

PROGRESS THROUGH OPERATIONAL AND BUSINESS TRANSFORMATION



ANNUAL REPORT 2012



BSL
CORPORATION
BHD 651118-K



CONTENTS

02	NOTICE OF NINTH ANNUAL GENERAL MEETING	24	STATEMENT ON INTERNAL CONTROL
04	CORPORATE INFORMATION	25	AUDIT COMMITTEE REPORT
05	PROFILE OF DIRECTORS	29	DIRECTORS' RESPONSIBILITIES STATEMENT
10	CHAIRMAN'S AND CEO'S STATEMENT	30	FINANCIAL STATEMENTS
13	CORPORATE STRUCTURE	100	LIST OF PROPERTIES
14	GROUP FINANCIAL HIGHLIGHTS	102	ANALYSIS OF SHAREHOLDINGS
15	CORPORATE GOVERNANCE STATEMENT	104	APPENDIX I

NOTICE OF NINTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Ninth Annual General Meeting of the Company will be held at Templer 1, First Floor, Perangsang Templer Golf Club, No.1, Templer Park Resort, 48000 Rawang, Selangor Darul Ehsan on Wednesday, 27 February, 2013 at 10.00 a.m. for the following purposes:-

AGENDA

Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 31 August, 2012 together with the Directors' and Auditors' Reports thereon. (SEE NOTE 2)
2. To re-elect the following Directors who retire pursuant to Article 78 of the Company's Articles of Association:-
 - (i) Ngiam Tee Wee (Resolution 1)
 - (ii) Ng Wai Pin (Resolution 2)
 - (iii) To' Puan Rozana Bte Tan Sri Redzuan (Resolution 3)
3. To approve the payment of Directors' Fees for the financial year ended 31 August, 2012. (Resolution 4)
4. To re-appoint Messrs Deloitte KassimChan as Auditors of the Company and to authorise the Directors to fix their remuneration. (Resolution 5)

Special Business

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

5. **ORDINARY RESOLUTION 1**
- AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965
"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 of the Company 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 percent (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 to be 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." (SEE NOTE 3)
(Resolution 6)
6. **ORDINARY RESOLUTION 2**
- PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES
"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 the approval of such relevant government and/or regulatory authorities where necessary, the Company be and is hereby authorised to purchase its own ordinary shares of RM0.50 each ("Shares") on the Main Market of Bursa Securities ("Proposed Share Buy-Back") at any time, upon such terms and conditions as the Directors shall in their discretion deem fit and expedient in the best interest of the Company provided that:- (SEE NOTE 4)
(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 prevailing issued and paid-up share capital of the Company at the time of purchase 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 latest audited retained profits and/or share premium accounts;
 - (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 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 by the Company of its own Shares, the Board of Directors of the Company ("Board") be and is hereby authorised to:-

NOTICE OF NINTH ANNUAL GENERAL MEETING

- (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. SPECIAL RESOLUTION

(SEE NOTE 5)

- PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE COMPANY

"THAT the amendments to the Company's Articles of Association as set out in Appendix I ("Proposed Amendments") on pages 104 to 109 of the 2012 Annual Report be and are hereby approved and adopted.

(Resolution 8)

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

By Order of the Board

NG YEN HOONG (LS 008016)

LIM POH YEN (MAICSA 7009745)

Company Secretaries

Kuala Lumpur

5 February, 2013

NOTES:-

1. APPOINTMENT OF PROXY

- (i) 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. 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. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportion of his/her holdings to be represented by each proxy.
- (ii) Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("Depositories Act"), it may appoint not more than two (2) proxies in respect of each securities account it holds with 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 as defined under the Depositories Act 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) 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.
- (v) 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.
- (vi) Only members whose names appear in the Record of Depositors as at 20 February 2013 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 2012

Item 1 of Agenda – This Audited Financial Statements in Agenda 1 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 Agenda is not put forward for voting by shareholders of the Company.

3. 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 Eighth Annual General Meeting held on 27 February, 2012 as there were no requirement 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.

4. PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES

Shareholders are advised to refer to the Statement to Shareholders dated 5 February, 2013 for further information.

5. PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE COMPANY ("PROPOSED AMENDMENTS")

The proposed Resolution 8, if passed, will approve the amendments to the Articles of Association of the Company. The Proposed Amendments will bring the Articles of Association of the Company to be in line with the amendments to the Listing Requirements of the Main Market of Bursa Malaysia Securities Berhad as well as to facilitate some administrative issues.

Please refer to Appendix 1 on pages 104 to 109 of the 2012 Annual Report for full details of the Proposed Amendments.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Ngiam Tong Kwan
Ngiam Tee Wee
Ngiam Tee Yang
Teh Yoon Loy
Yukihiro Eguchi
Andy Woo Weng Kok
Datuk Dr Syed Muhamad Bin Syed Abdul Kadir
To' Puan Rozana Bte Tan Sri Redzuan
Ng Wai Pin

Executive Chairman
Chief Executive Officer / Executive Director
Deputy Chairman / Executive Director
Executive Director
Executive Director
Executive Director
Independent Non-Executive Director
Independent Non-Executive Director
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

Ng Yen Hoong (LS 008016)
Lim Poh Yen (MAICSA 7009745)

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 KassimChan (AF 0080)
Level 19, Uptown 1
No. 1, Jalan SS21/58, Damansara Uptown
47400 Petaling Jaya, Selangor Darul Ehsan

Tel : 03 7723 6500
Fax : 03 7726 3986

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 63, Malaysian. Appointed to the Board 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., guiding it through steady growth over the years. He is also the director and co-founder of Unique, Crestronics and Kotamech.

He provides the strategic business direction for the Group's various businesses and is responsible for overall management of the Group.

He is the Chairman of the Remuneration Committee and Nomination Committee of BSL.

He is the father of Ngiam Tee Wee, the CEO of BSL, father-in-law of Andy Woo Weng Kok, the Executive Director, the uncle of Ngiam Tee Yang, Executive Director and the brother-in-law of Teh Yoon Loy, Executive Director.

TEH YOON LOY

Executive Director

Aged 55, Malaysian. Appointed to the Board on 28 April 2005, he graduated with a Degree in Business Administration 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.



PROFILE OF DIRECTORS

NGIAM TEE WEE

Chief Executive Officer / Executive Director

Aged 44, 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 Forging, 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 Ban Seng Lee Industries Sdn Bhd and CEO of BSL.

He assists the Executive Chairman in 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, Executive Director and brother-in-law of Andy Woo Weng Kok, Executive Director.



NGIAM TEE YANG

Deputy Chairman / Executive Director

Aged 47, 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.



PROFILE OF DIRECTORS



YUKIHIRO EGUCHI

Executive Director

Aged 50 Japanese. Appointed to the Board on 28 April 2005, Mr Eguchi joined his family-owned company Bright Trading Corporation in Tokyo after graduated from Nippon Institute Technology attachment Komaba high school (Formerly Nippon Institute Technology attachment Tokyo Technical High School) in 1981, as an Automotive Mechanical Engineer. In 1986, he joined an American audio-video company, SounDesign Corporation, Tokyo Branch as an Engineer. During this time, he travelled frequently to Korea, and was stationed in Taiwan from 1988 to 1991.

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

As Operations Director of Crestronics, he is responsible for the overall management of Crestronics.

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

ANDY WOO WENG KOK

Executive Director

Aged 36, Malaysian. Appointed to the Board on 7 December 2007, he graduated with a Bachelor of Science in Electrical Engineering Degree in 1998 & Bachelor of Science in Computer Engineering Degree in 1999 from Wichita State University, Kansas, USA and started working after graduation in 2000 as a Management Trainee in Western Resources, a Power & Gas Company in Kansas, USA.

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

He joined Crestronics as a Product Engineer in 2002 and was promoted to Marketing & Purchasing Assistant Manager in 2006. His duty includes developing new customers, acting as a window for existing customers and setting up new models. In the year 2010, he was appointed as Director of Crestronics. He is also responsible in sourcing for electronic parts and components.

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



PROFILE OF DIRECTORS

DATUK DR. SYED MUHAMAD BIN SYED ABDUL KADIR

Independent Non-Executive Director

Aged 65, 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 16 June, 2011 he became a Member of the Chartered Institute of Arbitrators, United Kingdom and in May 2012 became the fellow of the Institute.

He started his career in 1973 as Senior Project Officer, School of Financial Management at the National Institute of Public Administration (INTAN) and held various positions before his final appointment as Deputy Director (Academic). In November 1988, he joined the Ministry of Education as Secretary of Higher Education and there after assumed the post of Deputy Secretary (Foreign and Domestic Borrowing, Debt Management), Finance Division of Federal Treasury. For 1993 to 1997, he joined the Board of Directors, 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, Ministry of Human Resources.



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

He is the Chairman of the Audit Committee and the Risk Assessment & 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 48, 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 currently sits on the board of one public listed company on Bursa Malaysia Securities Berhad, namely Perduren (M) Berhad. 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 47 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 also sits on the board of Euro Holdings Berhad, both listed on Bursa Malaysia Securities Berhad. He is also a 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, 2012. ”

FINANCIAL REVIEW

For the financial year under review, the Group turnover for continuing operation decreased by RM35 million or 19% to RM146.5 million compared to RM181.5 million in the previous year.

Profit before tax for the financial year ended 31 August 2012 was RM3.57 million, compared to the profit before tax of RM7.0 million for the previous financial year.

The weaker results were due to poor global economic condition in general and poor performance by Japanese consumer electronics companies in particular.

Earning per share for the continuing operations of the Group is 1.8sen.

OPERATIONAL REVIEW

The stamping division had enjoyed a steady growth in revenue from RM42 million in 2004 to RM131 million in 2011. Last year revenue declined for the first time in 8 years to RM99.4 million or a drop of RM31.6 million. The main contributing factor was the decision of a Japanese television panel maker to cease operation of their plant in Malaysia after only 4 years of establishment. The revenue generated from this client dropped from RM27.6 million in 2011 to RM9.2 million in 2012. This client is expected to cease operation totally in January 2013. Our other Japanese client in LCD TV business suffered massive losses in 2011 and decided to revamp this business in 2012. During this transitional period in 2012, the client reduced the quantity of TV sets produced therefore our stamping division sales for LCD TV components suffered a drop of RM6.1 million.

The PCB assembly division managed to be profitable in FYE 2012 after several years of recording losses. Revenue increased by 3.52% compared to previous year and profit before tax was at RM0.7 million compared to a loss of RM2.8 million the previous year. This improved performance was due to the aggressive practice of Key Performance Indexes (KPI) at key areas of the company's operations.

The forging division suffered from reduced orders from clients in the air-con compressor and automotive sectors. Revenues dropped a significant 32.5% compared to previous year and this division incurred a loss before tax of RM0.70 million compared to a profit of RM0.69 million in the previous year. The automotive sector had been volatile in 2012 due to the floods in Thailand at the end of 2011 and the tightening of hire purchase lending policy by Bank Negara Malaysia.

Our associate company in China involved in seamless tubes and pipes production posted a loss of RM0.66 million compared to a profit of RM0.69 million. The loss was mainly attributed to weaken demand for seamless tube and tubes within China and from Europe. At the same time, continuing decline in the price of raw material also impacted on profitability.

As mentioned in the early part of this article, the overall performance of the Group was largely affected by the stagnant global economy and the weakened demand for consumer electronics products. Besides that, the competitive nature of the LCD TV business also had a significant impact on our Group of companies.





CORPORATE DEVELOPMENTS

We are pleased to announce that our new factory with a build-up of 120,000 square feet is completed and should receive Certificate of Completion & Compliance for occupation in February 2013. Our target is to provide Electronic Manufacturing Services (EMS) to new and existing clients. We target to be an OEM maker for consumer electronics and also for other industries such as agriculture, LED lightings, green industries and so on.



DIVIDEND

The Board do not recommend any dividend payment in respect of the financial year ended 31 August 2012. We decided to be conservative in view of the prolonged poor global economic condition, to provide for EMS requirements and for consolidation of operations.

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.

The level of compliance is set out in our Statement of Corporate Governance in pages 15 to 23.

CURRENT YEAR OUTLOOK

Though we anticipated a challenging year in 2012, the significant decline of LCD TV business was still unexpected. The poor global economic condition also affected demand for our other clients' products such as air-con, audio, microwave and DVD drives.

The current year 2013, will be another challenging one for the Group. Besides dealing with the poor global economic condition and the challenging LCD TV sector, we have also implemented the 'minimum wage' policy made compulsory by the Government of Malaysia beginning January 2013. Our Group is expected to incur additional salary cost as a result of implementing the minimum wage policy.

In overcoming these challenges, the Group

- a) Invested in automation. Among machines invested at the end of 2012 are auto tapping, auto riveting, auto spot welding, etc.

- b) Will move the PCB assembly division from Klang to Rawang. Crestronics will occupy part of the new 120,000 square feet factory. Besides enhancing our EMS business model by having PCB assembly and metal stamping at the same vicinity, we will also eliminate duplications and share resources such as machine, equipment, people and space.
- c) Tightening controls at every key aspect of operations including productivity, efficiency, quality and overtime control.
- d) Increasing the number of clients by venturing beyond electrical and electrical sectors.

