	-	-	-	96,000	96,000
(Loss)/Profit for the year	-	-	-	-	(4,279,836)	(4,279,836)	90,984	(4,188,852)
Other comprehensive loss	-	-	-	(213,063)	-	(213,063)	-	(213,063)
Total comprehensive (loss)/ income for the year	-	-	-	(213,063)	(4,279,836)	(4,492,899)	90,984	(4,401,915)
Balance as of August 31, 2013	49,000,000	(386,775)	1,767,230	113,714	30,576,981	81,071,150	4,907,495	85,978,645

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED AUGUST 31, 2014 (CONT'D)

The Company	**Share capital RM**	**Treasury shares RM**	**Non-distributable reserve - Share premium RM**	**Distributable reserve - Retained earnings RM**	**Total RM**
Balance as of September 1, 2012	49,000,000	(366,573)	1,767,230	2,059,306	52,459,963
Total comprehensive income	-	-	-	907,370	907,370
Repurchase of shares	-	(20,202)	-	-	(20,202)
Balance as of August 31, 2013	49,000,000	(386,775)	1,767,230	2,966,676	53,347,131
Total comprehensive income	-	-	-	(1,123,992)	(1,123,992)
Repurchase of shares	-	(18,615)	-	-	(18,615)
Balance as of August 31, 2014	49,000,000	(405,390)	1,767,230	1,842,684	52,204,524

The accompanying Notes form an integral part of the Financial Statements.

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED AUGUST 31, 2014

	The Group		The Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES				
(Loss)/Profit for the year	(9,803,878)	(4,188,852)	(1,123,992)	907,370
Adjustments for:				
Tax (credit)/expense recognised in profit or loss	(692,499)	216,225	95,550	429,232
Depreciation of property, plant and equipment	6,546,213	7,052,717	-	-
Impairment of property, plant and equipment	1,681,430	375,122	-	-
Interest expense	1,361,727	1,098,097	-	-
Share of results of associated company	1,043,592	1,704,512	-	-
Inventory written down	749,045	-	-	-
Provision	200,000	-	-	-
Share of results of joint venture	118,190	-	-	-
Impairment of investment in associated company	101,317	-	-	-
Allowance for doubtful receivables:				
Trade receivables	57,574	(33,947)	-	-
Amount owing from subsidiary company	-	-	4,266,313	-
Property, plant and equipment written off	1,385	4	-	-
(Gain)/Loss on fair value of interest rate swap	(115,919)	127,081	-	-
(Gain)/Loss on disposal of property, plant and equipment	(419,304)	17,006	-	-
Interest income	(384,242)	(394,911)	-	-
Unrealised (gain)/loss on foreign exchange – net	(244,344)	(579,530)	186,266	(217,868)
Bad debts written off	-	4,595	-	-
Dividend income	-	-	(3,500,000)	(1,200,000)
Interest receivable from subsidiary companies	-	-	(443,996)	(439,667)
Operating Profit/(Loss) Before Working Capital Changes	200,287	5,398,119	(519,859)	(520,933)
Decrease/(Increase) in:				
Inventories	(357,686)	2,207,075	-	-
Trade receivables	2,194,727	3,157,302	-	-
Other receivables, deposits and prepaid expenses	266,747	2,121,953	-	-
Amount owing by related party	2,251	-	-	-
Amount owing by subsidiary companies	-	-	(3,150,241)	327,581
(Decrease)/Increase in:				
Trade payables	(153,677)	(4,877,100)	-	-
Other payables and accrued expenses	(857,167)	1,146,224	21,414	(21,810)
Amount owing to related party	265,959	89,691	-	-
Amount owing to subsidiary company	-	-	(1,480,000)	-
Cash Generated From/(Used In) Operations	1,561,441	9,243,264	(5,128,686)	(215,162)
Income tax refunded	1,352,244	425,477	144,114	-
Income tax paid	(883,140)	(1,295,945)	(60,000)	(49,563)
Net Cash From/(Used In) Operating Activities	2,030,545	8,372,796	(5,044,572)	(264,725)

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED AUGUST 31, 2014 (CONT'D)

	Note	The Group 2014 RM	The Group 2013 RM	The Company 2014 RM	The Company 2013 RM
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES					
Dividend received		-	-	3,500,000	900,000
Proceeds from disposal of property, plant and equipment		486,927	217,891	-	-
Interest received		384,242	394,911	-	-
Additions to property, plant and equipment (Note)		(2,329,770)	(9,093,517)	-	-
Increase in investment in indirect subsidiary by non-controlling interest		-	96,000	-	-
Increase in investment in joint venture		(3,502,444)	-	-	-
Net Cash (Used In)/From Investing Activities		(4,961,045)	(8,384,715)	3,500,000	900,000
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES					
Proceeds from term loans		-	1,770,314	-	-
Repayment of hire-purchase payables		(1,243,922)	(540,008)	-	-
Repayment of bank borrowings (Net)		(71,718)	(715,563)	-	-
Interest paid		(1,371,492)	(1,532,418)	-	-
Repayment of term loans		(2,565,746)	(1,467,000)	-	-
Decrease in short-term deposits pledged with licensed banks		86,196	172,224	-	-
Payment for buy-back of shares		(18,615)	(20,202)	(18,615)	(20,202)
Net Cash Used In Financing Activities		(5,185,297)	(2,332,653)	(18,615)	(20,202)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(8,115,797)	(2,344,572)	(1,563,187)	615,073
Effect of changes in foreign currency translation reserves		422,682	103,078	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		28,147,175	30,388,669	2,174,895	1,559,822
CASH AND CASH EQUIVALENTS AT END OF YEAR	27	20,454,060	28,147,175	611,708	2,174,895

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

	The Group	
	2014	2013
	RM	RM
Total cost of property, plant and equipment acquired	3,034,150	10,799,218
Less: Purchase consideration satisfied by hire-purchase arrangements	(704,380)	(760,171)
Deposits paid for acquisition of land	-	(339,750)
Incidental costs for acquisition of land	-	(111,510)
Deposits on purchase of plant and machinery	-	(59,610)
Borrowing cost capitalised	-	(434,660)
Cash payments	2,329,770	9,093,517

The accompanying Notes form an integral part of the Financial Statements.

1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and listed on the Main Market of Bursa Malaysia Securities Berhad.

The Company is principally an investment holding company.

The principal activities of the subsidiary companies are disclosed in Note 11.

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

The registered office of the Company is located at Level 18, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, Malaysia.

The principal place of business of the Company is located at Lot 4220, Persimpangan Jalan Batu Arang, Lebuh Raya Plus, 48000 Rawang, Selangor Darul Ehsan, Malaysia.

The financial statements of the Group and of the Company have been authorised for issuance by the Board of Directors in accordance with a resolution of the directors on December 23, 2014.

2. BASIS OF PREPARATION OF ACCOUNTS

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs") and the requirements of the Companies Act, 1965 in Malaysia.

MFRS in Issued and Effective

In the current financial year, the Group and the Company have adopted all the revised Standards issued by the Malaysian Accounting Standards Board ("MASB") that are relevant to their operations and effective for annual periods beginning on or after September 1, 2013 as follows:

MFRS 7	Financial Instruments: Disclosures (Amendment relating to Disclosures - Offsetting Financial Assets and Financial Liabilities)
MFRS 10	Consolidated Financial Statements
MFRS 11	Joint Arrangements
MFRS 12	Disclosures of Interests in Other Entities
Amendments to MFRS 10, MFRS 11 and MFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interest in Other Entities.
MFRS 13	Fair Value Measurement
Amendments to MFRS 101	Presentation of Items of Other Comprehensive Income
MFRS 119	Employee Benefits (IAS 19 as amended by IASB in June 2011)
MFRS 127	Separate Financial Statements (IAS 27 as revised by IASB in May 2011)
MFRS 128	Investments in Associates and Joint Ventures (IAS 28 as revised by IASB in May 2011)
Amendments to MFRSs	Annual Improvements 2009 - 2011 Cycle

The adoption of the abovementioned MFRSs has not had any material impact on the financial statements of the Group and of the Company for the current and prior financial years.

2. BASIS OF PREPARATION OF ACCOUNTS (cont'd)

MFRSs Issue But Not Yet Effective

At the date of authorisation for issue of these financial statements, the new and revised MFRSs which were in issue but not yet effective and not early adopted by the Group and the Company are as listed below:

MFRS 9	Financial Instruments (IFRS 9 issued by IASB in July 2014)[6]
Amendments to MFRS 10, MFRS 12 and MFRS 127	Investment Entities[1]
Amendments to MFRS 10 and MFRS 128	Sales or contribution of Assets between an Investor and its Associate or Joint Venture[4]
MFRS 11	Joint Arrangements (Amendments relating to Accounting for Acquisitions of Interest in Joint Operations)[4]
MFRS 14	Regulatory Deferral Accounts[4]
MFRS 15	Revenue from Contracts with Customers[5]
MFRS 116	Property, Plant and Equipment (Amendments relating to Clarification of Acceptable Methods of Depreciation and Amortisation)[4]
MFRS 116	Property, Plant and Equipment (Amendments relating to Agriculture: Bearer Plants)[4]
MFRS 119	Employee Benefits (Amendments relating to Defined Benefit Plans: Employee Contributions)[3]
MFRS 127	Equity method in Separate Financial Statements (Amendments to MFRS 127)[4]
MFRS 132	Financial Instruments: Presentation (Amendments relating to Offsetting Financial Assets and Financial Liabilities)[1]
MFRS 136	Impairment of Assets (Amendments relating to Recoverable Amount Disclosures for Non-Financial Assets)[1]
MFRS 138	Intangible Assets (Amendments relating to Clarification of Acceptable Methods of Depreciation and Amortisation)[4]
MFRS 139	Financial Instruments: Recognition and Measurement (Amendments relating to Novation of Derivatives and Continuation of Hedge Accounting)[1]
MFRS 141	Agriculture (Amendments to Agriculture: Bearer Plants)[4]
Amendments to MFRSs	Annual Improvements to MFRSs 2010 - 2012 Cycle[2]
Amendments to MFRSs	Annual Improvements to MFRSs 2011 - 2013 Cycle[3]
Amendments to MFRSs	Annual Improvements to MFRSs 2012 - 2014 Cycle[4]
IC Int. 21	Levies[1]

[1] Effective for annual periods beginning on or after January 1, 2014, with earlier application permitted.
[2] Effective for annual periods beginning on or after July 1, 2014, with limited exceptions, earlier application permitted.
[3] Effective for annual periods beginning on or after July 1, 2014, with earlier application permitted.
[4] Effective for annual periods beginning on or after January 1, 2016, with earlier application permitted.
[5] Effective for annual periods beginning on or after January 1, 2017, with earlier application permitted.
[6] Effective for annual periods beginning on or after January 1, 2018. Earlier application is permitted.

The directors anticipate that abovementioned MFRSs will be adopted in the annual financial statements of the Group and of the Company when they become effective and that the adoption of these MFRSs will have no material impact on the financial statements of the Group and of the Company in the period of initial application, except as discussed below.

2. BASIS OF PREPARATION OF ACCOUNTS (cont'd)

Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities

The amendments to MFRS 132 clarify the existing application relating to the offset of financial assets and financial liabilities requirements. Specifically, the amendments clarify the meaning of "currently has a legally enforceable right of set-off" and "simultaneous realisation and settlement".

The directors anticipate that the application of these amendments to MFRS 132 may result in more disclosures being made with regard to offsetting financial assets and financial liabilities in future.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Group and of the Company have been prepared under the historical cost convention unless otherwise indicated by the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group and the Company take into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of MFRS 2, leasing transactions that are within the scope of MFRS 117, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in MFRS102 or value in use in MFRS 136.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

Revenue

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.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Employee Benefits

(i) Short Term Employee Benefits

Wages, salaries, bonuses and non-monetary benefits are accrued for in the period in which the associated services are rendered by the employees of the Group and of the Company.

(ii) Defined Contribution Plan

The Group and the Company makes contributions to the Employees Provident Fund ("EPF") and the contributions to the EPF are charged to profit or loss for the year in which they relate. Once the obligations have been paid, the Group and the Company has no further payment obligations. The Group's and the Company's contributions to EPF are included under staff costs, as mentioned in Note 6.

Foreign Currency

(i) Functional and Presentation Currencies

The individual financial statements of each entity in the Group are presented in Ringgit Malaysia, Renminbi, United States Dollar or Hong Kong Dollar, the currency of the primary economic environment in which the entities operate (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity, are expressed in Ringgit Malaysia, which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

(ii) Foreign Currency Transactions

In preparing the financial statements of the individual entities, transactions in currencies other than the Group's and the Company's functional currency (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in profit or loss for the year. Exchange differences arising on the retranslation of non-monetary items carried at fair value in respect of which gains and losses are recognised in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in other comprehensive income.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated in Ringgit Malaysia using exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during the period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (attributed to non-controlling interests as appropriate).

Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Income Tax

Income tax on profit or loss for the year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax is accounted for using the liability method in respect of temporary differences arising from differences between the carrying amounts of assets and liabilities in the financial statements and their corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are generally recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary difference arises from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither the accounting profit nor taxable profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on the tax rates that have been enacted or substantially enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items that are recognised outside profit or loss (whether in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is included in the accounting for the business combination.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

The tax effects of the unutilised investment allowances are recognised only upon actual realisation.

Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiary companies. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Basis of Consolidation (cont'd)

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary company begins when the Company obtains control over the subsidiary company and ceases when the Company loses control of the subsidiary company. Specifically, income and expenses of a subsidiary company acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary company.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiary company is attributed 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.

When necessary, adjustments are made to the financial statements of subsidiary company to bring their accounting policies into line with the Group's accounting policies.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Business Combination

Acquisition of subsidiary company and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under MFRS 3 (revised) are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with MFRS 112 *Income Taxes* and MFRS 119 *Employee Benefits* respectively;
- liabilities or equity instruments related to the share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with MFRS 2 *Share-based Payment*; and
- assets (or disposal groups) that are classified as held for sale in accordance with MFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Business Combination (cont'd)

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another MFRSs.

Where the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or liability is remeasured at subsequent reporting dates in accordance with MFRS 139 or MFRS 137 *Provisions, Contingent Liabilities and Contingent Assets*, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date - and is subject to a maximum of one year.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Goodwill (cont'd)

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.

Impairment of Non-finance Assets Excluding Goodwill

At the end of each reporting period, the Group and the Company review the carrying amounts of its assets to determine whether there is any indication that those assets have suffered any impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group and the Company estimate the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Property, Plant and Equipment

Property, plant and equipment, except for freehold land and construction in progress which are not depreciated, are stated at cost less accumulated depreciation and accumulated impairment losses.

Properties in the course of construction in progress are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for intended use.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Property, Plant and Equipment (cont'd)

Property, plant and equipment, except for freehold land and construction in progress, which are not depreciated, are depreciated on the straight-line method to their estimated residual values at the following annual rates based on the estimated useful lives of the various assets:

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%

At the end of each reporting period, the residual values, useful lives and depreciation method of the property, plant and equipment are reviewed, and the effects of any changes are recognised prospectively.

Gain or loss arising from the disposal of an asset is determined as the difference between the estimated net disposal proceeds and the carrying amount of the asset, and is recognised in profit or loss.

Assets Acquired under Hire-Purchase Arrangements

Property, plant and equipment acquired under hire-purchase arrangements are capitalised in profit or loss and the corresponding obligations are recorded as liabilities. Finance charges are allocated to profit or loss to give a constant periodic rate of interest on the remaining hire-purchase liabilities.

Property, plant and equipment under hire-purchase arrangements are depreciated over their expected useful lives on the same basis as owned assets.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are also spread evenly over the lease term.

Investment in Subsidiary Companies

Investment in subsidiary companies, which is eliminated on consolidation, is stated in the Company's financial statements at cost less impairment losses, if any.

Investment in Associated Company and Joint Venture

An associated company is an entity over which the Group has significant influence. 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.

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 joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Investment in Associated Company and Joint Venture (cont'd)

The results and assets and liabilities of associated company or joint venture are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with MFRS 5. Under the equity method, an investment in an associated company or a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associated company or joint venture. When the Group's share of losses of an associated company or a joint venture exceeds the Group's interest in that associated company or joint venture (which includes any long-term interests that, in substance, from part of the Group's net investment in the associated company or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associated company or joint venture.

An investment in an associated company or a joint venture is accounted for using the equity method from the date on which the investee becomes an associated company or a joint venture. On acquisition of the investment in an associated company or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of MFRS 139 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associated company or joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with MFRS 136 *Impairment of Assets* as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognised form part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with MFRS 136 to the extent that the recoverable amount of the investment subsequently increases.

The Group continues to use the equity method when an investment in an associated company becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associated. There is no remeasurement to fair value upon such changes in ownership interests.

When a group entity transacts with its associated company or joint venture of the Group, profits and losses resulting from the transactions with the associated company or joint venture are recognised in the Group's consolidated financial statements only to the extent of the Group's interest in the associated company or joint venture that are not related to the Group.

Non-current Assets Held for Sale

Non-current assets and disposal groups are classified as held for sale if their 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 subject only to terms that are usual and customary for sales of such assets (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

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

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Inventories

Inventories are valued at the lower of cost and net realisable value after due allowance is made for all damaged, obsolete and slow moving items. Cost of raw materials is determined on a first-in, first-out basis and includes the purchase price plus cost incurred in bringing the inventories to their present location and condition. The cost of work-in-progress and finished goods includes direct materials, direct labour and a proportion of direct manufacturing overheads.

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

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.

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.

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.

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. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Financial Instruments

Financial instruments are recognised in the statements of financial position when, and only when the Group and the Company become a party to the contractual provisions of the financial instruments.

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

(a) Financial Assets

Financial assets are classified into the following specified categories: financial assets at 'fair value through profit or loss' ("FVTPL"), 'held-to-maturity' investments, 'available-for-sale' ("AFS") financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial assets of the Group and of the Company are designated as 'loans and receivables'.

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are measured at initial recognition at fair value; and are subsequently measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

AFS Financial Assets

AFS financial assets are non-derivatives that are either designated as available-for-sale or are not classified as loans and receivables, held-to-maturity investments or financial assets at FVTPL. All AFS assets that have a quoted market price in an active market are measured at fair value at the end of the reporting period. Fair value is determined in the manner disclosed in Note 28. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the investments revaluation reserve, with the exception of impairment losses and interest calculated using the effective interest method. Where the investment is disposed of or is determined to be impaired, the cumulative gain/losses previously accumulated in the investments revaluation reserve is reclasiffied to profit or loss

AFS equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost less any identified impairment losses at the end of the reporting period.

Impairment of Financial Assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial asset have been affected.

For certain categories of financial assets, such as receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's and the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in the national or global economic conditions that correlate with default on receivables.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Financial Instruments (cont'd)

(a) Financial Assets (cont'd)

Impairment of Financial Assets (cont'd)

For financial assets carried at amortised cost, the amount of impairment loss recognised is 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 financial asset is reduced by the impairment loss directly for all financial assets with the exception of receivables, where the carrying amount is reduced through the use of an allowance account. When a receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

Derecognition of Financial Assets

The Group and the Company derecognise a financial asset only when the contractual rights to the cash flows from the asset expire, or when they transfer the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group and the Company neither transfer nor retain substantially all the risks and rewards of ownership and continue to control the transferred asset, the Group and the Company recognise its retained interest in the asset and an associated liability for amounts they may have to pay. If the Group and the Company retain substantially all the risks and rewards of ownership of a transferred financial asset, the Group and the Company continue to recognise the financial asset and also recognise a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

(b) Financial Liabilities and Equity Instruments

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group and the Company are recognised at the proceeds received, net of direct issue costs.