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
Executive Chairman

NGIAM TEE WEE
Chief Executive Officer

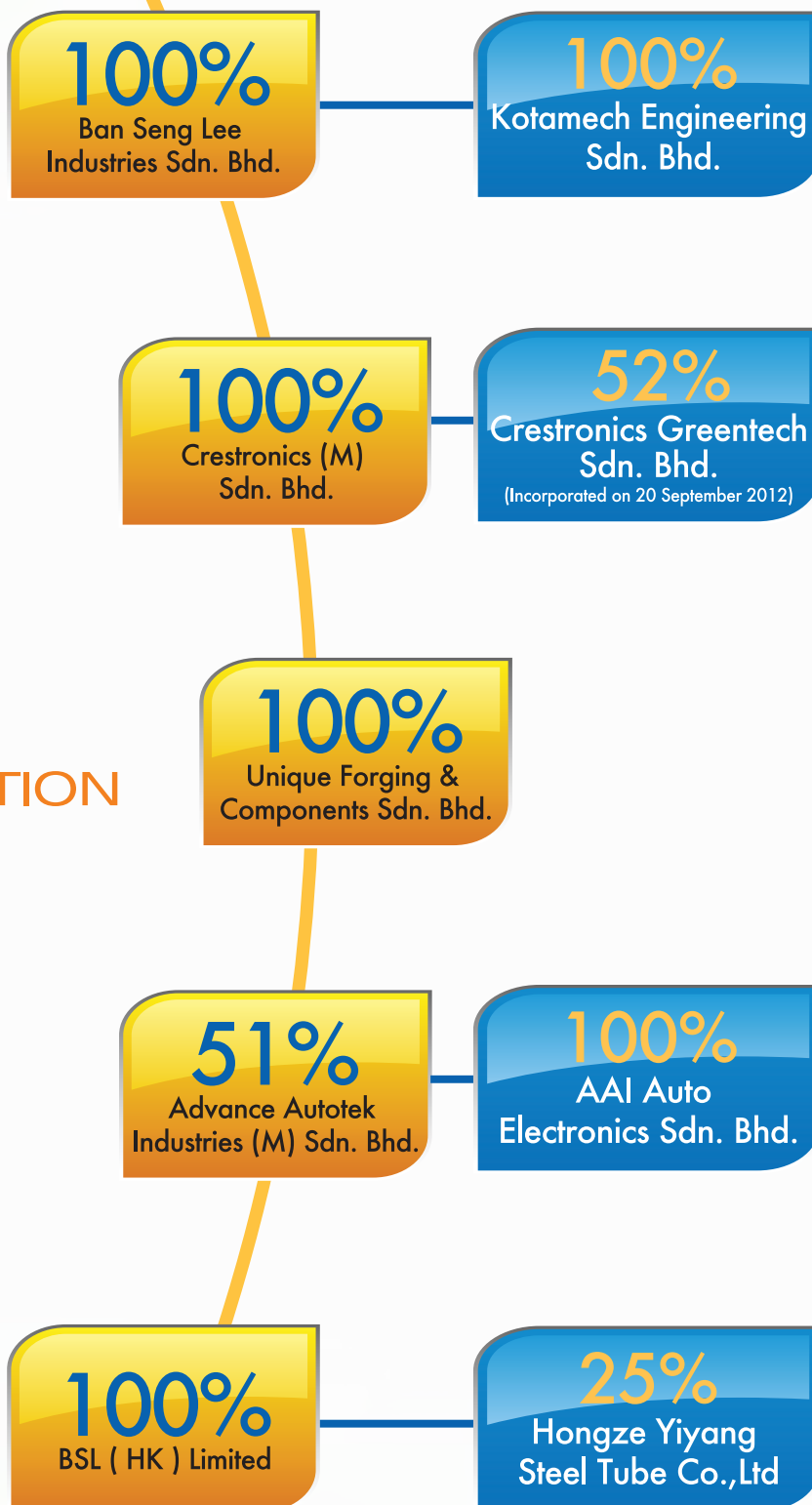
5 February 2013



CORPORATE STRUCTURE

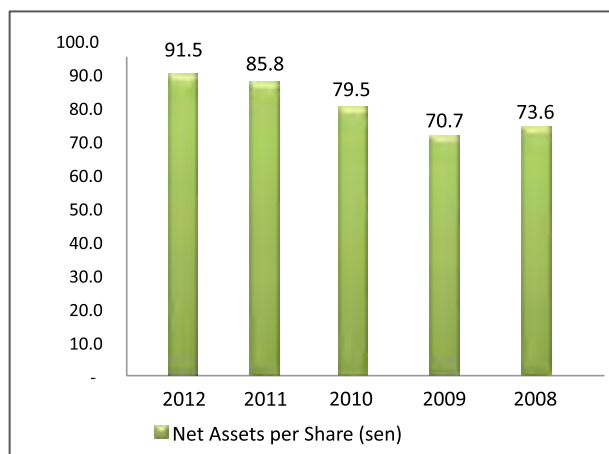
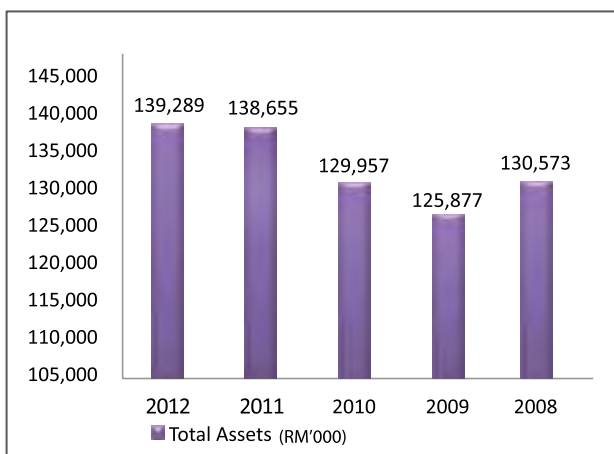
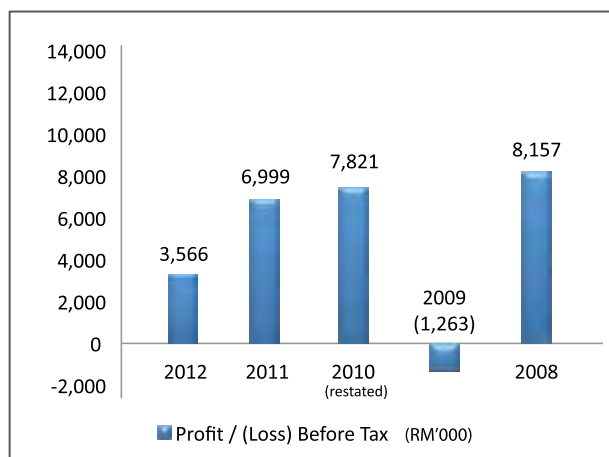
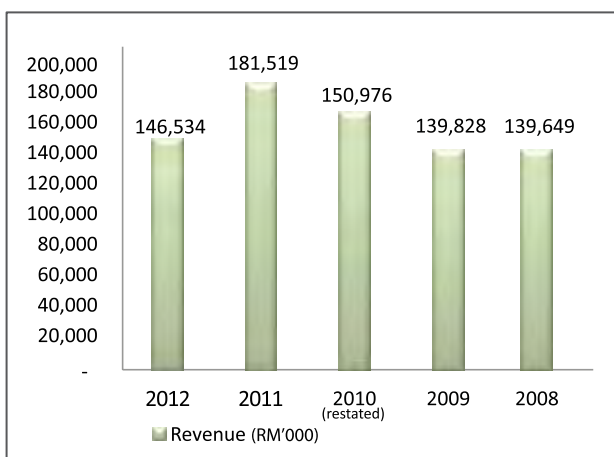


BSL
CORPORATION
BERHAD



GROUP FINANCIAL HIGHLIGHTS

	2012 RM'000	2011 RM'000	2010 RM'000 (restated)	2009 RM'000	2008 RM'000
Income					
Revenue	146,534	181,519	150,976	139,828	139,649
Profit / (Loss) Before Tax	3,566	6,999	7,821	(1,263)	8,157
Profit / (Loss) Attributable to Shareholders	1,741	6,209	8,275	(1,695)	4,833
Balance Sheet					
Total Assets	139,289	138,655	129,957	125,877	130,573
Shareholders' Fund	89,669	84,085	77,923	69,295	72,108
Paid-up Capital	49,000	49,000	49,000	49,000	49,000
Financial Ratios					
Return on Shareholders' Fund (%)	1.94	7.38	10.62	(2.45)	6.70
Earnings per Share (sen)	1.8	5.3	7.9	(1.7)	4.9
Net Assets per Share (sen)	91.5	85.8	79.5	70.7	73.6
Gross Dividend per Share -First and Final (sen)	-	-	-	-	1.3



CORPORATE GOVERNANCE STATEMENT

The Board of BSL Corporation Berhad is of the view that good corporate governance is fundamental for the protection and enhancement of shareholders' value. It has therefore, taken steps to ensure that the highest standards of corporate governance are practiced throughout the Group. Save and except where stated otherwise, the Company has complied throughout the financial year with all the best practices of corporate governance.

The Board wishes to report that in compliance with the Malaysian Code of Corporate Governance and the Best Practices set out in the Code, the following have been implemented and put in practice.

1. BOARD OF DIRECTORS

a. Composition of the Board and Board Balance

The Group is led and supervised by an effective Board; consisting of nine (9) members, six (6) Executive Directors and three (3) Independent Non-Executive Directors. This complies with paragraph 15.02 of the Listing Requirements of Bursa Malaysia Securities Berhad which requires at least three (3) or one third of the Board of the Company are independent directors.

The Directors are from various professions and bring to the Board a wide range of experience, skills and knowledge that are necessary to direct and manage successfully the business and affairs of the Group towards enhancing business prosperity and corporate accountability.

The profiles of the Directors are presented in pages 5 to 9.

b. Duties & Responsibilities

The Board assumes full responsibility for the overall performance of the Company and the Group. However, it is the six (6) Executive Directors who take on the primary responsibility of managing the Group's business and meeting the corporate objectives.

The Executive Chairman is primarily responsible for the orderly conduct and effectiveness of the Board while the Chief Executive Officer is responsible to the Board and the day to day running of the business, implementation of the Board policies and making corporate and operational decision. There is a clear division of responsibilities between the Executive Chairman and Chief Executive Officer to ensure a balance of power and authority within the Group.

The Non- Executive Directors play a pivotal role in corporate accountability by providing unbiased and independent views in the sharing of knowledge and experience towards the formation of policies and in the decision-making process.

CORPORATE GOVERNANCE STATEMENT (CONT'D)

1. BOARD OF DIRECTORS (cont'd)

c. Meetings

The Board endeavors to meet at least four (4) times a year, with additional meetings to be convened when necessary.

During the financial year, the Board held five (5) meetings, while the relevant Committees had six (6) meetings. Record of the directors' attendance is contained in the table below.

DIRECTOR	BOARD	AUDIT COMMITTEE	REMUNERATION COMMITTEE
Ngiam Tong Kwan	* (5/5)		* (1/1)
Ngiam Tee Wee	* (5/5)		
Ngiam Tee Yang	* (5/5)		
Teh Yoon Loy	* (5/5)		
Yukihiro Eguchi	* (3/5)		
Andy Woo Weng Kok	* (5/5)		
Datuk Dr Syed Muhamad Bin Syed Abdul Kadir	# * (5/5)	* (5/5)	
To' Puan Rozana Bte Tan Sri Redzuan	# * (4/5)	* (4/5)	* (1/1)
Ng Wai Pin	# * (5/5)	* (5/5)	* (1/1)

Note : *denotes membership and () indicates meetings attended out of the total scheduled meetings held since the beginning of the financial year. # denotes an independent member of the Board.

d. Supply of information

The Directors have full and unrestricted access to all information within the Group and such information are furnished in a form and quality that is required by them to discharge their duties concerning the state of the business and performance before each Board Meeting.

The Directors also have access to the services of the Company Secretaries who have ensured that all appointments were properly made and all statutory obligations as well as obligations arising from the listing rules of the exchange or other regulatory requirements are continuously met.

e. Board Committees

The Board has delegated specific responsibilities to the various Board Committees with clear defined Term of Reference.

The following Board Committees with the respective functions have been set up to assist the Board in discharging its responsibilities:-

(i) Audit Committee

The duties and responsibilities as reflected in the terms of reference of the Audit Committee as well as the members of the Committee are set out on pages 25 to 28 of this Annual Report.

CORPORATE GOVERNANCE STATEMENT

(CONT'D)

1. BOARD OF DIRECTORS (cont'd)

(ii) Remuneration Committee

The members of the Remuneration Committee are currently as follows:

1. **Ngiam Tong Kwan** (Executive Director)
(Chairman)
2. **To' Puan Rozana Bte Tan Sri Redzuan** (Independent Non-Executive Director)
(Member)
3. **Ng Wai Pin** (Independent Non-Executive Director)
(Member)

The Remuneration Committee shall recommend to the Board on the remuneration packages of Executive Directors, Chief Executive Officer and Senior Management of the Company and the Group in all its forms, drawing from outside advice as necessary.

The remuneration packages of non-executive directors should be determined by the Board of Directors as a whole with the director concerned abstaining from deliberations and voting on the decisions in respect of his individual remuneration.

(iii) Nomination Committee

The members of the Nomination Committee are currently as follows:

1. **Ngiam Tong Kwan** (Executive Director)
(Chairman)
2. **To' Puan Rozana Bte Tan Sri Redzuan** (Independent Non-Executive Director)
(Member)
3. **Ng Wai Pin** (Independent Non-Executive Director)
(Member)

The Nomination Committee shall :

1. Recommend the nomination of a person or persons for all directorships to be filled by the shareholders or the Board;
2. Consider, in making its recommendations, candidates for directorships proposed by the Chief Executive Officer and, within the bounds of practicability, by any other senior executive or any director or shareholder;
3. Recommend to the Board, directors to fill the seats on Board committees;
4. Assess annually the effectiveness of the Board as a whole, the committees of the Board and the contribution of each existing individual director and thereafter, recommend its findings to the Board; and
5. Review annually the required mix of skills and experience and other qualities, including core competencies which non-executive directors should bring to the board and thereafter, recommend its findings to the Board.

(iv) Risk Assessment and Monitoring Committee

The members of the Risk Assessment and Monitoring Committee are currently:

1. **Datuk Dr Syed Muhamad Bin Syed Abdul Kadir** (Independent Non-Executive Director)
(Chairman)
2. **To' Puan Rozana Bte Tan Sri Redzuan** (Independent Non-Executive Director)
(Member)
3. **Ngiam Tee Wee** (Chief Executive Officer / Executive Director)
(Member)

CORPORATE GOVERNANCE STATEMENT (CONT'D)

1. BOARD OF DIRECTORS (cont'd)

The duties and responsibilities of the Risk Assessment and Monitoring Committee are as follows :

- i. To provide oversight, direction and counsel to the risk management process.
- ii. To establish risk management guidelines.
- iii. To evaluate the structure for the Group risk management, risk management processes and support system.
- iv. To consider the quarterly report on risks, major findings and management responses thereto on material issues, changing environments and required changes in risk management programs.
- v. To carry out risk assessment on :
 - (i.) All capital expenditure proposals by the Group of companies exceeding a certain limit;
 - (ii.) Any business ventures into new areas of business and any investment outside of Malaysia; and
 - (iii.) Any transaction which carries exceptional terms, conditions or obligations including contingent obligations.
- vi. To review and approve action and contingency plans developed to mitigate key risks.
- vii. To advise the Board on the risk related issues and recommend strategies, policies and risk tolerance for Board approval.

f. Appointment to the Board

Any proposed new appointments to the Board will require deliberation by the full Board guided by a formal recommendation report prepared by the Nomination Committee.

g. Re-election of Directors

In accordance with the Company's Articles of Association, one-third (1/3) of the Directors shall retire from office provided always that all Directors shall retire from office once at least in each three (3) years, but shall be eligible for re-election.

Directors who are appointed by the Board to fill a casual vacancy shall hold office until the next following Annual General Meeting and shall then be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at that meeting.

Directors over seventy (70) years of age are required to submit themselves for re-appointment annually in accordance with Section 129(6) of the Companies Act, 1965.

h. Directors' Training

All the Directors have attended the Mandatory Accreditation Program conducted by the Research Institute of Investment Analyst's Malaysia (RIIAM). The 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 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.