Financial Liabilities

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

Financial Liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Financial Instruments (cont'd)

(b) Financial Liabilities and Equity Instruments (cont'd)

Financial Liabilities at FVTPL (cont'd)

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group and the Company manage together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability. Fair value is determined in the manner described in Note 28.

Other Financial Liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

Derecognition of Financial Liabilities

The Group and the Company derecognise financial liabilities when, and only when, the Group's and the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid or payable is recognised in profit or loss.

(c) Effective Interest Method

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or cash payments (including all transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

(d) Derivative Financial Instruments

The Group enters into derivative financial instruments (interest rate swap) to manage its exposure to interest rate risk. Further details of derivative financial instrument are disclosed in Note 28.

Derivative is initially recognised at fair value at the date 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 is 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.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Statements of Cash Flows

The Group and the Company adopt the indirect method in the preparation of the statements of cash flows.

Cash equivalents are short-term, highly liquid investments with maturities of three months or less from the date of acquisition and are readily convertible to cash without significant risks of changes in value.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 3, the directors are required to make judgements, estimates and assumptions about carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(a) Critical judgements in applying the Group's accounting policies

The following is the critical judgements, apart from those including estimations (see below), that the directors have made in the process of applying the Group's accounting policies and 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, 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 13 for details.

(ii) Provision

As mentioned in Note 24, 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 sales tax and import duty, the Group made a provision of RM200,000. The provision is 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.

(b) 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.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY(cont'd)

(b) Key sources of estimation uncertainty (cont'd)

(i) Impairment of receivables

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 receivables at the reporting date are disclosed in Note 16. 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.

(iii) Impairment of Assets

Determining whether assets are impaired requires an estimation of the recoverable amounts of the assets. As of August 31, 2014, the Group and the Company recognised accumulated impairment losses in respect of the following:

	The Group		The Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Property, plant and equipment	2,056,552	375,122	-	-
Other investment	1,500,000	1,500,000	1,500,000	1,500,000
Investment in associated company	462,091	360,774	-	-

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 determined 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 Groups' and the Company's financial position and results.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY(cont'd)

(b) Key sources of estimation uncertainty (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 RM3,055,359 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 are provided in Note 13.

5. 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 (Trading of automotive components operation ceased in 2011 and a subsidiary company incorporated in 2013, Crestronics Greentech Sdn. Bhd. The management has reclassified these companies as Others as the said subsidiary companies are currently dormant and semi-active respectively).

Inter-segment sales are charged at cost plus a percentage of profit mark-up. Revenue from one major customer contributed approximately RM36,941,289 (2013: RM52,824,990) of the Group's total revenue.

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 3. Segment profit represents the profit earned by each segment without allocation of central administration costs and directors' salaries, 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.

5. SEGMENT REPORTING (cont'd)

The Group – 2014	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	-	69,177,274	17,341,372	8,236,185	128,462	-	94,883,293
Inter-segment sales	3,500,000	-	67,512	191,638	-	(3,759,150)	-
Total revenue	3,500,000	69,177,274	17,408,884	8,427,823	128,462	(3,759,150)	94,883,293
Results							
Segment results	(1,683,034)	(1,384,152)	(5,264,290)	(742,890)	(46,263)	763,519	(8,357,110)
(Loss)/Profit from Operations	(1,683,034)	(1,384,152)	(5,264,290)	(742,890)	(46,263)	763,519	(8,357,110)
Finance costs	-	(994,285)	(607,323)	(204,115)	-	443,996	(1,361,727)
Share of results of associated company	-	-	-	-	-	(1,042,592)	(1,043,592)
Share of results of joint venture	-	-	-	-	-	(118,190)	(118,190)
Investment income	-	142,118	-	19,300	222,824	-	384,242
(Loss)/Profit before tax	(1,683,034)	(2,236,319)	(5,871,613)	(927,705)	176,561	45,733	(10,496,377)
Tax (expense)/income	(95,550)	761,470	-	81,000	(54,421)	-	692,499
(Loss)/Profit for the year	(1,778,584)	(1,474,849)	(5,871,613)	(846,705)	122,140	45,733	(9,803,878)

5. SEGMENT REPORTING (cont'd)

The Group – 2014	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	-	2,268,364	108,896	656,890	-	-	3,034,150
Impairment of property, plant and equipment	-	-	1,681,430	-	-	-	1,681,430
Depreciation of property, plant and equipment	-	3,399,369	2,346,120	799,891	833	-	6,546,213
Consolidated statement of financial position							
Assets							
Segment assets	73,573,659	92,123,653	19,138,545	10,531,772	10,660,522	(93,437,878)	112,590,273
Unallocated corporate assets							443,831
Consolidated total assets							113,034,104
Liabilities							
Segment liabilities	21,236,819	26,922,757	21,786,624	4,977,897	505,707	(39,898,906)	35,530,898
Unallocated corporate liabilities							1,159,179
Consolidated total liabilities							36,690,077

5. SEGMENT REPORTING (cont'd)

The Group – 2013	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	-	77,170,392	25,520,903	9,518,433	-	-	112,209,728
Inter-segment sales	1,200,000	-	-	180,579	-	(1,380,579)	-
Total revenue	1,200,000	77,170,392	25,520,903	9,699,012	-	(1,380,579)	112,209,728
Results							
Segment results	1,312,794	638,987	(2,176,727)	310,108	(10,424)	(1,639,667)	(1,564,929)
Profit/(Loss) from operations	1,312,794	638,987	(2,176,727)	310,108	(10,424)	(1,639,667)	(1,564,929)
Finance costs	-	(746,454)	(619,844)	(171,466)	-	439,667	(1,098,097)
Share of results of associated company	-	-	-	-	-	(1,704,512)	(1,704,512)
Investment income	-	169,285	-	11,626	214,000	-	394,911
Profit/(Loss) before tax	1,312,794	61,818	(2,796,571)	150,268	203,576	(2,904,512)	(3,972,627)
Tax (expense)/income	(429,232)	73,851	-	(81,000)	(11,426)	231,582	(216,225)
Profit/(Loss) for the year	883,562	135,669	(2,796,571)	69,268	192,150	(2,672,930)	(4,188,852)

5. SEGMENT REPORTING (cont'd)

The Group – 2013	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	-	5,523,623	524,162	4,751,433	-	-	10,799,218
Impairment of property, plant and equipment	-	-	375,122	-	-	-	375,122
Depreciation of property, plant and equipment	-	3,442,756	2,854,539	755,422	-	-	7,052,717
Consolidated statement of financial position							
Assets							
Segment assets	73,034,548	101,279,732	19,175,945	11,303,290	9,893,353	(88,391,007)	126,295,861
Unallocated corporate assets							1,086,990
Consolidated total assets							127,382,851
Liabilities							
Segment liabilities	19,268,049	30,780,194	19,972,881	4,862,142	71,238	(35,576,031)	39,378,473
Unallocated corporate liabilities							2,025,733
Consolidated total liabilities							41,404,206

Geographical segments

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

6. OTHER INCOME/(EXPENSES), INVESTMENT INCOME AND STAFF COSTS

Included in other income/(expenses), investment income and staff costs are the following:

	The Group		The Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Gain/(Loss) on disposal of property, plant and equipment	419,304	(17,006)	-	-
Interest income from short term deposits	384,242	394,911	-	-
Deposit forfeited from proposed sales of land and building	226,000	-	-	-
Unrealised gain/(loss) on foreign exchange - net	244,344	579,530	(186,266)	217,868
Gain/(Loss) on fair value of interest rate swap	115,919	(127,081)	-	-
Realised gain/(loss) on foreign exchange - net	5,295	(49,054)	-	-
Directors' remuneration*	(2,015,378)	(2,082,089)	(269,700)	(282,200)
Impairment of:				
Property, plant and equipment (Note 10)	(1,681,430)	(375,122)	-	-
Investment in associated company (Note 12)	(101,317)	-	-	-
Rental of motor vehicles	(634,276)	(534,520)	-	-
Inventories written down	(749,045)	-	-	-
Rental of premises payable to:				
Related parties (Note 26)	(307,500)	(330,000)	-	-
Third parties	-	(161,497)	-	-
Provision (Note 24)	(200,000)	-	-	-
Auditors' remuneration:				
Current year	(135,000)	(135,000)	(30,000)	(30,000)
(Over)/Underprovision in prior years	(1,461)	12,380	-	-
Allowance for doubtful receivables:				
Trade receivables (Note 16)	(57,574)	33,947	-	-
Amount owing from subsidiary company	-	-	(4,266,313)	-
Property, plant and equipment written off	(1,385)	(4)	-	-
Bad debts written off	-	(4,595)	-	-
Interest receivable from subsidiary companies (Note 26)	-	-	443,996	439,667

* Directors' remuneration consists of the following:

	The Group		The Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Executive directors:				
Company				
- Fees	162,600	187,600	175,100	187,600
Subsidiary companies				
- Other emoluments	1,754,578	1,796,289	-	-
	1,917,178	1,983,889	175,100	187,600
Non-executive directors:				
- Fees	94,600	94,600	94,600	94,600
- Other emoluments	3,600	3,600	-	-
	2,015,378	2,082,089	269,700	282,200

6. OTHER INCOME/(EXPENSES), INVESTMENT INCOME AND STAFF COSTS (cont'd)

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 RM1,039,597 (2013: RM1,175,534).

The remuneration of the key management personnel, who are also the directors of the Group and of the Company, are as disclosed above. The estimated monetary value of benefit-in-kind received by the directors from the Group amounted to RM38,625 (2013: RM41,025).

7. FINANCE COSTS

	The Group	
	2014	2013
	RM	RM
Interest expense on:		
Term loans	1,015,708	1,054,954
Bankers acceptances	61,143	178,530
Hire-purchase	63,157	114,576
Bank overdrafts	221,719	184,697
	1,361,727	1,532,757
Less: Amount capitalised in property, plant and equipment (Note 10)	-	(434,660)
	1,361,727	1,098,097

8. TAX CREDIT/(EXPENSE)

	The Group		The Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
Estimated income tax payable:				
Current year	187,079	184,171	95,550	316,433
(Over)/Underprovision in prior years	(1,578)	(63,946)	-	112,799
	185,501	120,225	95,550	429,232
Deferred tax (Note 23):				
Current year	(654,152)	209,585	-	-
Overprovision in prior years	(223,848)	(113,585)	-	-
	(878,000)	96,000	-	-
Total tax (credit)/expense	(692,499)	216,225	95,550	429,232

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

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

	The Group		The Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
(Loss)/Profit before tax:	(10,496,377)	(3,972,627)	(1,028,442)	1,336,602
Tax (credit)/expense at the statutory tax rate of 25%	(2,624,094)	(993,157)	(257,111)	334,151
Tax effects of:				
Expenses which are not deductible	471,358	489,023	1,227,661	39,250
Income which are not taxable	(4,948)	(101,235)	(875,000)	(56,968)
Share of results of associated company	260,897	426,128	-	-
Share of results of joint venture	29,548	-	-	-
Deferred tax assets not recognised	1,400,166	572,997	-	-
(Over)/Underprovision in prior years in respect of:				
Estimated income tax	(1,578)	(63,946)	-	112,799
Deferred tax	(223,848)	(113,585)	-	-
	(692,499)	216,225	95,550	429,232

As of August 31, 2014, the tax exempt income of the Group and the Company is as follows:

		The Group	
		2014	2013
	Note	RM	RM
Reinvestment allowances	(i)	6,010,000	25,564,645
Tax exempt income	(ii)	478,000	478,000
		6,488,000	26,042,645

(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 3, 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 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.

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

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

	The Group		The Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
Unused tax losses	2,898,796	1,189,093	189,068	189,068
Unabsorbed capital allowances	7,390,676	3,499,716	-	-
	10,289,472	4,688,809	189,068	189,068

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.

9. BASIC LOSS PER ORDINARY SHARE

	The Group	
	2014	2013
	RM	RM
Loss attributable to equity holders of the Company	(9,863,961)	(4,279,836)
Weighted average number of ordinary shares in issue	96,828,387	96,895,054
Basic loss per ordinary share (sen)	(10.19)	(4.4)

The basic loss per ordinary share is calculated by dividing the loss attributable to equity holders of Company of RM9,863,961(2013: RM4,279,836) by weighted average number of ordinary shares in issue during the financial year of 96,828,387 (2013: 96,895,054) shares.

10. PROPERTY, PLANT AND EQUIPMENT

2014 The Group	Cost: At beginning of year RM	Additions RM	Reclassification RM	Disposals RM	Write off RM	At end of year RM
Freehold land	10,923,043	-	-	-	-	10,923,043
Leasehold land	3,616,943	-	-	-	-	3,616,943
Buildings	29,729,918	421,063	-	-	-	30,150,981
Plant and machinery	75,892,099	1,178,859	-	(2,069,052)	-	75,001,906
Office equipment, furniture, fittings, renovation, factory upgrade and factory equipment	7,287,633	254,152	-	(14,000)	(13,453)	7,514,332
Motor vehicles	4,372,442	444,046	-	(426,380)	-	4,390,108
Construction in progress	-	736,030	-	-	-	736,030
	131,822,078	3,034,150	-	(2,509,432)	(13,453)	132,333,343

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

2013 The Group	Cost: At beginning of year RM	Additions RM	Reclassification RM	Disposals RM	Write off RM	At end of year RM
Freehold land	10,923,043	-	-	-	-	10,923,043
Leasehold land	-	3,616,943	-	-	-	3,616,943
Buildings	15,392,167	-	14,337,751	-	-	29,729,918
Plant and machinery	75,108,660	1,746,189	-	(962,250)	(500)	75,892,099
Office equipment, furniture, fittings, renovation, factory upgrade and factory equipment	6,461,161	914,358	-	(85,246)	(2,640)	7,287,633
Motor vehicles	4,224,880	402,562	-	(255,000)	-	4,372,442
Construction in progress	10,218,585	4,119,166	(14,337,751)	-	-	-
	122,328,496	10,799,218	-	(1,302,496)	(3,140)	131,822,078

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

2014 The Group	At beginning of year RM	Additions RM	Disposals RM	Write off RM	At end of year RM
	Accumulated Depreciation				
Freehold land	-	-	-	-	-
Leasehold land	31,728	38,073	-	-	69,801
Buildings	1,511,421	607,496	-	-	2,118,917
Plant and machinery	54,529,878	4,935,005	(2,069,051)	-	57,395,832
Office equipment, furniture, fittings, renovation, factory upgrade and factory equipment	4,221,717	472,479	(12,579)	(12,068)	4,669,549
Motor vehicles	2,742,173	493,160	(360,179)	-	2,875,154
Construction in progress	-	-	-	-	-
	63,036,917	6,546,213	(2,441,809)	(12,068)	67,129,253

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

2013 The Group	Accumulated Depreciation At beginning of year RM	Additions RM	Disposals RM	Write off RM	At end of year RM
At cost					
Freehold land	-	-	-	-	-
Leasehold land	-	31,728	-	-	31,728
Buildings	997,665	513,756	-	-	1,511,421
Plant and machinery	49,746,019	5,582,442	(798,084)	(499)	54,529,878
Office equipment, furniture, fittings, renovation, factory upgrade and factory equipment	3,822,900	437,219	(35,765)	(2,637)	4,221,717
Motor vehicles	2,488,351	487,572	(233,750)	-	2,742,173
	57,054,935	7,052,717	(1,067,599)	(3,136)	63,036,917

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

The Group	Accumulated Impairment			Net Book Value	
	2013 RM	Additions RM	2014 RM	2014 RM	2013 RM
Freehold land	-	-	-	10,923,043	10,923,043
Leasehold land	-	-	-	3,547,142	3,585,215
Buildings	-	-	-	28,032,064	28,218,497
Plant and machinery	375,122	1,681,430	2,056,552	15,549,522	20,987,099
Office equipment, furniture, fittings, renovation, factory upgrade and factory equipment	-	-	-	2,844,783	3,065,916
Motor vehicles	-	-	-	1,514,954	1,630,269
Construction in progress	-	-	-	736,030	-
	375,122	1,681,430	2,056,552	63,147,538	68,410,039

The Group	Accumulated Impairment		
	2012 RM	Additions RM	2013 RM
Freehold land	-	-	-
Leasehold land	-	-	-
Buildings	-	-	-
Plant and machinery	-	375,122	375,122
Office equipment, furniture, fittings, renovation, factory upgrade and factory equipment	-	-	-
Motor vehicles	-	-	-
Construction in progress	-	-	-
	-	375,122	375,122

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

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

	The Group	
	2014 RM	2013 RM
Net book value:		
Plant and machinery	1,138,205	637,036
Motor vehicles	682,020	1,000,709
	1,820,225	1,637,745

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

	The Group	
	2014 RM	2013 RM
Cost:		
Plant and machinery	27,884,833	24,477,825
Office equipment, furniture, fittings, renovation, factory upgrade and factory equipment	2,543,240	2,103,385
Motor vehicles	762,332	799,176
	31,190,405	27,380,386

Included in additions of construction in progress in 2013 is borrowing costs capitalised amounting to RM434,660.

During the year, as a result of the poor performance of the PCB and module assembly segment of the Group, the Group carried out a review of the recoverable amount of machinery and equipment in this segment. The recoverable amount is 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 10% per annum (2013: Nil). 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 estimate 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 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 PCB and module assembly segment.

This review led to the recognition of an impairment loss of RM1.6 million (Note 6), which has been recognised in profit or loss.

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

As of August 31, 2014, the following property, plant and equipment are charged to licensed banks as security for term loans and other credit facilities, as mentioned in Notes 22 and 25, granted to the Group:

	The Group	
	2014	2013
	RM	RM
Net book value:		
Freehold land	10,923,043	10,923,043
Leasehold land	3,547,142	3,585,215
Buildings	27,944,726	27,866,497
Plant and machinery	3,681,748	4,490,849
	46,096,659	46,865,604

11. INVESTMENT IN SUBSIDIARY COMPANIES

	The Company	
	2014	2013
	RM	RM
Unquoted shares at cost	49,046,047	49,046,047

The details of the subsidiary companies are as follows:

Name of subsidiary companies	Effective equity interest 2014 %	Effective equity interest 2013 %	Country of incorporation	Principal activity
Direct				
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.
Advance Autotek Industries (M) Sdn. Bhd.	51	51	Malaysia	Dormant.

11. INVESTMENT IN SUBSIDIARY COMPANIES (cont'd)

Name of subsidiary companies	Effective equity interest 2014 %	2013 %	Country of incorporation	Principal activity
Indirect Subsidiaries				
Kotamech Engineering Sdn. Bhd.**	100	100	Malaysia	Dormant.
Crestronics Greentech Sdn. Bhd. ***	52	52	Malaysia	Research and development, trading and manufacturing of energy efficient products
AAI Auto Electronics Sdn. Bhd.#	51	51	Malaysia	Dormant.

* The financial statements were examined by other firm of auditors other than the auditors of the Company.
** Held through Ban Seng Lee Industries Sdn. Bhd.
*** Held through Crestronics (M) Sdn. Bhd.
\# Held through Advance Autotek Industries (M) Sdn. Bhd.