CORPORATE GOVERNANCE STATEMENT

(CONT'D)

1. BOARD OF DIRECTORS (cont'd)

During the financial year ended 31 August, 2012, the Directors had attended the following trainings, seminars and forums:

Directors	Title of Training	Duration
Ngiam Tong Kwan	- Key Amendments to Listing Requirements 2011	Half day
	- Key Recommendation from Malaysia Code on Corporate Governance 2012	Half day
Ngiam Tee Wee	- Key Amendments to Listing Requirements 2011	Half day
	- Key Recommendation from Malaysia Code on Corporate Governance 2012	Half day
Teh Yoon Loy	- Key Amendments to Listing Requirements 2011	Half day
	- Key Recommendation from Malaysia Code on Corporate Governance 2012	Half day
Andy Woo Weng Kok	- Key Amendments to Listing Requirements 2011	Half day
	- Key Recommendation from Malaysia Code on Corporate Governance 2012	Half day
Ngiam Tee Yang	- Key Amendments to Listing Requirements 2011	Half day
	- Key Recommendation from Malaysia Code on Corporate Governance 2012	Half day
Yukihiro Eguchi	- Key Amendments to Listing Requirements 2011	Half day
	- Key Recommendation from Malaysia Code on Corporate Governance 2012	Half day
To' Puan Rozana Bte Tan Sri Redzuan	- Key Amendments to Listing Requirements 2011	Half day
	- Key Recommendation from Malaysia Code on Corporate Governance 2012	Half day
Ng Wai Pin	- Key Amendments to Listing Requirements 2011	Half day
	- Key Recommendation from Malaysia Code on Corporate Governance 2012	Half day
	- Bursa CEO and CFC Training	One day
	- Semicon West	One Day

CORPORATE GOVERNANCE STATEMENT

(CONT'D)

1. BOARD OF DIRECTORS (cont'd)

Directors	Title of Training	Duration
Datuk Dr. Syed Muhamad Bin Syed Abdul Kadir	- Khazanah Megatrends Forum 2011 - Uncertainty as Normality : Navigating through complex interconnection	One day
	- The First Asian Bank Watchers Conference : Asian Perspective on World Finance : Promoting Financial and Monetary Stability at a Time Transition at Sasana Kijang, Bank Negara Malaysia	One day
	- Amendments to the Listing Requirements (Disclosure & Others) and Corporate Disclosure Guide +	One day
	- Malaysian Corporate Governance Index 2011	One day
	- 6th International Shari'ah Scholars Forum at Intercontinental Hotel, Jalan Ampang, Kuala Lumpur.	Two days
	- Establishment of International Funds in Dublin Ireland at Mandarin Oriental Hotel, KL	One day
	- Bank Negara Malaysia's 2011 Annual Report / Financial Stability and Payment Systems Report Briefing	One day
	- Deliver a talk on "Governance of Islamic Banks – future challenges" at Case Study Room, INCEIF, Lorong Universiti A, Petaling Jaya.	One day
	- Briefing on Pillar 3 Disclosure	One day
	- Oliver Wyman: Board Training on BNM requirements for the ICAAP process.	One day
	- GLC Town Hall Engagement with the Prime Minister at the Putrajaya International Convention Centre (PICC).	One day
	- Invest Malaysia 2012	Two days
	- CIMB ASEAN Conference at Mandarin Oriental Hotel, Kuala Lumpur	One day
	- CIMB-Boardroom: Corporate Governance Today and the Directors Moving Forward	One day
	- Board Training with Oliver Wyman	One day
	- Guest panelist at MINDA's Women Directors Onboarding Training Programme (WDOTP)	One day
	- Directors' Duties, Defences, Bursa Malaysia and Judicial Review	One day
	- Competition Law: How It May Impact the Way We Do Business	One day
	- MINDA Luncheon Talk with Mr Jeffrey R. Immelt: Innovation for Growth	One day

CORPORATE GOVERNANCE STATEMENT

(CONT'D)

2. DIRECTORS' REMUNERATION

The Remuneration Committee recommends to the Board, the remuneration framework and package of the Executive Directors, taking into consideration of the experience, level of responsibilities undertaken and the performance of each Executive Director.

Directors' fees are recommended by the Board for approval by the shareholders of the Company at annual general meetings.

Details of the remuneration of the Directors for the financial year ended 31 August, 2012 are set out as follows:

	Salaries & Bonus RM	Other benefits RM	Fees RM	Total RM
Executive Directors	1,657,250	126,218	187,600	1,971,068
Non-Executive Directors	-	3,300	94,600	97,900
Total	1,657,250	129,518	282,200	2,068,968

A breakdown of Directors' remuneration for the financial year ended 31 August, 2012 in successive bands of RM50,000.00 are as follows :

Range of Remuneration(RM)	No. of Director Executive	No. of Director Non-Executive
1 – 50,000	-	3
150,001 – 200,000	1	-
200,001 – 250,000	1	-
250,001 – 300,000	1	-
300,001 – 350,000	1	-
351,001 – 400,000	1	-
400,001 – 450,000	1	-
Total	6	3

3. COMMUNICATION WITH SHAREHOLDERS & INVESTORS

The Board values and encourages dialogues with shareholders and investors to facilitate timely dissemination of information on the Group's performance and major developments via appropriate channels of communication.

The Annual General Meeting will be the principal forum for dialogue with individual shareholders, as it provides shareholders the opportunity to ask questions about the resolutions being proposed or about the Company's operations in general, the Board recognises there is a need to maintain an open and continuous communication outside the general meetings.

Apart from our commitment to ensure that all material information relating to the Group is disclosed in a timely manner through announcements to Bursa Malaysia.

CORPORATE GOVERNANCE STATEMENT

(CONT'D)

4. ACCOUNTABILITY AND AUDIT

a. Financial Reporting

In presenting the annual financial statements and quarterly consolidated results, the Board aims to provide a true and fair view of the state of affairs of the Group and of the Company, as well as the results and cash flows of the Group and of the Company. In the preparation of the financial statements, the Group is in compliance of the appropriate accounting policies and approved accounting standards.

In addition, the Audit Committee assists the Board in examining information to be disclosed to the public and relevant regulators to ensure the accuracy and authenticity of such information.

b. Internal Control

The Board acknowledges its responsibility for maintaining a sound system of internal control. The Board also recognises that reviewing of the Group's systems of internal control is a concerted and continuing process, designed to manage rather than eliminate the risk of failure to achieve business objectives.

A separate statement on Internal Control is provided on page 24.

c. Relationship with Auditors

The Board has established a formal and transparent arrangement with the Group's auditors in seeking professional advice and ensuring compliance with the approved accounting standards in Malaysia.

5. ADDITIONAL COMPLIANCE INFORMATION

(a) Utilisation of Proceeds

The Company did not raise any proceeds from corporate proposals during the financial year ended 31 August, 2012.

(b) Share Buy-back

The Company did not buy back any share during the financial year ended 31 August 2012.

(c) Options, Warrants or Convertible Securities

There were no options, warrants or convertible securities exercised during the financial year ended 31 August, 2012.

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

The Company did not sponsor any of those programs during the financial year ended 31 August, 2012.

CORPORATE GOVERNANCE STATEMENT

(CONT'D)

5. ADDITIONAL COMPLIANCE INFORMATION (cont'd)

(e) Sanctions and / or Penalties

There were no sanctions or penalties imposed on the Company and its subsidiaries, directors or management by the relevant regulatory bodies during the financial year under review.

(f) Non-audit Fees

There were non-audit fees of RM15,000 payable to the External Auditor during the financial year ended 31 August, 2012.

(g) Variation in Results

There is no material variance between the audited results for the financial year ended 31 August, 2012 and the unaudited results previously announced.

(h) Profit Guarantees

During the financial year ended 31 August, 2012, 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, 2012 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, 2012 are disclosed in Notes 6 and 28 of the financial statements in pages 64 and 89 of this Annual Report.

(k) Revaluation of landed properties

The Group has adopted a policy on regular revaluation on landed properties. This is disclosed in Notes 3 and 11 of the Notes to the Financial Statements.

(l) Corporate Social Responsibility

The Board, whilst pursuing the business objectives of growth in enhancing shareholder value, is also cognizant of its corporate social responsibility and the importance of the contribution it can make in respect thereof, particularly towards improving the workplace, the community it operates in and the environment.

The Group is constantly reviewing its workplace and policies to provide a conducive working environment and ensure proper development and utilization of its human resources. Personal development is encouraged and employees are encouraged to improve their knowledge through attendance at relevant seminars and workshops, the cost of which are fully subsidized by the Group.

STATEMENT ON INTERNAL CONTROL

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.

KEY PROCESSES

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 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 of Directors 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 audit function has focused on high priority activities determined by risk assessment and in accordance with the audit planning memorandum approved by the Audit Committee. Please refer to the Audit Committee Report as set out on pages 25 to 28. The cost incurred for the internal audit functions for the financial year ended 31 August, 2012 was RM33,658.

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 9001:2000 & ISO 14001:2004. Documented internal procedures and standard operating procedures have been put in place and surveillance audits are conducted twice 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 Board is of the view that there were no significant weaknesses in the system of internal control of the Group that may have a material impact on the operations of the Group for the financial year ended 31 August, 2012. The Board will continue to take necessary measures to strengthen and improve its internal control structure in order to manage the risks more effectively.

AUDIT COMMITTEE REPORT

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 amongst 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.
 - (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 Malaysia Securities Berhad 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;

AUDIT COMMITTEE REPORT

(CONT'D)

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; and
- (2) To recommend the nomination of a person or persons as external auditors.
 - (3) To report promptly to the Bursa Malaysia Securities Bhd (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.

AUDIT COMMITTEE REPORT

(CONT'D)

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.

AUDIT COMMITTEE REPORT

(CONT'D)

SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE

During the financial year ended 31 August, 2012, the Audit Committee held five (5) meetings and the attendance record is as follows:

Name of Committee Members	Total Meetings in the Financial Year during Committee Member's Tenure	Number of Meeting Attended
Datuk Dr Syed Muhamad Bin Syed Abdul Kadir	5	5
To' Puan Rozana Bte Tan Sri Redzuan	5	4
Ng Wai Pin	5	5

The following activities were carried out by the Audit Committee during the financial year ended 31 August, 2012 :

- Reviewing the unaudited quarterly financial results announcements and annual audited financial statements of the Group prior to making recommendation to the Board for consideration and approval.
- Reviewing the major findings of the internal audit investigation and managements' responses and ensure that appropriate actions are taken on the recommendation of the internal audit function.
- Review the related party transaction entered into by BSL 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 Board meeting.

The internal audit plan was approved by the Audit Committee and the scope of internal audit covers the audits of all operations of all subsidiary companies in the Group.

The Board of Directors is required under Paragraph 15.26 (a) of the Bursa Malaysia Main Market Listing Requirements to issue a statement explaining its responsibility for preparing the annual audited financial statements.

DIRECTORS' RESPONSIBILITIES STATEMENT

It is the responsibility of the Board to ensure that the financial statements are prepared in accordance with the provisions of the Companies Act, 1965, and applicable approved accounting standards in Malaysia. In preparing the financial statements on going concern basis, the Board of Directors have selected appropriate accounting policies and applied them consistently and prudently with reasonable judgements and estimates.

The Board of Directors is also responsible for taking such steps as are reasonably available to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

DIRECTORS' REPORT

The directors of BSL CORPORATION BERHAD, have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended August 31, 2012.

PRINCIPAL ACTIVITIES

The Company is principally an investment holding company.

The principal activities of the subsidiary companies are disclosed in Note 12 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
Profit before tax	3,566,269	1,893,352
Income tax expense	(1,825,455)	(463,989)
Profit for the year	1,740,814	1,429,363
Profit attributable to:		
Equity holders of the Company	1,703,203	
Non-controlling interest	37,611	
	1,740,814	

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.

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 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.

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
Yukihiro Eguchi
Andy Woo Weng Kok
Ng Wai Pin
To' Puan Rozana Bte Tan Sri Redzuan

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 31.8.2012
	Balance at 1.9.2011	Bought	Sold	
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
Yukihiro Eguchi	58,445	-	-	58,445
Andy Woo Weng Kok	60,000	-	-	60,000
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
Andy Woo Weng Kok**	47,000	-	-	47,000

DIRECTORS' REPORT

(CONT'D)

DIRECTORS' INTERESTS (cont'd)

	Number of ordinary shares of RM1.00 each			Balance at 31.8.2012
	Balance at 1.9.2011	Bought	Sold	
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
Yukihiro Eguchi	3,050	-	-	3,050

* Deemed interest by virtue of his substantial interest in Esteem Role Sdn. Bhd.

** Deemed interest held through his family members.

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 26 and 28 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.

DIRECTORS' REPORT

(CONT'D)

AUDITORS

The auditors, Messrs. Deloitte Kassim Chan, 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 28, 2012

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, 2012 and the statements of 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 37 to 97.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatements, 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 have been properly drawn up in accordance with Financial Reporting Standards and 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, 2012 and their financial performance and cash flows of the Group and of the Company for the financial year then ended.

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 12 to the financial statements, being financial statements that have been included in the financial statements of the Group;

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF BSL CORPORATION BERHAD (CONT'D)

(INCORPORATED IN MALAYSIA)

- (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 35 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 towards any other person for the contents of this report.