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		Profit allocated to non-controlling interests		Accumulated non-controlling interests	
	2014	2013	2014	2013	2014	2013
	%	%	RM	RM	RM	RM
Advance Autotek Industries (M) Sdn. Bhd.	49	49	71,341	95,985	4,886,008	4,814,668
Individually immaterial subsidiary companies with non-controlling interests					81,570	92,827
					4,967,578	4,907,495

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

Advance Auototek Industries (M) Sdn. Bhd.	2014 RM	2013 RM
Current assets	10,011,284	9,897,091
Current liabilities	39,837	71,238
Equity attributable to owners of the Company	5,085,439	5,011,185
Non-controlling interest	4,886,008	4,814,668

11. INVESTMENT IN SUBSIDIARY COMPANIES (cont'd)

Advance Auototek Industries (M) Sdn. Bhd.	2014 RM	2013 RM
Other income	222,590	243,601
Other expenses	(77,356)	(47,713)
Profit for the year	145,594	195,888
Profit attributable to owners of the Company	74,253	99,903
Profit attributable to the non-controlling interests	71,341	95,985
Profit for the year	145,594	195,888
Other comprehensive income attributable to owners of the Company	-	-
Other comprehensive income attributable to non-controlling interest	-	-
Other comprehensive income for the year	-	-
Total comprehensive income attributable to owners of the Company	74,253	99,903
Total comprehensive income attributable to the non-controlling interest	71,341	95,985
Total comprehensive income for the year	145,594	195,888
Net cash (outflow)/inflow from operating activities	(107,651)	30,533
Net cash inflow from investing activities	222,824	214,000
Net cash inflow	115,173	244,533

Amount owing by subsidiary companies comprises of the following:

	The Company	
	2014 RM	2013 RM
Gross outstanding	20,384,477	16,976,506
Loss: Allowance for doubtful receivables	(4,266,313)	-
	16,118,164	16,976,506

The amount owing by subsidiary companies arose mainly from dividend receivable and advances granted which bear interest at 3.5% (2013: 3.5%) per annum and is unsecured and repayable on demand.

11. INVESTMENT IN SUBSIDIARY COMPANIES (cont'd)

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

	The Company	
	2014 RM	2013 RM
Ringgit Malaysia	12,754,194	12,710,193
Hong Kong Dollar	3,363,970	4,266,313
	16,118,164	16,976,506

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

12. INVESTMENT IN ASSOCIATED COMPANY

	The Group	
	2014 RM	2013 RM
Unquoted shares at cost	4,701,171	4,701,171
Share of post-acquisition losses	(4,239,080)	(3,195,488)
	462,091	1,505,683
Less: Accumulated impairment losses	(462,091)	(360,774)
	-	1,144,909

During the financial year, the Company has made an impairment loss of RM101, 317 in respect of its investment in Hongze Yiyang Steel Tubes Co., Ltd. due to the continuous losses incurred.

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

Name of company	Effective equity interest 2014 %	Effective equity interest 2013 %	Principal activity
Direct interest			
Hongze Yiyang Steel Tubes Co., Ltd.	25	25	Production, manufacturing, sales and distribution of seamless steel tubes and pipes.

12. INVESTMENT IN ASSOCIATED COMPANY (cont'd)

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

	The Group 2014 RM	The Group 2013 RM
Revenue	61,104,312	49,343,704
Other income	1,750,098	1,526,744
Other expenses	(67,028,777)	(57,688,496)
Loss before tax	(4,174,367)	(6,818,048)
Income tax expense	-	-
Loss after tax	(4,174,367)	(6,818,048)
Share of results of associated company	(1,043,592)	(1,704,512)
Assets and liabilities		
Current assets	16,565,520	23,359,492
Non-current assets	17,544,540	20,585,488
Current liabilities	(33,704,792)	(39,365,344)
Net assets	405,268	4,579,636
Share of net assets of associated company	101,317	1,144,909
Impairment loss recognised	(101,317)	-
	-	1,144,909

13. INVESTMENT IN JOINT VENTURE

	The Group 2014 RM	The Group 2013 RM
Unquoted shares at cost	3,502,444	-
Share of post-acquisition losses	(118,190)	-
	3,384,254	-

The joint venture company, which is incorporated in the Hong Kong, People's Republic of China, is as follows:

Name of company	Effective equity interest 2014 %	Effective equity interest 2013 %	Principal activity
Direct interest			
Petapak Holdings Ltd.	22.5	-	Investment holding company.

13. INVESTMENT IN JOINT VENTURE (cont'd)

On July 21, 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 225 ordinary shares by BSL HK from SS, representing 22.5% of the total issued and paid up share capital of Petapak Holdings Ltd ("PHL"), for a total cash consideration of RM3,825,000.

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 Petapak Aerosol International Limited ("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:

	The Group 2014 RM
Revenue	-
Other income	-
Other expenses	525,289
Loss before tax	525,289
Tax expense	-
Loss after tax	525,289
Share of results of joint venture	118,190
Assets and liabilities	
Current assets	1,970,345
Non-current assets	3,151
Current liabilities	(511,742)
Net assets	1,461,754
Share of net assets of joint venture	328,895

13. INVESTMENT IN JOINT VENTURE (cont'd)

There is no significant restriction that the directors is aware of on the ability of joint ventures to transfer funds to the Group.

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

	The Group 2014 RM
Net assets of the joint venture	328,895
Goodwill	3,055,359
Carrying amount of the Group's interest in the joint venture	3,384,254

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 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% per annum (2013: Nil).

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% reflects the current market assessment of the time value of money and the risk specific to the CGU. The director 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.

14. OTHER INVESTMENT

	The Group and The Company 2014 RM	2013 RM
AFS Financial Assets:		
Unquoted subordinated bonds - at cost	1,500,000	1,500,000
Less: Accumulated impairment	(1,500,000)	(1,500,000)
Net	-	-

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 1% of the principal amount of the term loan. The term loan has been fully repaid by the Company in year 2011.

15. INVENTORIES

	The Group 2014 RM	The Group 2013 RM
At cost:		
Raw materials	4,286,244	4,614,525
Work-in-progress	2,614,857	2,262,888
Finished goods	2,584,116	2,999,163
	9,485,217	9,876,576

Cost of inventories recognised as expenses of the Group amounting RM91,866,327 (2013: RM102,151,175).

The cost of inventories recognised as cost of sales in statements of profit or loss and other comprehensive income includes RM749,045 (2013: Nil) in respect of write-downs of inventories to its net realisable value.

16. TRADE RECEIVABLES, OTHER RECEIVABLES, DEPOSITS AND PREPAID EXPENSES

(i) Trade receivables consist of the following:

	The Group 2014 RM	The Group 2013 RM
Trade receivables	16,027,846	18,222,573
Less: Allowance for doubtful receivables	(1,102,794)	(1,045,220)
Net	14,925,052	17,177,353

Trade receivables comprise amounts receivable for sales of goods. The average credit period on sales of goods is 30 to 90 days (2013: 30 to 90 days). No interest is charged on trade receivables. Of the trade receivables balance at the end of reporting period, approximately RM11 million (2013: RM13 million) is due from five major customers. Other than the five major customers mentioned, there is no other customer which individually represents more than 10% of the total balance of trade receivables.

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.

16. TRADE RECEIVABLES, OTHER RECEIVABLES, DEPOSITS AND PREPAID EXPENSES (cont'd)

(i) Trade receivables consist of the following (cont'd):

The analysis of trade receivables is as follows:

	The Group 2014 RM	The Group 2013 RM
Not past due and not impaired	8,896,431	9,066,384
Past due but not impaired:		
Past due 0 - 30 days	3,377,208	6,215,333
Past due 31 - 60 days	1,964,767	1,667,146
Past due 61 - 90 days	249,083	94,210
Past due 91 - 120 days	243,066	81,140
Past due more than 121 days	194,497	53,140
Past due and impaired	1,102,794	1,045,220
Total trade receivables	16,027,846	18,222,573

The movements in allowance for doubtful receivables are as follows:

	The Group 2014 RM	The Group 2013 RM
At beginning of year	1,045,220	1,786,417
Impairment losses recognised (Note 6)	57,574	11,904
Impairment losses reserved (Note 6)	-	(45,851)
Amounts written off during the year	-	(707,250)
At end of year	1,102,794	1,045,220

Ageing of impaired trade receivables:

	The Group 2014 RM	The Group 2013 RM
Past due for more than 90 days	1,102,794	1,045,220

The foreign currency exposure profile of trade receivables is as follows:

	The Group 2014 RM	The Group 2013 RM
Ringgit Malaysia	13,005,923	13,693,438
United States Dollar	3,021,923	4,529,135
	16,027,846	18,222,573

16. TRADE RECEIVABLES, OTHER RECEIVABLES, DEPOSITS AND PREPAID EXPENSES (cont'd)

(ii) Other receivables, deposits and prepaid expenses consist of the following:

	The Group	
	2014 RM	2013 RM
Advance payment to suppliers	141,000	44,000
Other receivables	334,927	373,894
Refundable deposits	115,667	259,031
Prepaid expenses	77,766	259,182
	669,360	936,107

17. SHORT-TERM DEPOSITS WITH LICENSED BANKS

Included in the short-term deposits of the Group are deposits amounting to RM517,506 (2013: RM603,702) 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 22 and 25.

18. SHARE CAPITAL

	The Group and The Company	
	2014 RM	2013 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

19. TREASURY SHARES

	The Group and The Company	
	2014	2013
	Number of ordinary shares of RM0.50 each	
At beginning of year	1,134,113	1,064,113
Repurchased during the year	75,000	70,000
At end of year	1,209,113	1,134,113

19. TREASURY SHARES (cont'd)

	The Group and The Company 2014	2013
	Number of ordinary shares of RM0.50 each	
At beginning of year	386,775	366,573
Repurchased during the year	18,615	20,202
At end of year	405,390	386,775

During the financial year, the Company purchased 75,000 (2013: 70,000) of its own shares through purchases on Bursa Malaysia Securities Berhad for RM18,615 (2013: RM20,202) which has been deducted from equity. The repurchased transactions were financed by internally generated funds and the average price paid for the shares was RM0.2482 (2013: RM0.2875).

20. RESERVES

		The Group		The Company	
	Note	2014 RM	2013 RM	2014 RM	2013 RM
Non-distributable reserves:					
Share premium	(i)	1,767,230	1,767,230	1,767,230	1,767,230
Foreign currency translation reserve		301,589	113,714	-	-
		2,068,819	1,880,944	1,767,230	1,767,230
Distributable reserve:					
Retained earnings	(ii)	20,713,020	30,576,981	1,842,684	2,966,676
		22,781,839	32,457,925	3,609,914	4,733,906

(i) Share premium arose from the issuance of 20,373,500 shares of RM0.50 each at a premium of RM0.18 per share, net of listing expenses, in prior years.

(ii) The Company has not previously elected for the irrecoverable option to disregard the Section 108 tax credits. Accordingly, the Company is under the single tier income tax system upon the expiry of the transitional period on December 31, 2013. Any remaining Section 108 tax credits as of that date had been disregarded.

21. HIRE-PURCHASE PAYABLES

	The Group 2014 RM	The Group 2013 RM
Total outstanding	1,115,676	1,658,418
Less: Interest-in-suspense	(57,086)	(60,286)
Principal outstanding	1,058,590	1,598,132
Less: Portion due within the next 12 months (shown under current liabilities)	(569,560)	(1,129,070)
Non-current portion	489,030	469,062

The non-current portion is repayable as follows:

	The Group 2014 RM	The Group 2013 RM
Financial year ending August 31:		
2015	-	340,817
2016	404,954	128,245
2017 and thereafter	84,076	-
	489,030	469,062

The term of the hire-purchase payables is 2 to 5 years and interest rates implicit in the hire-purchase arrangements range from 4.46% to 7.50% (2013: 2.54% to 7.50%) per annum. The interest rates are fixed at the inception of the hire-purchase arrangement.

22. TERM LOANS

	The Group 2014 RM	The Group 2013 RM
Total outstanding	17,488,081	20,053,827
Less: Portion due within the next 12 months (shown under current liabilities)	(16,319,334)	(2,627,353)
	1,168,747	17,426,474

22. TERM LOANS (cont'd)

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

	The Group	
	2014	2013
	RM	RM
Financial year ending August 31:		
2015	-	2,627,354
2016	191,701	2,627,354
2017	191,701	2,627,354
2018	191,701	2,627,354
Thereafter	593,644	6,917,058
	1,168,747	17,426,474

The Group has term loan facilities totalling RM34,515,800 (2013: RM35,220,000) obtained from licensed banks. The term loans of the Group bear interest at rates ranging from 4.50% to 7.35% (2013: 4.50% to 5.30%) 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 August 31, 2014 was RM7,701,750 (2013: RM9,168,750); 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 August 31, 2014 was RM8,487,490 (2013: RM9,457,498).

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

Following the non-compliance of certain loan convenant by subsidiary company during the year, the non-current portion of the term loans has been reclassified as current portion as the said subsidiary company does not have an unconditional right to defer settlement of the term loans for at least twelve months after the reporting period.

(iii) A ten (10) year loan of RM1,530,000 repayable by 120 equal monthly installments of RM15,860 each, commencing in November, 2012. The outstanding balance as at August 31, 2014 was RM1,298,841 (2013: RM1,427,579).

The said term loan is secured by a first party legal charge over the leasehold land of the subsidiary company, a pledge of fixed deposit (Note 17) and a corporate guarantee by the Company.

23. DEFERRED TAX LIABILITIES

	The Group Deferred tax liabilities 2014 RM	2013 RM
At beginning of year	1,970,000	1,874,000
Transfer (to)/from profit or loss (Note 8)	(878,000)	96,000
At end of year	1,092,000	1,970,000

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

	Unabsorbed capital allowances RM	Inventories RM	Trade receivables RM	Other payables and accrued expenses RM	Unused tax losses RM	Total RM
As of August 31, 2012	1,939,599	-	447,329	147,000	258,000	2,791,928
Transfer (from)/to profit or loss	366,214	-	(189,000)	(17,735)	(58,000)	101,479
As of August 31, 2013	2,305,813	-	258,329	129,265	200,000	2,893,407
Offsetting	(2,305,813)	-	(258,329)	(129,265)	(200,000)	(2,893,407)
Deferred tax assets (after offsetting)	-	-	-	-	-	-
As of August 31, 2013	2,305,813	-	258,329	129,265	200,000	2,893,407
Transfer to/(from) profit or loss	(241,025)	187,251	14,394	62,943	3,000	26,563
As of August 31, 2014	2,064,788	187,251	272,723	192,208	203,000	2,919,970
Offsetting	(2,064,788)	(187,251)	(272,723)	(192,208)	(203,000)	(2,919,970)
Deferred tax assets (after offsetting)	-	-	-	-	-	-

23. DEFERRED TAX LIABILITIES (cont'd)

	Property, plant and equipment RM
Deferred tax liabilities (before offsetting)	
As of August 31, 2012	(4,665,928)
Transfer to profit or loss	(197,479)
As of August 31, 2013	(4,863,407)
Offsetting	2,893,407
Deferred tax liabilities (after offsetting)	(1,970,000)
As of August 31, 2013	(4,863,407)
Transfer from profit or loss	851,437
As of August 31, 2014	(4,011,970)
Offsetting	2,919,970
Deferred tax liabilities (after offsetting)	(1,092,000)

24. TRADE PAYABLES, OTHER PAYABLES AND ACCRUED EXPENSES AND PROVISION

(i) 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 days (2013: 60 to 90 days).

The currency exposure profile of trade payables is as follows:

	The Group	
	2014 RM	2013 RM
Ringgit Malaysia	7,582,883	6,778,865
United States Dollar	2,075,004	3,032,699
	9,657,887	9,811,564

Included in trade payables of the Group are amounts owing to the following company in which certain directors of the Company and subsidiary company are also directors:

	The Group	
	2014 RM	2013 RM
Teh & Co. Sdn. Bhd.	-	2,500

The amount owing to the above related parties arose from transactions mentioned in Note 26.

24. TRADE PAYABLES, OTHER PAYABLES AND ACCRUED EXPENSES AND PROVISION (cont'd)

(ii) Other payables and accrued expenses consist of:

	The Group		The Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
Accrued expenses	2,122,996	2,625,263	50,312	47,265
Other payables	534,202	889,102	18,367	-
Interest payable	72,874	82,639	-	-
	2,730,072	3,597,004	68,679	47,265

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

	The Group		The Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
Ringgit Malaysia	2,674,973	3,585,304	68,679	47,265
Others	55,099	11,700	-	-
	2,730,072	3,597,004	68,679	47,265

(iii) Provision

	The Group	
	2014	2013
	RM	RM
At beginning of year	-	-
Provision made in current year (Note 31(b))	200,000	-
At end of year	200,000	-

25. BANK BORROWINGS

	The Group	
	2014	2013
	RM	RM
Bank overdrafts	3,217,456	2,155,233
Bankers' acceptances	812,000	1,945,941
	4,029,456	4,101,174

25. BANK BORROWINGS (cont'd)

In addition to the term loan facilities as mentioned in Note 22, the Group has bank overdrafts and other credit facilities amounting to RM24,500,000 (2013: RM24,602,000) which bear interest at rates ranging from 1.20% to 7.38% (2013: 1.20% to 7.35%) per annum.

The overdrafts and other credit facilities amounting to RM10,600,000 (2013: RM10,702,000) are secured by:

(i) Fixed and floating charges over certain property, plant and equipment of the subsidiary companies (Note 10). In 2013, these credit facilities also secured by an additional of a short-term deposits of a subsidiary company (Note 17); and

(ii) Corporate guarantee by the Company.

The balances of the above facilities are secured by corporate guarantee by the Company.

26. 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.

Amount owing by/(to) related parties, which arose mainly from trade transactions and payments made on behalf, is unsecured, interest-free and repayable on demand.

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:

	The Group	
	2014	**2013**
	RM	**RM**
Rental payable to companies in which certain directors of the Company are also directors		
- Teh & Co. Sdn. Bhd.	187,500	210,000
- Teh Chooi Choon Enterprise Sdn. Bhd.	120,000	120,000
Total	307,500	330,000
Purchases from related party of a corporate shareholder of associated company		
- Zhangjiagang City Import & Export Trading Co. Ltd	286,196	291,394

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

	The Group 2014 RM	The Group 2013 RM
Purchases from non-controlling interests of the Group		
- JDY Energy Saving Technology Co Ltd	597,962	-
- Hightech Factory Automation (M) Sdn. Bhd.	10,244	-
Sales of goods to non-controlling interests of the Group		
- Hightech Factory Automation (M) Sdn. Bhd.	25,221	-

	The Company 2014 RM	The Company 2013 RM
Gross dividends receivable from subsidiary company		
- Ban Seng Lee Industries Sdn. Bhd.	3,500,000	1,200,000
Interest receivable from subsidiary companies		
- Crestronics (M) Sdn. Bhd.	426,778	408,550
- Unique Forging & Components Sdn. Bhd.	17,218	31,117
Total	443,996	439,667

27. CASH AND CASH EQUIVALENTS

	The Group 2014 RM	The Group 2013 RM	The Company 2014 RM	The Company 2013 RM
Cash and bank balances	8,720,180	11,384,840	611,708	2,174,895
Short-term deposits with licensed banks	12,251,386	17,366,037	-	-
	20,971,566	28,750,877	611,708	2,174,895
Less: Short-term deposits pledged to a bank with maturity exceeding 90 days (Note 17)	(517,506)	(603,702)	-	-
	20,454,060	28,147,175	611,708	2,174,895

The short-term deposits of the Group bear interest at rates ranging from 1.63% to 3.25% (2013: 2.15% to 3.00%) per annum and have maturity periods ranging from 15 days to 365 days (2013: 11 to 183 days).

27. CASH AND CASH EQUIVALENTS (cont'd)

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

	The Group		The Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Ringgit Malaysia	7,311,540	5,026,455	611,708	2,174,895
United States Dollar	1,379,652	6,330,117	-	-
Hong Kong Dollar	28,987	28,268	-	-
	8,720,179	11,384,840	611,708	2,174,895

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

28. FINANCIAL INSTRUMENTS

Capital Risk Management Policies and Procedures

The primary objective of the Group's and the Company's capital risk management is to maintain a strong credit rating and healthy capital ratios in order to support their businesses and maximise shareholder value. The capital structure of the Group and the Company as of the end of the reporting period comprises issued capital and retained earnings.