DELOITTE KASSIMCHAN
AF 0080
Chartered Accountants

HIEW KIM TIAM
Partner - 1717/08/13 (J)
Chartered Accountant

December 28, 2012

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED AUGUST 31, 2012

		The Group		The Company	
	Note	2012 RM	2011 RM	2012 RM	2011 RM
Continuing operations					
Revenue	5	146,534,364	181,518,653	1,500,000	-
Other income	6	1,384,049	721,769	897,530	689,389
Investment income	6	433,474	137,884	-	37,116
Changes in inventories of work-in-progress and finished goods		(1,113,729)	749,106	-	-
Raw materials and consumables used		(87,828,968)	(113,411,939)	-	-
Production overheads		(13,047,175)	(15,702,122)	-	-
Staff costs	6	(24,284,864)	(27,190,829)	-	-
Depreciation of property, plant and equipment	11	(6,944,108)	(6,969,673)	-	-
Finance costs	7	(1,411,376)	(1,543,987)	-	(274,013)
Other expenses	6	(9,494,470)	(11,995,301)	(504,178)	(727,822)
Share of results of associated company	13	(660,928)	685,918	-	-
Profit/(Loss) before tax		3,566,269	6,999,479	1,893,352	(275,330)
Tax (expense)/income	8	(1,825,455)	(1,818,934)	(463,989)	71,333
Profit/(Loss) for the year from continuing operations		1,740,814	5,180,545	1,429,363	(203,997)
Discontinued operations					
Profit before tax		-	2,731,886	-	-
Income tax expense		-	(714,726)	-	-
Profit for the year from discontinued operations	9	-	2,017,160	-	-
Profit/(Loss) for the year		1,740,814	7,197,705	1,429,363	(203,997)
(Forward)					

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED AUGUST 31, 2012 (CONT'D)

		The Group		The Company	
	Note	2012 RM	2011 RM	2012 RM	2011 RM
Other comprehensive income:					
Gain on revaluation of property, plant and equipment (net of deferred tax of RM125,579)	11	4,084,683	-	-	-
Exchange differences on translation of foreign operations		(204,087)	201,672	-	-
Other comprehensive income for the year, net of tax		3,880,596	201,672	-	-
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR		5,621,410	7,399,377	1,429,363	(203,997)
Profit attributable to:					
Equity holders of the Company		1,703,203	6,209,296		
Non-controlling interest		37,611	988,409		
		1,740,814	7,197,705		
Total comprehensive income attributable to:					
Equity holders of the Company		5,583,799	6,410,968		
Non-controlling interest		37,611	988,409		
		5,621,410	7,399,377		
Basic earnings per ordinary share (sen)	10				
From continuing operations		1.8	5.3		
From continuing and discontinued operations		1.8	6.4		

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

STATEMENTS OF FINANCIAL POSITION

AS OF AUGUST 31, 2012

		The Group		The Company	
	Note	2012 RM	2011 RM	2012 RM	2011 RM
ASSETS					
Non-Current Assets					
Property, plant and equipment	11	69,483,823	61,484,907	-	-
Investment in subsidiary companies	12	-	-	49,046,047	49,046,047
Investment in associated company	13	2,849,421	3,871,123	-	-
Goodwill on consolidation	14	-	-	-	-
Quoted investments	15	-	-	-	-
Other investments	16	-	-	-	-
Total Non-Current Assets		72,333,244	65,356,030	49,046,047	49,046,047
Current Assets					
Inventories	17	12,083,651	13,655,802	-	-
Trade receivables	18	19,857,719	27,924,118	-	-
Other receivables, deposits and prepaid expenses	18	3,568,930	2,333,322	-	1,400
Tax recoverable		281,014	277,035	219,387	229,387
Amount owing by subsidiary companies	12	-	-	16,646,552	16,444,021
Short-term deposits with licensed banks	19	19,613,510	15,901,756	-	-
Cash and bank balances	29	11,551,085	13,206,939	1,559,822	308,199
Total Current Assets		66,955,909	73,298,972	18,425,761	16,983,007
TOTAL ASSETS		139,289,153	138,655,002	67,471,808	66,029,054

STATEMENTS OF FINANCIAL POSITION

AS OF AUGUST 31, 2012 (CONT'D)

		The Group		The Company	
	Note	2012 RM	2011 RM	2012 RM	2011 RM
EQUITY AND LIABILITIES					
Capital and Reserves					
Share capital	20	49,000,000	49,000,000	49,000,000	49,000,000
Treasury shares	21	(366,573)	(366,573)	(366,573)	(366,573)
Reserves	22	41,035,507	35,451,708	3,826,536	2,397,173
Equity attributable to equity holders of the Company		89,668,934	84,085,135	52,459,963	51,030,600
Non-controlling interest		4,720,511	4,682,900	-	-
Total Equity		94,389,445	88,768,035	52,459,963	51,030,600
Non-Current and Deferred Liabilities					
Hire-purchase payables - non-current portion	23	964,852	2,399,273	-	-
Term loans - non-current portion	24	16,169,841	10,635,750	-	-
Deferred tax liabilities	25	1,999,579	1,893,000	-	-
Total Non-Current and Deferred Liabilities		19,134,272	14,928,023	-	-
Current Liabilities					
Trade payables	26	14,504,469	19,692,188	-	-
Other payables and accrued expenses	26	2,450,441	4,382,421	69,075	55,684
Amount owing to subsidiary company	28	-	-	14,942,770	14,942,770
Hire-purchase payables - current portion	23	1,880,117	2,416,889	-	-
Bank borrowings	27	4,816,737	6,382,700	-	-
Term loans - current portion	24	2,113,672	1,467,000	-	-
Tax liabilities		-	617,746	-	-
Total Current Liabilities		25,765,436	34,958,944	15,011,845	14,998,454
Total Liabilities		44,899,708	49,886,967	15,011,845	14,998,454
TOTAL EQUITY AND LIABILITIES		139,289,153	138,655,002	67,471,808	66,029,054

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED AUGUST 31, 2012

The Group	Non-distributable						Distributable		Attributable		Total RM
	Share capital RM	Treasury shares RM	Share premium RM	Revaluation reserve RM	Foreign currency translation reserve RM	Reserve - Retained earnings RM	to equity holders of the Company RM	Non-controlling interest RM			
Balance as of September 1, 2011	49,000,000	(366,573)	1,767,230	-	530,864	33,153,614	84,085,135	4,682,900	88,768,035		
Profit for the year	-	-	-	-	-	1,703,203	1,703,203	37,611	1,740,814		
Other comprehensive income	-	-	-	4,084,683	(204,087)	-	3,880,596	-	3,880,596		
Total comprehensive income for the year	-	-	-	4,084,683	(204,087)	1,703,203	5,583,799	37,611	5,621,410		
Balance as of August 31, 2012	49,000,000	(366,573)	1,767,230	4,084,683	326,777	34,856,817	89,668,934	4,720,511	94,389,445		

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED AUGUST 31, 2012 (CONT'D)

The Group	Non-distributable					Distributable		Attributable to equity holders of the Company	Non-controlling interest	Total
	Share capital	Treasury shares	Share premium	Revaluation reserve	Foreign currency translation reserve	Retained earnings	RM	RM	RM	RM
Balance as of September 1, 2010	49,000,000	(117,400)	1,767,230	-	329,192	26,944,318	77,923,340	2,474,735	-	80,398,075
Share of profit guarantee of non-controlling interest	-	-	-	-	-	-	-	1,219,756	-	1,219,756
Repurchase of shares	-	(249,173)	-	-	-	-	(249,173)	-	-	(249,173)
Profit for the year	-	-	-	-	-	6,209,296	6,209,296	988,409	-	7,197,705
Other comprehensive income	-	-	-	-	201,672	-	201,672	-	-	201,672
Total comprehensive income for the year	-	-	-	-	201,672	6,209,296	6,410,968	988,409	-	7,399,377
Balance as of August 31, 2011	49,000,000	(366,573)	1,767,230	-	530,864	33,153,614	84,085,135	4,682,900	-	88,768,035

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED AUGUST 31, 2012 (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, 2010	49,000,000	(117,400)	1,767,230	833,940	51,483,770
Total comprehensive loss	-	-	-	(203,997)	(203,997)
Repurchase of shares	-	(249,173)	-	-	(249,173)
Balance as of August 31, 2011	49,000,000	(366,573)	1,767,230	629,943	51,030,600
Total comprehensive income	-	-	-	1,429,363	1,429,363
Balance as of August 31, 2012	49,000,000	(366,573)	1,767,230	2,059,306	52,459,963

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

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED AUGUST 31, 2012

	The Group		The Company	
	2012	2011	2012	2011
	RM	RM	RM	RM
CASH FLOWS FROM/ (USED IN)				
OPERATING ACTIVITIES				
Profit/(Loss) for the year	1,740,814	7,197,705	1,429,363	(203,997)
Adjustments for:				
Tax expense/(income) recognised in profit or loss	1,825,455	2,533,660	463,989	(71,333)
Depreciation of property, plant and equipment	6,944,108	7,016,704	-	-
Impairment of investment in associated company	360,774	-	-	-
Interest expense	1,411,376	1,566,005	-	274,013
Share of results of associated company	660,928	(685,918)	-	-
Allowance for doubtful debts	-	391,974	-	-
Quoted investment written off	-	1,700	-	-
Goodwill on consolidation written off	-	1,896,549	-	-
Property, plant and equipment written off	3,003	29,156	-	-
Interest income	(433,474)	(137,884)	-	(37,116)
Allowance for doubtful debts no longer required - net	(187,378)	-	-	-
Unrealised (gain)/loss on foreign exchange - net	(253,219)	162,425	(205,847)	211,469
Gain on disposal of property, plant and equipment	(181,901)	(18,821)	-	-
Dividend income	-	-	(1,500,000)	-
Interest receivable from subsidiary companies	-	-	(691,683)	(688,389)
Operating Profit/(Loss) Before Working Capital Changes	11,890,486	19,953,255	(504,178)	(515,353)

(Forward)

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED AUGUST 31, 2012

	The Group		The Company	
	2012	2011	2012	2011
	RM	RM	RM	RM
Decrease/(Increase) in:				
Inventories	1,572,151	2,327,690	-	-
Trade receivables	8,476,552	908,985	-	-
Other receivables, deposits and prepaid expenses	(724,738)	1,636,479	1,400	(1,400)
Amount owing by subsidiary companies	-	-	694,999	1,721,002
(Decrease)/Increase in:				
Trade payables	(5,192,072)	3,123,505	-	-
Other payables and accrued expenses	(1,986,460)	822,833	13,391	(144,151)
Amount owing to subsidiary company	-	-	-	2,699,927
Cash Generated From Operations	14,035,919	28,772,747	205,612	3,760,025
Income tax refunded	10,115	60,415	-	-
Income tax paid	(2,476,295)	(1,771,311)	(78,989)	-
Net Cash From Operating Activities	11,569,739	27,061,851	126,623	3,760,025
CASH FLOWS FROM/ (USED IN)				
INVESTING ACTIVITIES				
Dividend received	-	-	1,125,000	-
Proceeds from disposal of property, plant and equipment	190,388	38,960	-	-
Proceeds from disposal of leasehold land in prior year	-	2,970,000	-	-
Proceeds from profit guarantee received	-	2,489,297	-	-
Interest received	433,474	137,884	-	37,116
Deposits and incidental costs paid for acquisition of land and plant and machinery	(510,870)	-	-	-
Additions to property, plant and equipment (Note)	(10,249,252)	(7,233,840)	-	-
Net Cash (Used In)/From Investing Activities	(10,136,260)	(1,597,699)	1,125,000	37,116
(Forward)				

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED AUGUST 31, 2012 (CONT'D)

	The Group		The Company	
	2012 RM	2011 RM	2012 RM	2011 RM
CASH FLOWS FROM/ (USED IN)				
FINANCING ACTIVITIES				
Proceeds from term loans	7,647,763	3,870,000	-	-
Repayment of hire-purchase payables	(2,466,193)	(4,230,902)	-	-
Repayment of bank borrowings	(1,565,963)	(217,264)	-	-
Interest paid	(1,356,896)	(1,566,005)	-	(274,013)
Repayment of term loans	(1,467,000)	(7,509,366)	-	(5,600,000)
Short-term deposits pledged with licensed banks	(22,526)	(20,069)	-	-
Purchase of treasury shares	-	(249,173)	-	(249,173)
Net Cash From/(Used In) Financing Activities	769,185	(9,922,779)	-	(6,123,186)
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS	2,202,664	15,541,373	1,251,623	(2,326,045)
Effect of changes in foreign currency translation reserves	(169,290)	249,126	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	28,355,295	12,564,796	308,199	2,634,244
CASH AND CASH EQUIVALENTS AT END OF YEAR	29 30,388,669	28,355,295	1,559,822	308,199

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

	The Group	
	2012 RM	2011 RM
Total cost of property, plant and equipment acquired	10,744,252	11,504,215
Less: Purchase consideration satisfied by hire-purchase arrangements	(495,000)	(4,270,375)
Cash payments	10,249,252	7,233,840

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED AUGUST 31, 2011

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 as disclosed in Note 12.

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

The registered office of the Company is located at Level 17, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur.

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

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 28, 2012.

2. BASIS OF PREPARATION OF ACCOUNTS

The financial statements of the Group and of the Company were prepared in accordance with the provisions of the Companies Act, 1965 and Financial Reporting Standards ("FRS") in Malaysia.

Adoption of New and Revised Financial Reporting Standards

On September 1, 2011, the Group and the Company adopted all the new and revised FRSs and Issues Committee Interpretations ("IC Ints.") which are mandatory for financial periods beginning on or after September 1, 2011 as follows:

FRS 1	First-time Adoption of Financial Reporting Standards (Amendments relating to limited exemption from comparative FRS 7 disclosures for first-time adopters)
FRS 1	First-time Adoption of Financial Reporting Standards (Amendments relating to additional exemption for first-time adopters)
FRS 2	Share-based Payment (Amendments relating to Group Cash-Settled Share-based Payment Transactions)
FRS 7	Financial Instruments: Disclosures (Amendments relating to improving disclosures about financial instruments)
Improvements to FRSs 2010	
IC Interpretation 4	Determining whether an Arrangement contains a Lease
IC Interpretation 14	FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (Amendments relating to prepayments of a Minimum Funding Requirement)
IC Interpretation 18	Transfers of Assets from Customers
IC Interpretation 19	Extinguish Financial Liabilities with Equity Instruments

The adoption of these new and revised FRSs did not result in significant changes in the accounting policies of the Group and of the Company and has no significant effect on the financial statements of the Group and of the Company.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

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

Malaysian Financial Reporting Standards

On November 19, 2011, the MASB issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards Framework ("MFRS" Framework) in conjunction with its planned convergence of FRSs with International Financial Reporting Standards ("IFRS") as issued by the International accounting Standards Board on January 1, 2012.

The MFRS Framework is a fully IFRS-compliant framework, equivalent to IFRSs which is mandatory for adoption by all Entities Other than Private Entities for annual periods beginning on or after January 1, 2012, with the exception for Transitioning Entities. Transitioning Entities, being entities which are subject to the application of MFRS 141 *Agriculture* and/or IC Interpretation 15 Agreements for the Construction of Real Estate are given an option to defer adoption of the MFRS Framework for an additional one year. Transitioning Entities also include those entities that consolidate, equity account or proportionately consolidate an entity that has chosen to continue to apply the FRS Framework for annual periods beginning on or after January 1, 2012. However, on June 30, 2012, the MASB decided to extend the aforementioned transitional period for another one year. Thus, Transitioning Entities are given an additional option to continue to apply the FRS Framework for annual periods beginning on or after January 1, 2013. Consequently, the MFRS Framework will be mandatory for application for annual periods beginning on or after January 1, 2014.

Accordingly, the Group and the Company which are not Transitioning Entities will be required to apply MFRS 1 *First-time Adoption of Malaysian Financial Reporting Standards* (MFRS 1) in its financial statements for the financial year ending August 31, 2013, being the first set of financial statements prepared in accordance with the new MFRS Framework. Further, an explicit and unreserved statement of compliance with IFRSs will be made in these financial statements.

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.

Revenue

Revenue of the Group represents gross invoiced value of goods sold, net of sales tax, discounts and returns whereas revenue of the Company represents dividend income from subsidiary companies.