The Group and the Company manage its capital structure and make adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group and the Company may issue new shares, adjust the dividend payment to shareholders or return capital to shareholders. The Group's and the Company's overall strategy remains unchanged from prior year.

Gearing Ratio

The gearing ratio at the end of the reporting period is as follows:

	The Group	
	2014 RM	2013 RM
Hire-purchase payables	1,058,590	1,598,132
Term loans	17,488,081	20,053,827
Bank borrowings	4,029,456	4,101,174
	22,576,127	25,753,133
Equity	76,344,027	85,978,645
Debt to equity ratio (%)	30%	30%

The Company has no gearing as of August 31, 2014 and 2013.

Debt is defined as long-term and short-term borrowings.

Equity includes all capital and reserves of the Group managed as capital.

28. FINANCIAL INSTRUMENTS (cont'd)

Significant Accounting Policies

Details of the significant accounting policies and methods adopted (including the criteria for recognition, the bases of measurement, and the bases for recognition of income and expenses), for each class of financial asset, financial liability and equity instrument are disclosed in Note 3.

Categories of financial instruments

	The Group		The Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Financial assets				
AFS financial assets	-	-	-	-
Loans and receivables, at amortised cost:				
Trade receivables	14,925,052	17,177,353	-	-
Other receivables, deposits (Note 16)	591,594	676,925	-	-
Amount owing by subsidiary companies	-	-	16,118,164	16,976,506
Amount owing by related party	7,286	-	-	-
Short-term deposits with licensed banks	12,251,386	17,366,037	-	-
Cash and bank balances	8,720,180	11,384,840	611,708	2,174,895
Total	36,495,498	46,605,155	16,729,872	19,151,401
Financial liabilities				
At amortised cost:				
Trade payables	9,657,887	9,811,564	-	-
Other payables and accrued expenses	2,730,072	3,597,004	68,679	47,265
Amount owing to subsidiary company	-	-	13,462,770	14,942,770
Amount owing to related parties	355,650	89,691	-	-
Hire-purchase payables	1,058,590	1,598,132	-	-
Bank borrowings	4,029,456	4,101,174	-	-
Term loans	17,488,081	20,053,827	-	-
At fair value through profit or loss:				
Derivative financial liability	11,162	127,081	-	-
Total	35,330,898	39,378,473	13,531,449	14,990,035

Financial Risk Management Objectives and Policies

The operations of the Group and the Company are subject to a variety of financial risks, including foreign currency risk, interest rate risk, credit risk and liquidity risk. The Group and the Company have taken measures to minimize its exposure to risk and/or costs associated with the financing, investing and operating activities.

28. FINANCIAL INSTRUMENTS (cont'd)

Foreign currency risk

The Group also 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 8% and represents management's assessment of the reasonably possible change in foreign exchange rates.

If the United States Dollar (2013: United States Dollar) were to strengthen or weaken by 8% against the Ringgit Malaysia, the Group's loss or profit for the year will increase/decrease by RM186,126 (2013: RM626,124).

Interest rate risk

The Group is exposed to interest rate risk through the impact of rate changes on short-term deposits, hire-purchase payables, term loans and bank borrowings. The interest rates of short-term deposits, hire-purchase payables, term loans and bank borrowings are disclosed in Notes 17, 21, 22 and 25, respectively.

Interest rate sensitivity

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's loss at the end of the reporting period would increase/decrease by RM116,216 (2013: RM126,878). 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 an agreed notional principal amount. Such contract enables the Group to mitigate the risk of changing interest rates on the fair value of a fixed 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.

The Group	Average contracted fixed interest rate		Notional principal value		Fair value liabilities	
	2014 %	2013 %	2014 RM	2013 RM	2014 RM	2013 RM
Outstanding receive floating pay fixed contract						
2 to 5 year	3.78	3.78	7,633,979	9,100,979	(11,162)	(127,081)

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

28. FINANCIAL INSTRUMENTS (cont'd)

Credit risk

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

The Group's exposure to credit risk in relation to its trade receivables and other receivables, deposits and prepaid expenses should all its customers fail to perform their obligations as of the end of the reporting period, is the carrying amount of these receivables as disclosed in Note 16. The Group has no major concentration of credit risk except for amounts due from the five trade receivables which constitute approximately 65% (2013: 72%) of total trade receivables as disclosed in Note 16.

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.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group practices prudent liquidity risk management to minimise the mismatch of financial assets and liabilities and maintain sufficient credit facilities as disclosed in Notes 22 and 25 for contingent funding requirement of working capital.

28. FINANCIAL INSTRUMENTS (cont'd)

Analysis of financial instruments by remaining contractual maturities

The table below summarises 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.

2014 The Group	Weighted average effective interest rate %	Less than 1 month RM	1 to 3 months RM	3 months to 1 year RM	1 to 5 years RM	More than 5 years RM	Total RM
Trade payables	-	333,805	39,699	9,284,383	-	-	9,657,887
Other payables and accrued expenses	-	130,898	595,288	2,003,886	-	-	2,730,072
Amount owing to related parties	-	-	-	355,650	-	-	355,650
Derivative financial liability	1	2,227	6,575	2,390	-	-	11,192
Hire-purchase payables	6	56,445	130,157	423,094	505,980	-	1,115,676
Bank borrowings	7	817,868	-	3,383,114	-	-	4,200,982
Term loans	5	16,205,102	31,724	142,760	761,386	1,393,696	18,534,668
		17,546,345	803,443	15,595,277	1,267,366	1,393,696	36,606,127
The Company							
Accrued expenses	-	68,679	-	-	-	-	68,679
Amount owing to subsidiary company	-	-	-	13,462,770	-	-	13,462,770
		68,679	-	13,462,770	-	-	13,531,449

28. FINANCIAL INSTRUMENTS (cont'd)

Analysis of financial instruments by remaining contractual maturities (cont'd)

2013 The Group	Weighted average effective interest rate %	Less than 1 month RM	1 to 3 months RM	3 months to 1 year RM	1 to 5 years RM	More than 5 years RM	Total RM
Trade payables	-	107,873	41,041	9,662,650	-	-	9,811,564
Other payables and accrued expenses	-	-	-	3,597,004	-	-	3,597,004
Amount owing to related party	-	-	-	89,691	-	-	89,691
Derivative financial liability	1	5,994	17,692	103,757	-	-	127,443
Hire-purchase payables	6	161,522	310,684	701,157	485,055	-	1,658,418
Bank borrowings	7	-	-	4,388,256	-	-	4,388,256
Term loans	5	230,423	460,848	2,073,810	11,060,325	7,279,937	21,105,343
		505,812	830,265	20,616,325	11,545,380	7,279,937	40,777,719
The Company							
Accrued expenses	-	47,265	-	-	-	-	47,265
Amount owing to subsidiary company	-	-	-	14,942,770	-	-	14,942,770
		47,265	-	14,942,770	-	-	14,990,035

28. FINANCIAL INSTRUMENTS (cont'd)

Fair values of financial assets and liabilities

The estimated fair values of financial assets and financial liabilities reported in the statements of financial position approximate their carrying amounts as shown in the statements of financial position due to the short-term maturity of these instruments, except for the following financial liabilities:

	2014		2013	
The Group	**Carrying amount RM**	**Fair Value RM**	**Carrying amount RM**	**Fair Value RM**
AFS Financial Assets				
Other investments (Note 14)	-	-	-	-
Financial Liabilities				
Hire-purchase payables (Note 21)	1,058,590	1,108,028	1,598,132	1,647,416
Term loans (Note 22)	17,488,081	17,933,811	20,053,827	22,873,192
The Company				
Financial Asset				
Other investments (Note 14)	-	-	-	-

The fair value of the above financial assets and liabilities are estimated by level 3 input which 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.

Fair value measurements recognised in the statements 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.

	The Group			
2014	**Level 1 RM**	**Level 2 RM**	**Level 3 RM**	**Total RM**
Financial liabilities carried at fair value through profit or loss				
Derivative financial liability	-	11,162	-	11,162
2013				
Financial liabilities carried at fair value through profit or loss				
Derivative financial liability	-	127,081	-	127,081

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

The fair values 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 the reporting period) and contract interest rates.

29. OPERATING LEASE ARRANGEMENT

The Group has lease commitment in respect of rented premise for operation which is classified as operating lease. The tenure of the minimum lease payment is as follows:

	2014 RM	2013 RM
Not later than 1 year	-	20,800

30. CAPITAL COMMITMENT

As of August 31, 2014, the Group has the following capital commitment:

	The Group	
	2014 RM	2013 RM
Approved and contracted for:		
Purchase of plant and machinery and motor vehicles	-	664,057
Investment in joint venture (Note 13)	1,000,000	-
	1,000,000	664,057

31. CONTINGENT LIABILITIES

(a) As of August 31, 2014, the Group and the Company have the following contingent liabilities:

	The Company	
	2014 RM	2013 RM
Unsecured corporate guarantees given to:		
Licensed banks for credit facilities granted to subsidiary companies	21,585,348	25,039,787
Creditor of a subsidiary company	1,456,895	1,672,231
	23,042,243	26,712,018

(b) Subsequent to the financial year end, Crestronics (M) Sdn. Bhd. ("CSB"), a wholly owned subsidiary company, received bills of demand from the relevant authority demanding payment of sales tax and import duty amounting to RM11.1 million 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 CSB should only be liable for up to RM200,000 and a provision for this had been made in the financial statements (Note 24). The remaining balance of the claim of RM10.9 million 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.

32. SUPPLEMENTARY INFORMATION ON THE BREAKDOWN OF REALISED AND UNREALISED PROFITS OR LOSSES

On March 25, 2010, Bursa Malaysia Securities Berhad ("Bursa Malaysia") issued a directive to all listed issuers pursuant to Paragraphs 2.06 and 2.23 of Bursa Malaysia Main Market Listing Requirements. This directive requires all listed issuers to disclose the breakdown of the retained earnings or accumulated losses as at the end of the reporting period, into realised and unrealised profits or losses.