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

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 and dividend income is recognised when the shareholders' rights to receive payment is established.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

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 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 has no further payment obligations. The Group'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 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 are included in profit or loss for the year except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

The closing rates used in the translation of foreign currencies are as follows:

Currencies	2012 RM	2011 RM
1 United States Dollar	3.1265	2.9800
100 Japanese Yen	3.9760	3.8834

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

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.

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 include the financial statements of the Company and entities controlled by the Company (its subsidiary companies) as mentioned in Note 12 made up to August 31, 2012. The financial statements of the subsidiary companies are prepared for the same reporting date as the Company.

The results of the subsidiary companies acquired or disposed during the year are included in the statement of comprehensive income from the date of their acquisitions or up to the effective date of their disposals.

All significant inter-company transactions, balances and resulting unrealised gains are eliminated on consolidation and the consolidated financial statements reflect external transactions only. Unrealised losses are eliminated on consolidation when costs cannot be recovered. Uniform accounting policies are adopted in the Group's financial statements for like transactions and events in similar circumstances.

Non-controlling interests in the net assets of consolidated subsidiary companies are identified separately from the Group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination (see below) and the non-controlling share of changes in equity since the date of combination.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Basis of Consolidation (cont'd)

The interest of non-controlling shareholders in the acquiree is initially measured at the minority's proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

For the purpose of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in Ringgit Malaysia using exchange rates prevailing at the end of the reporting period. Income and expense items (including comparatives) are translated at the average exchange rates for the financial year, unless exchange rates fluctuated significantly during that financial year, in which case the exchange rates at the dates of the transactions are used.

The results of foreign associated company are translated at the average rate of exchange for the financial year.

Exchange differences arising, if any, are classified as equity and transferred to the Group's translation reserve. Such translation differences are recognised in profit or loss in the year in which the foreign operation or foreign associated company is disposed of.

Business Combinations

The acquisition of subsidiary companies is accounted for using the purchase method. The cost of the 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, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under FRS 3: Business Combinations, is recognised at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with FRS 5: Non-current Assets Held for Sale and Discontinued Operations, which are recognised and measured at fair value less costs to sell.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities recognised exceeds the cost of the business combination, the excess is recognised immediately in profit or loss.

Goodwill on Consolidation

Goodwill on consolidation 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 subsidiaries at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

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

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

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Impairment of 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.

Discontinued Operations

A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations that has been disposed of or is held for sale, or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative profit or loss is restated as if the operations had been discontinued from the start of the comparative period.

Property, Plant and Equipment

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

Freehold land and buildings are stated at valuation and are revalued at regular intervals of at least once in every five years by the directors based on the valuation reports of independent professional valuers using the "comparison method of valuation" basis with additional valuation in the intervening years where market conditions indicate that the carrying values of the revalued assets differ materially from the market value.

Any revaluation increase arising on the revaluation of such land and buildings is recognised in other comprehensive income and accumulated in equity, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously recognised in profit or loss. A decrease in the carrying amount arising on the revaluation of such land and buildings is recognised in profit or loss to the extent that it exceeds the balance, if any, held in the revaluation reserve relating to a previous revaluation of that asset.

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.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Property, Plant and Equipment (cont'd)

Depreciation on revalued buildings is recognised in profit or loss. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the revaluation reserve is transferred directly to retained earnings.

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. Upon disposal of revalued assets, the amounts in revaluation reserve account relating to the assets disposed are transferred to retained earnings.

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

Subsidiary companies are those entities controlled by the Group and the Company. Control exists when the Group and the Company have the power to govern the financial and operational policies of an enterprise so as to obtain benefits from its activities. Control is presumed to exist when the Group owns, directly or indirectly through subsidiary companies, more than half of the voting power of the entity.

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

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Associated Company

An associated company is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. 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.

Investment in associated company is stated at cost less impairment losses, if any, in the Company's separate financial statements.

The results of associated company are incorporated in these financial statements using the equity method of accounting. Under the equity method, investments in associated company are carried in the statement of financial position of the Group at cost and adjusted for post-acquisition changes in the Group's share of the net assets of the associated company, less any impairment in the value of individual investment. Losses of an associated company in excess of the Group's interest in that associated company (which includes any long-term interests that, in substance, form part of the Group's net investment in the associated company) are recognised only to the extent that the Group has incurred legal or constructive obligation or made payments on behalf of that associated company.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associated company recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

Where a group entity transacts with an associated company of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant associated company.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

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 instruments are initially measured at fair value, plus transaction costs, except for the financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

(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 at FVTPL

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

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling 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 assets 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 dividend or interest earned on the financial asset. Fair value is determined in the manner described in Note 30.

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 30. 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 or loss previously accumulated in the investments revaluation reserve is reclassified 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.

Loans and Receivables

Loans and receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loan and receivables'. Loans and receivables are 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.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Financial Instruments (cont'd)

(a) Financial Assets (cont'd)

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.

Receivables 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.

In respect of receivables 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 trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade 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.

When an AFS financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period. When an impairment loss subsequently reverses, impairment loss previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income.

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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Financial Instruments (cont'd)

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

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.

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 30.

Other Financial Liabilities

Other financial liabilities, including payables and 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.

(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 and the Company enter into derivative financial instruments (interest rate swap) to manage its exposure to interest rate risk. Further details of derivative financial instrument is disclosed in Note 30.

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.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Financial Instruments (cont'd)

(d) Derivative Financial Instruments (cont'd)

A derivative with a positive fair value recognised as a financial assets; 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.

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

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

In the process of applying the Group's accounting policies, which are described in Note 3 above, management is of the opinion that there are no instances of application of judgement which are expected to have a significant effect on the amounts recognised in profit or loss (apart from those involving estimations which are dealt with below).

- Impairment of receivables

The Group and the Company assess 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 and the Company consider 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 and the Company's receivables at the reporting date is disclosed in Note 18. The Group and the Company expect that there will be no material differences between present value of estimated future cash flows and the carrying amount at the reporting date.

- 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.

(b) Key sources of estimation uncertainty

Management believes that there are no key assumptions made 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.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

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 prior year. The management has reclassified it as Others as the said subsidiary company is currently dormant).

Inter-segment sales are charged at cost plus a percentage of profit mark-up.

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.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

5. SEGMENT REPORTING (cont'd)

The Group - 2012	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	-	99,420,251	38,020,341	9,093,772	-	-	146,534,364
Inter-segment sales	1,500,000	125,358	-	-	-	(1,625,358)	-
Total revenue	1,500,000	99,545,609	38,020,341	9,093,772	-	(1,625,358)	146,534,364
Results							
Segment results	1,509,322	4,951,020	1,632,304	(634,125)	(61,739)	(2,191,683)	5,205,099
Profit/(Loss) from Operations	1,509,322	4,951,020	1,632,304	(634,125)	(61,739)	(2,191,683)	5,205,099
Finance costs	-	(1,067,283)	(948,335)	(87,441)	-	691,683	(1,411,376)
Share of results of associated company	(660,928)	-	-	-	-	-	(660,928)
Investment income	-	214,911	-	22,526	196,037	-	433,474
Profit/(Loss) before tax	848,394	4,098,648	683,969	(699,040)	134,298	(1,500,000)	3,566,269
Tax (expense)/income	(463,989)	(1,708,229)	-	93,000	(57,541)	311,304	(1,825,455)
Profit/(Loss) for the year from: Continuing operations	384,405	2,390,419	683,969	(606,040)	76,757	(1,188,696)	1,740,814
Discontinued operations	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	-	1,740,814

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

5. SEGMENT REPORTING (cont'd)

The Group - 2012	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	-	10,205,788	507,046	31,418	-	-	10,744,252
Depreciation of property, plant and equipment	-	3,344,474	2,899,935	699,699	-	-	6,944,108
Revaluation surplus of property, plant and equipment	-	-	4,084,683	-	-	-	4,084,683
Consolidated statement of financial position							
Assets							
Segment assets	72,076,422	105,537,508	28,539,099	8,633,501	9,651,578	(85,429,969)	139,008,139
Unallocated corporate assets							281,014
Consolidated total assets							139,289,153
Liabilities							
Segment liabilities	19,036,156	33,290,535	22,546,702	2,333,434	57,339	(34,364,037)	42,900,129
Unallocated corporate liabilities							1,999,579
Consolidated total liabilities							44,899,708
Geographical segments							

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

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

5. SEGMENT REPORTING (cont'd)

The Group – 2011	Continuing operations					Eliminations and adjustments to exclude discontinued operations	Consolidated RM
	Investment holding RM	Precision stamping and tooling RM	PCB and module assembly RM	Fabrication and forging RM	Discontinued operations Automotive components RM		
Revenue							
External sales	-	131,325,004	36,728,552	13,465,097	24,839,114	(24,839,114)	181,518,653
Inter-segment sales	-	676	-	-	-	(676)	-
Total revenue	-	131,325,680	36,728,552	13,465,097	24,839,114	(24,839,790)	181,518,653
Results							
Segment results	(69,786)	11,438,898	(1,909,329)	818,798	2,753,904	(5,312,821)	7,719,664
(Loss)/Profit from operations	(69,786)	11,438,898	(1,909,329)	818,798	2,753,904	(5,312,821)	7,719,664
Finance costs	(274,013)	(904,399)	(929,413)	(124,551)	(22,018)	710,407	(1,543,987)
Share of results of associated company	685,918	-	-	-	-	-	685,918
Investment income	37,116	100,768	-	-	-	-	137,884
Profit/(Loss) before tax	379,235	10,635,267	(2,838,742)	694,247	2,731,886	(4,602,414)	6,999,479
Tax (expense)/income	71,333	(2,402,827)	605,560	(93,000)	(714,726)	714,726	(1,818,934)
Profit/(Loss) for the year from: Continuing operations	450,568	8,232,440	(2,233,182)	601,247	2,017,160	(3,887,688)	5,180,545
Discontinued operations							2,017,160
Profit for the year							7,197,705

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

5. SEGMENT REPORTING (cont'd)

The Group – 2011	Continuing operations					Eliminations and adjustments to exclude discontinued operations	Consolidated RM
	Investment holding RM	Precision stamping and tooling RM	PCB and module assembly RM	Fabrication and forging RM	Discontinued operations Automotive components RM		
Other information							
Capital additions	-	10,937,490	490,881	265,844	-	(190,000)	11,504,215
Depreciation of property, plant and equipment	-	3,221,377	2,957,762	790,534	47,031	(47,031)	6,969,673
Consolidated statement of financial position							
Assets							
Segment assets	71,002,400	106,186,605	26,449,831	10,095,231	9,655,406	(85,011,506)	138,377,967
Unallocated corporate assets							277,035
Consolidated total assets							138,655,002
Liabilities							
Segment liabilities	18,813,377	34,667,243	25,351,667	3,106,238	44,198	(34,606,502)	47,376,221
Unallocated corporate liabilities							2,510,746
Consolidated total liabilities							49,886,967
Geographical segments							

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

Revenue from one major customer contributed approximately RM70,532,322 (2011: RM65,114,000) of the Group's total revenue.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

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

Included in other income/(expenses) in respect of continuing operations are the following:

	The Group		The Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Allowance for doubtful debts no longer required - net (Note 18)	187,378	-	-	-
Unrealised gain/(loss) on foreign exchange - net	253,219	(162,425)	205,847	(211,469)
Realised gain on foreign exchange - net	184,345	261,104	-	-
Gain on disposal of property, plant and equipment	181,901	20,339	-	-
Interest receivable from subsidiary companies (Note 28)	-	-	691,683	688,389
Directors' remuneration*	(2,068,968)	(2,101,131)	(282,200)	(275,750)
Rental of motor vehicles	(518,649)	(573,648)	-	-
Impairment on investment in associated company (Note 13)	(360,774)	-	-	-
Allowance for doubtful debts	-	(391,974)	-	-
Rental of premises payable to:				
Related parties (Note 28)	(294,000)	(222,000)	-	-
Third parties	(156,856)	(169,927)	-	-
Auditors' remuneration:				
Current year	(130,000)	(98,000)	(30,000)	(25,000)
Underprovision in prior years	(2,881)	(9,200)	-	-
Property plant and equipment written off	(3,003)	(5,002)	-	-
Hire of machinery	(24,500)	(4,000)	-	-
Quoted investment written off	-	(1,700)	-	-
Exceptional item:				
Goodwill on consolidation written off	-	(1,896,549)	-	-

Investment income represents interest income from short-term deposits with licensed banks.

* Directors' remuneration consists of the following:

	The Group		The Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Executive directors:				
Company				
- Fees	187,600	187,600	187,600	187,600
Subsidiary companies				
- Other emoluments	1,783,468	1,819,631	-	-
	1,971,068	2,007,231	187,600	187,600

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

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

	The Group		The Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Non-executive directors:				
- Fees	94,600	90,300	94,600	88,150
- Other emoluments	3,300	3,600	-	-
	2,068,968	2,101,131	282,200	275,750

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 RM1,251,885 (2011: RM1,265,186).

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 RM50,225 (2011: RM59,750).

7. FINANCE COSTS

	The Group		The Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Interest expense on:				
Term loans	756,427	912,171	-	274,013
Trust receipts and bankers acceptances	193,218	224,145	-	-
Hire-purchase	277,965	287,225	-	-
Bank overdrafts	111,655	120,446	-	-
Total interest expense for other financial liabilities at amortised cost	1,339,265	1,543,987	-	274,013
Loss arising on derivative - interest rate swap (Note 30)	72,111	-	-	-
	1,411,376	1,543,987	-	274,013

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

8. TAX EXPENSE/(INCOME)

	The Group		The Company	
	2012 RM	2011 RM	2012 RM	2011 RM
From continuing operations				
Estimated income tax expense:				
Current year	1,233,121	1,920,000	455,000	70,000
Under/(Over)provision in prior years	611,334	50,902	8,989	(141,333)
	1,844,455	1,970,902	463,989	(71,333)
Deferred tax (Note 25):				
Current year	75,312	50,057	-	-
Overprovision in prior years	(94,312)	(202,025)	-	-
	(19,000)	(151,968)	-	-
Total tax expense/(income) relating to continuing operations	1,825,455	1,818,934	463,989	(71,333)
From discontinued operations				
Estimated income tax expense:				
Current year	-	722,400	-	-
Deferred tax (Note 25):				
Current year	-	(9,350)	-	-
Underprovision in prior years	-	1,676	-	-
	-	(7,674)	-	-
Total tax expense relating to discontinued operations	-	714,726	-	-
Total tax expense/(income)	1,825,455	2,533,660	463,989	(71,333)

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

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

A reconciliation of tax expense/(income) applicable to profit/(loss) before tax at the applicable statutory income tax rate to tax expense/(income) at the effective income tax rates of the Group and of the Company is as follows:

	The Group		The Company	
	2012	2011	2012	2011
	RM	RM	RM	RM
Profit/(Loss) before tax:				
Continuing operations	3,566,269	6,999,479	1,893,352	(275,330)
Discontinued operations (Note 9)	-	2,731,886	-	-
	3,566,269	9,731,365	1,893,352	(275,330)
Tax expense/(income) at the statutory tax rate of 25%	891,567	2,432,841	473,338	(68,833)
Tax effects of:				
Expenses which are not deductible in determining taxable profit	425,086	821,621	1,246	91,566
Income which are not taxable in determining taxable profit	(25,216)	(35,790)	(19,584)	-
Share of result of associated company	165,232	(171,480)	-	-
Reinvestment allowances utilised	-	(772,834)	-	-
Utilisation of deferred tax assets previously not recognised	(206,749)	(90,000)	-	-
Deferred tax assets not recognised	58,513	498,749	-	47,267
Under/(Over)provision in prior years in respect of:				
Estimated tax expense	611,334	50,902	8,989	(141,333)
Deferred tax	(94,312)	(200,349)	-	-
	1,825,455	2,533,660	463,989	(71,333)

In 2011, the Group claimed and utilised RM3,091,336 of reinvestment allowances under Schedule 7A of the Income Tax Act, 1967. Reinvestment allowances claimed and utilised are available for offset against future business income.

As of August 31, 2012, the tax exempt income of the Group and the Company is as follows:

		The Group	
	Note	2012	2011
		RM	RM
Reinvestment allowances	(i)	25,564,645	25,564,645
Tax exempt income	(ii)	478,000	478,000
		26,042,645	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.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

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

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.

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.

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

	The Group		The Company	
	2012	2011	2012	2011
	RM	RM	RM	RM
Unused tax losses	1,612,213	1,378,160	189,068	189,068
Unabsorbed capital allowances	660,712	1,487,708	-	-
	2,272,925	2,865,868	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.

The comparative figures have been restated to reflect the tax submission.

9. DISCONTINUED OPERATIONS

On May 3, 2011, the directors of the subsidiary company, Advance Autotek Industries (M) Sdn. Bhd. resolved to cease business operations of the said subsidiary company.

Analysis of the profit and cash flows for the year from discontinued operations

The results of the discontinued operations included in the statements of comprehensive income are set out below.

	The Group
	2011
	RM
Revenue	24,839,114
Other income	16,866
Changes in inventories of work-in-progress and finished goods	(879,506)
Raw materials and consumables used	(20,440,335)
Staff costs	(425,722)
Depreciation of property, plant and equipment	(47,031)
Finance costs	(22,018)
Other expenses	(309,482)

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

9. DISCONTINUED OPERATIONS (cont'd)

	The Group 2011 RM
Profit before tax	2,731,886
Tax expense (Note 8)	(714,726)
Profit for the year	2,017,160
Profit attributable to:	
Owners of the Company	1,028,751
Non-controlling interests	988,409
	2,017,160
Cash flows from discontinued operations:	
Net cash from operating activities	5,986,987
Net cash from investing activities	208,366
Net cash from financing activities	1,709,031
Net cash from discontinued operations	7,904,384

The following amounts income/(expense) have been included in arriving at the profit before tax of the discontinued operations:

	The Group 2011 RM
Interest income	16,866
Depreciation of property, plant and equipment	(47,031)
Director's remuneration:	
EPF contribution	(21,835)
Other emoluments	(209,948)
Rental expense of premises payable to a related party (Note 28)	(29,484)
Loss on disposal of property, plant and equipment	(1,518)
Auditors' remuneration:	
Current year	(15,000)
Special	(2,600)
Finance costs:	
Trust receipts	(13,702)
Hire-purchase	(8,316)
	(22,018)
Property, plant and equipment written off	(24,154)

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

9. DISCONTINUED OPERATIONS (cont'd)

Analysis of asset and liabilities from discontinued operations:

	The Group 2011 RM
Current Assets	
Trade receivables	562,202
Other receivables, deposits and prepaid expenses	3,865
Amount owing by other related company	95,000
Cash and bank balances	8,994,339
Current Liabilities	
Accrued expenses	(44,199)
Tax liabilities	(57,999)
Net Assets	9,553,208

10. BASIC EARNINGS PER ORDINARY SHARE

	The Group 2012 RM	2011 RM
Profit attributable to equity holders of the Company:		
From continuing operations	1,703,203	5,180,545
From discontinued operations	-	1,028,751
	1,703,203	6,209,296
	Units	Units
Weighted average number of ordinary shares in issue	96,935,887	97,044,556
Basic earnings per ordinary share (sen):		
From continuing operations	1.8	5.3
From discontinued operations	-	1.1
	1.8	6.4

The basic earnings per ordinary share is calculated by dividing the profit attributable to equity holders of Company of RM1,703,203 (2011: RM6,209,296) by weighted average number of ordinary shares in issue during the financial year of 96,935,887 (2011: 97,044,556) shares.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

11. PROPERTY, PLANT AND EQUIPMENT

2012 The Group	At beginning of year RM	Additions RM	Revaluation surplus RM	Disposals RM	Write off RM	At end of year RM
At cost (unless otherwise stated)						
Freehold land - at valuation	10,923,043	-	3,406,957	-	-	14,330,000
Buildings - at valuation	15,392,167	-	502,315	-	-	15,894,482
Plant and machinery	75,319,752	1,268,063	-	(1,479,155)	-	75,108,660
Office equipment, furniture, fittings, renovation, factory upgrade and factory equipment	6,628,891	104,727	-	(144,960)	(127,497)	6,461,161
Motor vehicles	4,100,948	207,047	-	(83,115)	-	4,224,880
Construction in progress	1,054,170	9,164,415	-	-	-	10,218,585
	113,418,971	10,744,252	3,909,272	(1,707,230)	(127,497)	126,237,768

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

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

2012 The Group	At beginning of year		Accumulated Depreciation			At end of year		Net book value RM
	RM	RM	Additions RM	Revaluation adjustment RM	Disposals RM	Write off RM	RM	
At cost (unless otherwise stated)								
Freehold land - at valuation	-	-	-	-	-	-	-	14,330,000
Buildings - at valuation	684,798	312,867		(300,990)	-	-	696,675	15,197,807
Plant and machinery	45,560,363	5,663,152		-	(1,477,496)	-	49,746,019	25,362,641
Office equipment, furniture, fittings, renovation, factory upgrade and factory equipment	3,637,876	447,650		-	(138,132)	(124,494)	3,822,900	2,638,261
Motor vehicles	2,051,027	520,439		-	(83,115)	-	2,488,351	1,736,529
Construction in progress	-	-		-	-	-	-	10,218,585
	51,934,064	6,944,108		(300,990)	(1,698,743)	(124,494)	56,753,945	69,483,823
Depreciation charge for the year:								
Continuing operations								6,944,108
Discontinued operations (Note 9)								-
								6,944,108

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

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

2011 The Group	At beginning of year RM	Additions RM	Disposals RM	Written off RM	At end of year RM
At cost (unless otherwise stated)					
Freehold land - at valuation	6,623,043	4,300,000	-	-	10,923,043
Buildings - at valuation	15,392,167	-	-	-	15,392,167
Plant and machinery	72,154,993	4,526,969	-	(1,362,210)	75,319,752
Office equipment, furniture, fittings, renovation, factory upgrade and factory equipment	5,991,058	701,706	4,518)	(59,355)	6,628,891
Motor vehicles	3,510,462	921,370	(330,884)	-	4,100,948
Construction in progress	-	1,054,170	-	-	1,054,170
	103,671,723	11,504,215	(335,402)	(1,421,565)	113,418,971

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

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

2011 The Group	Accumulated Depreciation				At end of year RM	Net book value RM
	At beginning of year RM	Additions RM	Disposals RM	Written off RM		
At cost (unless otherwise stated)						
Freehold land - at valuation	-	-	-	-	-	10,923,043
Buildings - at valuation	371,560	313,238	-	-	684,798	14,707,369
Plant and machinery	41,183,539	5,734,034	-	(1,357,210)	45,560,363	29,759,389
Office equipment, furniture, fittings, renovation, factory upgrade and factory equipment	3,228,565	445,449	(939)	(35,199)	3,637,876	2,991,015
Motor vehicles	1,841,368	523,983	(314,324)	-	2,051,027	2,049,921
Construction in progress	-	-	-	-	-	1,054,170
	46,625,032	7,016,704	(315,263)	(1,392,409)	51,934,064	61,484,907
Depreciation charge for the year:						
Continuing operations						6,969,673
Discontinued operations (Note 9)						47,031
						7,016,704

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

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

The details of the valuation of freehold land and building are as follows:

Details of properties	Date of valuation	Details of valuers	Revalued amount RM
Freehold land	May 7, 2012	Anthony Chua Kian Beng, RICS, Registered Valuer of KGV International Property Consultant (M) Sdn. Bhd.	6,130,000
Freehold building	May 7, 2012	Anthony Chua Kian Beng, RICS, Registered Valuer of KGV International Property Consultant (M) Sdn. Bhd.	3,670,000
			<u>9,800,000</u>

During the financial year, the Group revalued the freehold land and building of a subsidiary company based on valuations undertaken by the abovementioned registered valuers of an independent firm of professional valuers, using the "comparison method of valuation" basis.

The revaluation surplus amounting to RM4,084,683 net of deferred taxation of RM125,579 has been credited to other comprehensive income in equity.

The historical costs and carrying values of the said revalued properties are as follows:

	The Group	
	2012 RM	2011 RM
Cost:		
Building	3,065,860	3,065,860
Freehold land	1,624,895	1,624,895
	4,690,755	4,690,755
Accumulated depreciation on buildings	(626,493)	(565,174)
Net book value	<u>4,064,262</u>	<u>4,125,581</u>

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

	The Group	
	2012 RM	2011 RM
Net book value:		
Plant and machinery	8,646,483	15,395,784
Motor vehicles	1,298,409	1,704,305
	<u>9,944,892</u>	<u>17,100,089</u>

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

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

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

	The Group	
	2012	2011
	RM	RM
Cost:		
Plant and machinery	21,410,091	21,668,673
Office equipment, furniture, fittings, renovation, factory upgrade and factory equipment	2,108,391	2,194,712
Motor vehicles	882,291	1,129,387
	24,400,773	24,992,772

As of August 31, 2012, the following property, plant and equipment are charged to licensed banks as security for term loans and other credit facilities, as mentioned in Note 24, granted to the Group:

	The Group	
	2012	2011
	RM	RM
Net book value:		
Buildings	15,197,806	14,735,089
Freehold land	14,330,000	10,923,043
Construction in progress	10,218,585	1,054,170
Plant and machinery	6,173,935	6,690,681
	45,920,326	33,402,981

12. INVESTMENT IN SUBSIDIARY COMPANIES

	The Company	
	2012	2011
	RM	RM
Unquoted shares at cost	49,046,047	49,046,047

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

12. INVESTMENT IN SUBSIDIARY COMPANIES (cont'd)

The details of the subsidiary companies are as follows:

Name of subsidiary companies	Effective equity interest		Place/Country of incorporation	Principal activities
	2012 %	2011 %		
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 (Discontinued operations in trading of automotive components in 2011).
Indirect				
Kotamech Engineering Sdn. Bhd.**	100	100	Malaysia	Dormant.
Indirect Subsidiaries				
AAI Auto Electronics Sdn. Bhd.#	51	51	Malaysia	Dormant.
AAI Autoclusters Sdn. Bhd.#	-	51	Malaysia	Dormant (Struck off in 2012).

* 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 Advance Autotek Industries (M) Sdn. Bhd.

The auditors' report in the financial statements of the subsidiary company contained an emphasis of matter relating to the appropriateness of going concern basis used in the preparation of financial statements.

The amount owing by subsidiary companies arose mainly from dividend receivable and advances granted which bear interest at 5.5% (2011: 5.5%) per annum and are unsecured and is repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

12. INVESTMENT IN SUBSIDIARY COMPANIES (cont'd)

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

	The Company	
	2012	2011
	RM	RM
Ringgit Malaysia	12,632,577	12,638,894
Hong Kong Dollar	4,013,975	3,805,127
	16,646,552	16,444,021

The amount owing to subsidiary companies, which is denominated in Ringgit Malaysia, arose mainly from advances received and payments made on behalf, is unsecured, interest-free (2011: interest-free) and repayable on demand.

13. INVESTMENT IN ASSOCIATED COMPANY

	The Group	
	2012	2011
	RM	RM
Unquoted shares at cost	4,701,171	4,701,171
Share of post-acquisition results	(1,490,976)	(830,048)
	3,210,195	3,871,123
Impairment recognised (Note 6)	(360,774)	-
	2,849,421	3,871,123

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

Name of Company	Effective equity interest		Principal activities
	2012	2011	
	%	%	
Hongze Yiyang Steel Tubes Co., Ltd. ("HYST")	25	25	Production, manufacturing, sales and distribution of seamless steel tubes and pipes.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

13. INVESTMENT IN ASSOCIATED COMPANY (cont'd)

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

	The Group	
	2012	2011
	RM	RM
Revenue	40,419,344	53,097,420
Other income	1,646,700	2,629,756
Other expenses	(44,709,756)	(52,983,504)
(Loss)/Profit before tax	(2,643,712)	2,743,672
Income tax expense	-	-
(Loss)/Profit after tax	(2,643,712)	2,743,672
Share of results of associated company	(660,928)	685,918
Assets and liabilities		
Current assets	19,573,656	26,815,740
Non-current assets	22,190,468	23,969,032
Current liabilities	(30,366,440)	(35,300,280)
Net assets	11,397,684	15,484,492
Share of net asset of associated company	2,849,421	3,871,123

14. GOODWILL ON CONSOLIDATION

	The Group	
	2012	2011
	RM	RM
At beginning of year	-	3,166,090
Less: Share of profit guarantee	-	(1,269,541)
Less: Goodwill written off	-	(1,896,549)
At end of year	-	-

Goodwill acquired in a business combination is allocated, at acquisition, to the cash-generating unit ("CGU") that is expected to benefit from that business combination.

Following the cessation of business operations of the subsidiary company in prior financial year, the remaining balance of goodwill on consolidation have been fully written off to profit or loss (Note 6).

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

15. QUOTED INVESTMENT

	The Group	
	2012	2011
	RM	RM
Quoted shares in Malaysia - at cost	17,000	17,000
Less: Accumulated impairment	(17,000)	(15,300)
	-	1,700
Less: Written off during the year	-	(1,700)
	-	-
Market value	-	-

16. OTHER INVESTMENT

	The Group and The Company	
	2012	2011
	RM	RM
Unquoted subordinated bonds - at cost	1,500,000	1,500,000
Less: Accumulated impairment	(1,500,000)	(1,500,000)
Net	-	-

17. INVENTORIES

	The Group	
	2012	2011
	RM	RM
At cost:		
Raw materials	6,586,745	7,045,166
Work-in-progress	2,834,267	3,970,220
Finished goods	2,662,639	2,640,416
	12,083,651	13,655,802

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

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

- (i) Trade receivables consist of the following:

	The Group	
	2012 RM	2011 RM
Trade receivables	21,644,135	29,897,912
Less: Allowance for doubtful receivables	(1,786,416)	(1,973,794)
Net	19,857,719	27,924,118

Trade receivables comprise amounts receivable for sales of goods. The average credit period on sales of goods is 30 to 90 days (2011: 30 to 90 days). No interest is charged on trade receivables. Of the trade receivables balance at the end of reporting period, approximately RM16 million (2011: RM20 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.