On December 20, 2010, Bursa Malaysia further issued another directive on the disclosure and the prescribed format of presentation.

The breakdown of the retained earnings of the Group and of the Company as the end of reporting period, into realised and unrealised profits, pursuant to the directive, is as follows:

	The Group	
	2014	**2013**
	RM	**RM**
Total retained earnings of the Company and its subsidiary companies:		
Realised	58,548,202	69,086,136
Unrealised	(5,516,616)	(4,438,615)
	53,031,586	64,647,521
Total share of post-acquisition results in associated company:		
Realised	(4,239,080)	(3,195,488)
Unrealised	(462,091)	(360,774)
	(4,701,171)	(3,556,262)
Total share of post-acquisition results in joint venture company:		
Realised	(118,190)	-
Unrealised	-	-
	(118,190)	-
Less: Consolidation adjustments	(27,499,205)	(30,514,278)
Total retained earnings as per statement of financial position	20,713,020	30,576,981

	The Company	
	2014	**2013**
	RM	**RM**
Total retained earnings of the Company:		
Realised	7,835,209	4,544,826
Unrealised	(5,992,525)	(1,578,150)
Total retained earnings as per statement of financial position	1,842,684	2,966,676

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 December 20, 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

The directors of **BSL CORPORATION BERHAD**, state that, in their opinion, the accompanying financial statements of the Group and of the Company are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of August 31, 2014 and of the financial performance and the cash flows of the Group and of the Company for the year ended on that date.

The information set out in Note 32 to the Financial Statements has been compiled in accordance with the Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures 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 in accordance with a resolution of the Directors,

NGIAM TONG KWAN

NGIAM TEE WEE

Rawang,
December 23, 2014

DECLARATION BY THE DIRECTOR
PRIMARILY RESPONSIBLE FOR THE FINANCIAL MANAGEMENT OF THE COMPANY

I, **NGIAM TEE WEE**, the director primarily responsible for the financial management of **BSL CORPORATION BERHAD**, do solemnly and sincerely declare that the accompanying financial statements 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.

NGIAM TEE WEE

Subscribed and solemnly declared
by the abovenamed **NGIAM TEE WEE**
at **PETALING JAYA** this 23rd of December, 2014.

Before me,

COMMISSIONER FOR OATHS

LIST OF PROPERTIES

The details of the properties of the BSL Group as at August 31, 2014 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 2014 (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	17	Freehold	14,620,864	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	2	Freehold	18,566,266	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	20	Leasehold for 99 years expiring on 17 Oct 2089	86,000	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	20	Leasehold for 99 years expiring on 17 Oct 2089	86,000	24 Aug 2007

LIST OF PROPERTIES
(CONT'D)

	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 2014 (RM)	Date of Acquisition/ Revaluation
	Ban Seng Lee Industries Sdn. Bhd.						
5	36A, 1st Floor Jalan Bukit Idaman 8/1 Taman Bukit Idaman 68100 Batu Caves Selangor Darul Ehsan P.M. 293, Lot No. 52175 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	20	Leasehold for 99 years expiring on 17 Oct 2089	86,000	24 Aug 2007
6	37A, 1st Floor Jalan Bukit Idaman 8/1 Taman Bukit Idaman 68100 Batu Caves Selangor Darul Ehsan P.M. 294, Lot No. 52176 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	20	Leasehold for 99 years expiring on 17 Oct 2089	86,000	24 Aug 2007
	Crestronics (M) Sdn. Bhd.						
7	Lot 5002 Batu 51/2 Jalan Meru 41050 Klang Selangor Darul Ehsan H.S. (M) 21401 PT 13725 Mukim Kapar Daerah Klang Selangor Darul Ehsan	Manufacturing / Industrial / office and factory	10,906 / 6,651	24	Freehold	9,635,807	7 May 2012
	Unique Forging & Components Sdn. Bhd.						
8	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	3,547,142	31 Oct 2012

ANALYSIS OF SHAREHOLDINGS
AS AT DECEMBER 31, 2014

Authorised Share Capital	:	RM250,000,000
Issued and Paid-up Capital	:	RM49,000,000 (Including 1,219,113 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	0.518	317	0.000
100 - 1,000	468	40.449	117,527	0.121
1,001 - 10,000	360	31.114	2,017,212	2.084
10,001 - 100,000	249	21.521	8,229,687	8.503
100,001 - 4,839,043 (*)	73	6.309	36,436,144	37.648
4,839,044 and above (**)	1	0.086	49,980,000	51.642
TOTAL :	1,157	100.000	96,780,887	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	51.64	-	-
Ngiam Tong Kwan	406,315	0.42	49,980,000 (*)	51.64
Nyeam Tong Eng @ Ngiam Tong Yang	269,361	0.28	49,980,000 (*)	51.64
Teh Eng Hock	269,361	0.28	49,980,000 (*)	51.64

(*) 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	406,315	0.42	53,977,670 (*)	55.77
Ngiam Tee Wee	135,000	0.14	-	-
Ngiam Tee Yang	100,000	0.10	-	-
Datuk Dr. Syed Muhamad Bin Syed Abdul Kadir	100,000	0.10	-	-
Teh Yoon Loy	36,347	0.04	-	-
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.

ANALYSIS OF SHAREHOLDINGS
AS AT DECEMBER 31, 2014 (CONT'D)

LIST OF TOP 30 SHAREHOLDERS

No.	Name	Shareholdings	%
1	Esteem Role Sdn Bhd	49,980,000	51.642
2	Xadacorp Sdn Bhd	4,300,100	4.443
3	Affin Hwang Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account For Teh Pen Sim (M14)	3,880,670	4.009
4	Balakrishnan A/L Muthukaruppan	1,350,000	1.394
5	Affin Hwang Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Goh Hoon Ghee (M14)	1,347,900	1.392
6	Public Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Ong Kok Thye (E-SPI)	1,073,300	1.108
7	Kim Poh Holdings Sdn Bhd	1,000,000	1.033
8	Maybank Securities Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Lim Soon Kwui	925,600	0.956
9	Yap See See	900,000	0.929
10	Chang Yoke Mooi	890,437	0.920
11	RHB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Woo Yam Sang	868,000	0.896
12	Tan See Chong	834,900	0.862
13	Chang Yoke Lan	800,000	0.826
14	Cheang Wan Ying	800,000	0.826
15	Kong Chun Wah	766,800	0.792
16	S'ng King Kiok	711,700	0.735
17	Tan Eng Huat	702,900	0.726
18	Koh Ah Mee @ Hoh Ah Mee	699,800	0.723
19	Pang Sing Kon	604,300	0.624
20	Woo Yam Sang	546,400	0.564
21	Goh Toh Lim	505,000	0.521
22	CIMSEC Nominees (Asing) Sdn. Bhd. Exempt An for CIMB Securities (Singapore) Pte Ltd (Retail Clients)	500,000	0.516
23	Loke Keng Hung	491,800	0.508
24	Chang See Phin	480,100	0.496
25	Tan Kim Tiang	448,000	0.462
26	Maybank Securities Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Yee Foong Seng (REM 646)	424,000	0.438
27	Nik Fauzi Bin Nik Hussein	423,500	0.437
28	Ngiam Tong Kwan	406,315	0.419
29	Perusahaan Sunchrome Sendirian Berhad	377,700	0.390
30	Lee Soon Hook	370,000	0.382

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

Registered in name of directors

Names	Ordinary Shares of RM1.00 each
Ngiam Tee Wee	7,000
Ngiam Tee Yang	5,000
Ngiam Tong Kwan	25,472
Teh Yoon Loy	7,060

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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 *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 on my/our behalf at the Eleventh Annual General Meeting of the Company to be held at Seminar Hall, Commonwealth Forest Park & Resort, KM23, Jalan KL-Rawang, 48000 Rawang, Selangor Darul Ehsan on Thursday, 26th day of February 2015 at 10.00 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 Ngiam Tee Yang who retires pursuant to Article 78 of the Company's Articles of Association as Director.		
3.	To re-elect Datuk Dr. Syed Muhamad Bin Syed Abdul Kadir who retires pursuant to Article 78 of the Company's Articles of Association as Director.		
4.	To approve the payment of Directors' Fees for the financial year ended 31 August 2014.		
5.	To re-appoint Messrs Deloitte as Auditors of the Company and to authorise the Directors to fix their remuneration.		
6.	To grant authority to the Directors to allot and issue shares pursuant to Section 132D of the Companies Act, 1965.		
7.	To approve the Proposed Renewal of Authority for Share Buy-Back.		
8.	To approve Datuk Dr. Syed Muhamad Bin Syed Abdul Kadir to continue to act as an Independent Non-Executive Director.		
9.	To approve To' Puan Rozana Bte Tan Sri Redzuan to continue to act as an Independent Non-Executive Director.		
10.	To approve Ng Wai Pin to continue to act as an Independent Non-Executive Director.		

(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 ____________ 2015.

____
Signature/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 provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
(ii) A member of the Company entitled to attend and vote at the Meeting is entitled to appoint not more than two (2) proxies to attend and vote in his/her stead at the Meeting except where a member of the Company 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.
(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 the proportion of shareholdings to be represented by each proxy is specified in the instrument appointing the proxies.
(v) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his (her) attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation's common seal or under the hand of an officer or attorney duly authorised.
(vi) The instrument appointing a proxy must be deposited at the Registered Office at Level 18, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, not less than 48 hours before the time set for the meeting or at any adjournment thereof.
(vii) Only members whose names appear in the Record of Depositors as at 17 February 2015 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 Company Secretary
BSL Corporation Berhad
Level 18, The Gardens North Tower,
Mid Valley City, Lingkaran Syed Putra,
59200 Kuala Lumpur.

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BSL CORPORATION BHD (651118-K)
LEVEL 18, THE GARDENS,
NORTH TOWER, MID VALLEY CITY,
LINGKARAN SYED PUTRA, 59200 KUALA LUMPUR