The analysis of trade receivables is as follows:

	The Group	
	2012 RM	2011 RM
Not past due and not impaired	10,878,757	19,233,474
Past due but not impaired:		
Past due 0-30 days	6,411,567	6,736,435
Past due 31-60 days	1,597,393	1,411,597
Past due 61-90 days	355,447	224,640
Past due 91-120 days	614,555	317,972
Past due and impaired	1,786,416	1,973,794
Total trade receivables	21,644,135	29,897,912

The movements in allowance for doubtful receivable are as follows:

	The Group	
	2012 RM	2011 RM
At beginning of year	1,973,794	1,652,273
Impairment losses recognised (Note 6)	198,327	391,974
Amounts recovered during the year	(385,705)	-
Amounts written off during the year	-	(70,453)
At end of year	1,786,416	1,973,794

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

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

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

Ageing of impaired trade receivables:

	The Group	
	2012	2011
	RM	RM
Past due for more than 90 days	1,786,416	1,973,794

The foreign currencies profile of trade receivables is as follows:

	The Group	
	2012	2011
	RM	RM
Ringgit Malaysia	15,320,281	29,678,413
United States Dollar	6,323,854	219,499
	21,644,135	29,897,912

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

	The Group		The Company	
	2012	2011	2012	2011
	RM	RM	RM	RM
Other receivables	2,203,413	1,026,521	-	-
Advance payment to suppliers	105,064	-	-	-
Deposits paid for acquisition of land (Note 33)	339,750	-	-	-
Refundable deposits	319,340	315,362	-	-
Prepaid expenses:				
Others	430,243	991,439	-	1,400
Deposits on purchase of plant and machinery	59,610	-	-	-
Incidental costs for acquisition of land (Note 33)	111,510	-	-	-
	3,568,930	2,333,322	-	1,400

19. SHORT-TERM DEPOSITS WITH LICENSED BANKS

Included in the short-term deposits of the Group are deposits amounting to RM775,926 (2011: RM753,400) pledged to a licensed bank as collateral for bank overdrafts and other credit facilities granted to a subsidiary company as mentioned in Note 27.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

20. SHARE CAPITAL

	The Group and The Company	
	2012 RM	2011 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

21. TREASURY SHARES

	The Group and The Company			
	2012 Number of ordinary shares of RM0.50 each	2011 Number of ordinary shares of RM0.50 each	2012 RM	2011 RM
At beginning of year	1,064,113	412,100	366,573	117,400
Repurchased during the year	-	652,013	-	249,173
At end of year	1,064,113	1,064,113	366,573	366,573

In 2011, the Company purchased 652,013 of its own shares through purchases on Bursa Malaysia Securities Berhad. The total amount paid for acquisition of the shares was RM249,173 and has been deducted from equity. The repurchased transactions were financed by internally generated funds and the average price paid for the shares was RM0.3822.

22. RESERVES

		The Group		The Company	
	Note	2012 RM	2011 RM	2012 RM	2011 RM
Non-distributable reserves:					
Share premium	(i)	1,767,230	1,767,230	1,767,230	1,767,230
Revaluation reserve	(ii)	4,084,683	-	-	-
Foreign currency translation reserve		326,777	530,864	-	-
		6,178,690	2,298,094	1,767,230	1,767,230
Distributable reserve:					
Retained earnings	(iii)	34,856,817	33,153,614	2,059,306	629,943
		41,035,507	35,451,708	3,826,536	2,397,173

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

22. RESERVES (cont'd)

- (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.
- (ii) Revaluation reserve net of deferred tax of RM125,579 (2011: RMNil) arose from revaluation of freehold land and buildings during the year.
- (iii) In accordance with the Finance Act 2007, the single tier income tax system became effective from the year of assessment 2008. Under this system, tax on a company's profit is a final tax, and dividends paid are exempted from tax in the hands of the shareholders. Unlike the previous imputation system, the recipient of the dividend would no longer be able to claim any tax credit.

Companies without Section 108 tax credit balance will automatically move to the single tier tax system on January 1, 2008. However, companies with such tax credits are given an irrevocable option to elect for the single tier tax system and disregard the tax credit or to continue to use the tax credits under Section 108 account to frank the payment of cash dividends on ordinary shares for a period of 6 years ending December 31, 2013 or until the tax credits are fully utilised, whichever comes first. During the transitional period, any tax paid will not be added to the Section 108 account and any tax credits utilised will reduce the tax credit balance. All companies will be in the new system on January 1, 2014.

As of the end of reporting period, the Company has not elected for the irrevocable option to disregard the Section 108 tax credits. Accordingly, subject to the agreement of the Inland Revenue Board and based on the prevailing tax rate applicable to dividend, the Company has sufficient Section 108 tax credit and tax exempt income as mentioned in Note 8 to frank approximately RM675,000 of the Company's retained earnings as of August 31, 2012 if distributed by way of cash dividends without additional tax liability being incurred. Any dividend paid in excess of this amount during the transitional period will be under the single tier tax system as explained above.

23. HIRE-PURCHASE PAYABLES

	The Group	
	2012 RM	2011 RM
Total outstanding	2,959,255	5,097,826
Less: Interest-in-suspense	(114,286)	(281,664)
Principal outstanding	2,844,969	4,816,162
Less: Portion due within the next 12 months (shown under current liabilities)	(1,880,117)	(2,416,889)
Non-current portion	964,852	2,399,273

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

23. HIRE-PURCHASE PAYABLES (cont'd)

The non-current portion is repayable as follows:

	The Group	
	2012 RM	2011 RM
Financial year ending August 31:		
2013	-	1,706,749
2014	884,097	692,524
2015	80,755	-
	964,852	2,399,273

The term of the hire-purchase payables is 2 to 5 years and interest rates implicit in the hire-purchase arrangements range from 2.54% to 7.50% (2011: 2.54% to 7.69%) per annum. The interest rates are fixed at the inception of the hire-purchase arrangement.

24. TERM LOANS

	The Group	
	2012 RM	2011 RM
Total outstanding	18,283,513	12,102,750
Less: Portion due within the next 12 months (shown under current liabilities)	(2,113,672)	(1,467,000)
	16,169,841	10,635,750

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

	The Group	
	2012 RM	2011 RM
Financial year ending August 31:		
2013	-	1,467,000
2014	2,437,008	1,467,000
2015	2,437,008	1,467,000
2016	2,437,008	1,467,000
Thereafter	8,858,817	4,767,750
	16,169,841	10,635,750

The Group has term loan facilities totalling RM24,370,000 (2011: RM22,951,000) obtained from licensed banks, which are secured by fixed and floating charges over certain property, plant and equipment of the subsidiary companies, and a corporate guarantee by the Company. The term loans of the Group and the Company bear interest at rates ranging from 3.55% to 5.53% (2011: 4.1% to 7.25%) per annum.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

24. TERM LOANS (cont'd)

The term loans of the Group consist of outstanding balances of the following:

- (i) A seven (7) year loan of RM10,635,750 repayable by 120 equal monthly installments of RM122,250 each, commencing in October, 2009; and
- (ii) A ten (10) year loan of RM7,647,763 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.

25. DEFERRED TAX LIABILITIES

	The Group	
	Deferred tax liabilities	
	2012 RM	2011 RM
At beginning of year	1,893,000	2,044,968
Recognised in profit or loss (Note 8)	(19,000)	(151,968)
Recognised in other comprehensive income (Note 11)	125,579	-
At end of year	1,999,579	1,893,000

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

	Unabsorbed capital allowances RM	Trade receivables RM	Other payables and accrued expenses RM	Unused tax losses RM	Total RM
Deferred tax assets (before offsetting)					
As of August 31, 2010	1,751,816	413,033	-	432,000	2,596,849
Transfer to/(from) profit or loss	170,507	80,296	-	(126,000)	124,803
As of August 31, 2011	1,922,323	493,329	-	306,000	2,721,652
Offsetting	(1,922,323)	(493,329)	-	(306,000)	(2,721,652)
Deferred tax assets (after offsetting)	-	-	-	-	-
As of August 31, 2011	1,922,323	493,329	-	306,000	2,721,652
Transfer to/(from) profit or loss	17,276	(46,000)	147,000	(48,000)	70,276
As of August 31, 2012	1,939,599	447,329	147,000	258,000	2,791,928
Offsetting	(1,939,599)	(447,329)	(147,000)	(258,000)	(2,791,928)
Deferred tax assets (after offsetting)	-	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

25. DEFERRED TAX LIABILITIES (cont'd)

	Revaluation reserves RM	Property, plant and equipment RM	Total RM
Deferred tax liabilities (before offsetting)			
As of August 31, 2010	-	(4,641,817)	(4,641,817)
Transfer to profit or loss	-	27,165	27,165
As of August 31, 2011	-	(4,614,652)	(4,614,652)
Offsetting	-	2,721,652	2,721,652
Deferred tax liabilities (after offsetting)	-	(1,893,000)	(1,893,000)
As of August 31, 2011	-	(4,614,652)	(4,614,652)
Transfer from profit or loss	-	(51,276)	(51,276)
Transfer to other comprehensive income	(125,579)	-	(125,579)
As of August 31, 2012	(125,579)	(4,665,928)	(4,791,507)
Offsetting	-	2,791,928	2,791,928
Deferred tax liabilities (after offsetting)	(125,579)	(1,874,000)	(1,999,579)

26. TRADE PAYABLES, OTHER PAYABLES AND ACCRUED EXPENSES

- (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 (2011: 60 to 90 days).

The currency profile of trade payables is as follows:

	The Group	
	2012 RM	2011 RM
Ringgit Malaysia	11,714,108	18,648,099
United States Dollar	2,777,617	1,042,465
Japanese Yen	12,744	-
Singapore Dollar	-	1,624
	14,504,469	19,692,188

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

	The Group	
	2012 RM	2011 RM
Teh & Co. Sdn. Bhd.	5,000	5,000
Orisis Freight Logistics (M) Sdn. Bhd.	-	5,966
PKT Logistics (M) Sdn. Bhd.	-	395
Gelombang Mantap Sdn. Bhd.	-	659
	5,000	12,020

The amount owing to the above related companies arose from transactions mentioned in Note 28.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

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

(ii) Other payables and accrued expenses consist of:

	The Group		The Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Accrued expenses	1,719,576	2,010,971	69,075	55,684
Other payables	648,565	2,316,971	-	-
Interest payable	82,300	54,479	-	-
	2,450,441	4,382,421	69,075	55,684

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

	The Group		The Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Ringgit Malaysia	2,435,309	3,836,544	69,075	55,684
Japanese Yen	-	544,898	-	-
Others	15,132	979	-	-
	2,450,441	4,382,421	69,075	55,684

27. BANK BORROWINGS

	The Group	
	2012 RM	2011 RM
Bankers' acceptances	3,450,941	4,621,000
Bank overdrafts	1,365,796	1,761,700
	4,816,737	6,382,700

In addition to the term loan facilities as mentioned in Note 24, the Group has bank overdrafts and other credit facilities amounting to RM28,150,000 (2011: RM29,205,000) which bear interest at rates ranging from 3.40% to 7.35% (2011: 3.40% to 8.30%) per annum.

The overdrafts and other credit facilities are secured by:

- (i) Fixed and floating charges over certain property, plant and equipment of the subsidiary companies and short-term deposits of a subsidiary company as mentioned in Notes 11 and 19; and
- (ii) Corporate guarantee by the Company.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

28. 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 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		The Company	
	2012	2011	2012	2011
	RM	RM	RM	RM
Purchases from companies in which a director of a subsidiary company is also a director				
- Orisis Freight Logistics (M) Sdn. Bhd.	-	1,723,317	-	-
- PKT Logistics (M) Sdn. Bhd.	-	45,379	-	-
- Gelombang Mantat Sdn. Bhd.	-	1,857	-	-
- Multishield (M) Sdn. Bhd.	-	2,000	-	-
Total	-	1,772,553	-	-
Rental payable to companies in which certain directors of the Company are also directors				
- Teh & Co. Sdn. Bhd.	190,000	150,000	-	-
- Teh Chooi Choon Enterprise Sdn. Bhd.	104,000	72,000	-	-
- PKT Logistics (M) Sdn. Bhd.	-	29,484	-	-
Total	294,000	251,484	-	-
Purchases from a company in which certain directors of the Company are also directors				
- Teh & Co. Sdn. Bhd.	-	252,741	-	-
Gross dividends receivable from subsidiary companies				
- Ban Seng Lee Industries Sdn. Bhd.	-	-	1,500,000	-
Interest receivable from subsidiary companies				
- Crestronics (M) Sdn. Bhd.	-	-	613,347	576,593
- Unique Forging & Components Sdn. Bhd.	-	-	78,336	111,796
Total	-	-	691,683	688,389

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

29. CASH AND CASH EQUIVALENTS

	The Group		The Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Cash and bank balances	11,551,085	13,206,939	1,559,822	308,199
Short-term deposits with licensed banks	19,613,510	15,901,756	-	-
	31,164,595	29,108,695	1,559,822	308,199
Less: Short-term deposits pledged to a bank with maturity exceeding 90 days (Note 19)	(775,926)	(753,400)	-	-
	30,388,669	28,355,295	1,559,822	308,199

The said short-term deposits of the Group and the Company bear interest at rates ranging from 2.15% to 3.11% (2011: 1.85% to 3.71%) per annum and have maturity periods ranging from 14 to 120 days (2011: 14 to 120 days).

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

	The Group		The Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Ringgit Malaysia	5,892,604	12,682,386	1,559,822	308,199
United States Dollar	5,643,311	491,425	-	-
Hong Kong Dollar	15,170	33,128	-	-
	11,551,085	13,206,939	1,559,822	308,199

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

30. 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.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

30. FINANCIAL INSTRUMENTS (cont'd)

Gearing Ratio

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

	The Group		The Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Long-term debts:				
Hire-purchase payables	964,852	2,399,273	-	-
Term loans	16,169,841	10,635,750	-	-
	17,134,693	13,035,023	-	-
Equity	94,389,445	88,768,035	52,459,963	51,030,600
Debt to equity ratio (%)	18%	15%	-	-

Debts is defined as long-term borrowings.

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

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	
	2012 RM	2011 RM	2012 RM	2011 RM
Financial assets				
Loans and receivables, at amortised cost:				
Trade receivables	19,857,719	27,924,118	-	-
Other receivables, deposits (Note 18)	2,967,567	1,341,883	-	-
Amount owing by subsidiary companies	-	-	16,646,552	16,444,021
Short-term deposits with licensed banks	19,613,510	15,901,756	-	-
Cash and bank balances	11,551,085	13,206,939	1,559,822	308,199
Total	53,989,881	58,374,696	18,206,374	16,752,220
Financial liabilities				
At amortised cost:				
Trade payables	14,504,469	19,692,188	-	-
Other payables and accrued expenses	2,450,441	4,382,421	69,075	55,684
Amount owing to subsidiary company	-	-	14,942,770	14,942,770
Hire-purchase payables	2,844,969	4,816,162	-	-
Bank borrowings	4,816,737	6,382,700	-	-
Term loans	18,283,513	12,102,750	-	-
Total	42,900,129	47,376,221	15,011,845	14,998,454

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

30. FINANCIAL INSTRUMENTS (cont'd)

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 minimise its exposure to risk and/or costs associated with the financing, investing and operating activities.

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, Japanese Yen and Singapore Dollar were to strengthen or weaken by 8% against the Ringgit Malaysia, the Group's profit for the year will increase/decrease by RM728,571 (2011: RM161,846)

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 19, 23, 24 and 27, respectively.

Interest rate sensitivity

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's profit at the end of the reporting period would increase/decrease by RM65,800 (2011: RM57,400). 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.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

30. FINANCIAL INSTRUMENTS (cont'd)

The following table detail 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 gain/(loss)	
	2012 %	2011 %	2012 RM	2011 RM	2012 RM	2011 RM
Outstanding receive floating pay fixed contract						
2 to 5 year	3.78	-	10,690,229	-	(86,248)	-

The fair value of the interest rate swap is not taken up in the financial statements of the Group as the directors are of the opinion that the said amount is not material.

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

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 18.

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 practises prudent liquidity risk management to minimise the mismatch of financial assets and liabilities and maintain sufficient credit facilities as disclosed in Notes 24 and 27 for contingent funding requirement of working capital.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

30. 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.

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
2012							
Trade payables		-	-	14,504,469	-	-	14,504,469
Other payables and accrued expenses		-	2,450,441	-	-	-	2,450,441
Hire-purchase payables		218,655	399,122	1,356,505	984,973	-	2,959,255
Bank borrowings	4	-	-	4,816,737	-	-	4,816,737
Term loans	5	128,729	257,459	1,839,508	10,264,678	6,762,165	19,252,539
		347,384	3,107,022	22,517,219	11,249,651	6,762,165	43,983,441
The Company							
Other payables and accrued expenses		69,075	-	-	-	-	69,075
Amount owing to subsidiary company		-	14,942,770	-	-	-	14,942,770
		69,075	14,942,770	-	-	-	15,011,845

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

30. FINANCIAL INSTRUMENTS (cont'd)

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
2011							
Trade payables	-	-	-	19,692,188	-	-	19,692,188
Other payables and accrued expenses	-	-	4,382,421	-	-	-	4,382,421
Hire-purchase payables	6	191,001	477,956	1,859,980	2,568,889	-	5,097,826
Bank borrowings	6	-	-	6,382,700	-	-	6,382,700
Term loans	-	128,729	257,459	1,158,563	7,723,755	3,475,690	12,744,196
Tax liabilities	-	-	617,746	-	-	-	617,746
		319,730	5,735,582	29,093,431	10,292,644	3,475,690	48,917,077
The Company							
Other payables and accrued expenses	-	-	55,684	-	-	-	55,684
Amount owing to subsidiary company	-	-	-	14,942,770	-	-	14,942,770
		-	55,684	14,942,770	-	-	14,998,454

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

30. FINANCIAL INSTRUMENTS (cont'd)

Fair values of financial assets and liabilities

The carrying amounts of the Group's and of the Company's financial assets and liabilities as reported at the statements of financial position as of August 31, 2012 approximate their fair values because of the short maturity terms of these instruments except as follows:

	2012		2011	
	Carrying amount RM	Fair value RM	Carrying amount RM	Fair Value RM
The Group				
Financial Assets				
Quoted investments (Note 15)	-	-	-	-
Other investments (Note 16)	-	-	-	-
Financial Liabilities				
Hire-purchase payables (Note 23)	2,844,969	2,954,870	4,816,162	5,106,781
Term loans (Note 24)	18,283,513	17,919,117	12,102,750	10,100,427
The Company				
Financial Asset				
Other investments (Note 16)	-	-	-	-

The market value of quoted investments as at reporting date approximates its fair value.

The fair value of other investments is estimated using the discounted cash flow analysis based on current rate for similar type of investment.

The fair values of hire-purchase payables and term loans are estimated using the discounted cash flow analysis based on current borrowing rates for similar types of borrowing arrangements which ranges from 2.50% to 7.07% (2011: 3.6% to 7.3%) per annum and 3.55% to 5.53% (2011: 5.8% to 7.3%) per annum respectively.

31. CAPITAL COMMITMENT

As of August 31, 2012, the Group has the following capital commitment:

	The Group	
	2012 RM	2011 RM
Approved and contracted for:		
Purchase of land (Note 33)	3,057,750	-
Construction of factory building	2,694,071	11,515,000
Purchase of plant and machinery and motor vehicles	196,229	437,000
	5,948,050	11,952,000

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

32. CONTINGENT LIABILITIES

	The Group		The Company	
	2012	2011	2012	2011
	RM	RM	RM	RM
Unsecured corporate guarantees given to licensed banks for credit facilities granted to subsidiary companies	-	-	25,392,856	23,463,314

33. SIGNIFICANT EVENT

On May 15, 2012, the Group entered into a sale and purchase agreement with a third party to acquire a 99 years leasehold land for a consideration of RM3,397,500. The said acquisition together with the planned construction of a factory thereon will be financed by credit facilities from a local licensed bank. A deposit amounting to RM339,750 has been paid as of August 31, 2012 as mentioned in Note 18.

The abovementioned credit facilities amounting to RM10,850,000 secured by a corporate guarantee by the Company, a pledge of fixed return investment account with principal of RM500,000 and a first party legal charge over the said land.

34. SUBSEQUENT EVENT

On September 20, 2012, the Group incorporated a 52% owned subsidiary company in Malaysia, Crestronics Greentech Sdn. Bhd. ("Crestronics Greentech"). Crestronics Greentech is a private limited company with an authorised share capital of RM1,000,000, divided into 1,000,000 ordinary shares of RM1.00 each and its intended principal activity is research and development, trading and manufacturing on green technology products.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

35. 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	
	2012	2011
	RM	RM
Total retained earnings of the Company and its subsidiary companies:		
Realised	75,663,370	72,770,953
Unrealised	(2,394,397)	(2,055,425)
	73,268,973	70,715,528
Total share of post-acquisition results in associated company:		
Realised	1,490,976	830,048
Unrealised	-	-
	1,490,976	830,048
Less: Consolidation adjustments	(39,903,132)	(38,391,962)
Total retained earnings as per statement of financial position	34,856,817	33,153,614
	The Company	
	2012	2011
	RM	RM
Total retained earnings of the Company:		
Realised	2,265,153	841,412
Unrealised	(205,847)	(211,469)
Total retained earnings as per statement of financial position	2,059,306	629,943

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 are drawn up in accordance with the provisions of the Companies Act, 1965 and Financial Reporting Standards 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, 2012 and of the results and the financial performance of the Group and of the Company for the year ended on that date.

The information set out in Note 35 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

Rawang,
December 28, 2012

NGIAM TEE WEE

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 28th December, 2012.

Before me,

COMMISSIONER FOR OATHS

LIST OF PROPERTIES

The details of the properties of the BSL Group as at August 31, 2012 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 2012 (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	15	Freehold	15,093,843	26 Aug 2009
2	Lot 4212 Mukim Rawang Daerah Gombak Selangor Darul Ehsan	Buiding under constrution	25,495 / N/A	N/A	Freehold	14,518,585	30 Sep 2010
3	32A, 1 st 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	18	Leasehold for 99 years expiring on 17 Oct 2089	90,000	24 Aug 2007
4	35A, 1 st 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	18	Leasehold for 99 years expiring on 17 Oct 2089	90,000	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 2012 (RM)	Date of Acquisition/ Revaluation
Ban Seng Lee Industries Sdn. Bhd.							
5	36A, 1 st 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	18	Leasehold for 99 years expiring on 17 Oct 2089	90,000	24 Aug 2007
6	37A, 1 st 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	18	Leasehold for 99 years expiring on 17 Oct 2089	90,000	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	22	Freehold	9,775,533	7 May 2012

ANALYSIS OF SHAREHOLDINGS

AS AT DECEMBER 31, 2012

Authorised Share Capital	:	RM250,000,000
Issued and Paid-up Capital	:	RM49,000,000 (Including 1,084,113 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	7	0.575	367	0.000
100 - 1,000	480	39.409	128,510	0.133
1,001 - 10,000	414	33.990	2,346,179	2.421
10,001 - 100,000	253	20.772	8,398,987	8.666
100,001 - 4,845,793	63	5.172	36,061,844	37.209
4,845,794 and above	1	0.082	49,980,000	51.571
TOTAL :	1,218	100.000	96,915,887	100.000

LIST OF SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

Names	Direct Shareholdings		Indirect Shareholdings (exclude bare trustees)	
	No. of Shares	%	No. of Shares	%
Esteem Role Sdn Bhd	49,980,000	51.57	-	-
Ngiam Tong Kwan	406,315	0.42	49,980,000 (*)	51.57
Nyeam Tong Eng @ Ngiam Tong Yang	269,361	0.28	49,980,000 (*)	51.57
Teh Eng Hock	269,361	0.28	49,980,000 (*)	51.57

(*) 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

Names	Direct Shareholdings		Indirect Shareholdings	
	No. of Shares	%	No. of Shares	%
Ngiam Tong Kwan	406,315	0.42	53,977,670 (*)	55.70
Ngiam Tee Wee	135,000	0.14	-	-
Ngiam Tee Yang	100,000	0.10	-	-
Teh Yoon Loy	36,347	0.04	-	-
Yukihiro Eguchi	58,445	0.06	-	-
Andy Woo Weng Kok	60,000	0.06	47,000 (**)	0.05
Datuk Dr. Syed Muhamad Bin Syed Abdul Kadir	100,000	0.10	-	-
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, 2012 (CONT'D)

LIST OF TOP 30 SHAREHOLDERS

No.	Name	Shareholdings	%
1	Esteem Role Sdn Bhd	49,980,000	51.571
2	Xadacorp Sdn Bhd	4,450,000	4.591
3	HDM Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Teh Pen Sim (M14)	3,880,670	4.004
4	Cheong Siew Park	1,682,000	1.735
5	Maybank Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Mohd Haniff Bin Abd Aziz (REM 851-Margin)	1,607,600	1.658
6	Balakrishnan A/L Muthukaruppan	1,350,000	1.392
7	HDM Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Goh Hoon Ghee (M14)	1,347,900	1.390
8	Kim Poh Holdings Sdn Bhd	1,000,000	1.031
9	Maybank Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lim Soon Kwui	925,600	0.955
10	Yap See See	900,000	0.928
11	Chang Yoke Mooi	890,437	0.918
12	RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Woo Yam Sang	868,000	0.895
13	Tan See Chong	834,900	0.861
14	Chang Yoke Lan	800,000	0.825
15	Cheang Wan Ying	800,000	0.825
16	Kong Chun Wah	766,800	0.791
17	S'ng King Kiok	711,700	0.734
18	Koh Ah Mee @ Hoh Ah Mee	699,800	0.722
19	Woo Yam Sang	546,400	0.563
20	CIMSEC Nominees (Asing) Sdn Bhd Exempt An for CIMB Securities Singapore Pte Ltd (Retail Clients)	543,000	0.560
21	Goh Toh Lim	505,000	0.521
22	Loke Keng Hung	491,800	0.507
23	Chang See Phin	480,100	0.495
24	Tan Kim Tiang	448,000	0.462
25	TA Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Mohd Haniff Bin Abd Aziz	438,900	0.452
26	Maybank Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Yee Foong Seng (REM 646)	424,000	0.437
27	Nik Fauzi Bin Nik Hussein	423,500	0.436
28	Ngiam Tong Kwan	406,315	0.419
29	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Loh Eng Wah @ Loh Eng Wha (E-TAI)	400,000	0.412
30	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Teo Ah Lek (E-TSA)	395,500	0.408

APPENDIX I

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF BSL CORPORATION BERHAD (651118-K)

Article No.	Existing Provision	Amended Provision
To amend Article 2	<p>Interpretation</p> <p>Authorised Nominee A person who is authorised to act as nominee as specified under the Rules.</p> <p>Deposited Security A security in the Company standing to the credit of a Securities Account of the Depositor and includes securities in the Securities Account that is in suspense subject to the provisions of the Central Depositories Act and the Rules.</p> <p>Market Days A day on which the stock market of the Exchange is open for trading in securities</p>	<p>Interpretation</p> <p>Authorised Nominee A person who is authorised to act as nominee as specified under the Rules of the Depository.</p> <p>Deposited Security A security in the Company standing to the credit of a Securities Account of the Depositor and includes securities in the Securities Account that is in suspense subject to the provisions of the Depositories Act and the Rules of the Depository.</p> <p>Market Day A day on which the stock market of the Exchange is open for trading in securities</p>
To insert new Article 2	Not Applicable	<p>Interpretation</p> <p>Share Issuance Scheme Means a scheme involving a new issuance of shares to the employees</p>
To amend Article 3	<p>Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, and subject to the provisions of these Articles and the Act and to the provisions of any resolution of the Company, every issue of shares or options in the Company shall be approved by the Members in general meeting and such shares may be issued by the Directors, who may allot, or otherwise dispose of such shares to such persons, on such terms and conditions, with such preferred, deferred or other special rights, and subject to such restrictions and at such times as the Directors may determine but the Directors in making any issue of shares shall comply with the following conditions:-</p> <p>(a) no shares shall be issued at a discount except in compliance with the provisions of section 59 of the Act;</p> <p>(b) in the case of shares of any class, other than ordinary shares, no special rights shall be attached until the same have been expressed in these Articles;</p>	<p>Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, and subject to the provisions of these Articles and the Act and to the provisions of any resolution of the Company, every issue of shares or options in the Company shall be approved by the Members in general meeting and such shares may be issued by the Directors, who may allot, or otherwise dispose of such shares to such persons, on such terms and conditions, with such preferred, deferred or other special rights, and subject to such restrictions and at such times as the Directors may determine but the Directors in making any issue of shares shall comply with the following conditions:-</p> <p>(a) no shares shall be issued at a discount except in compliance with the provisions of section 59 of the Act;</p> <p>(b) in the case of shares of any class, other than ordinary shares, no special rights shall be attached until the same have been expressed in these Articles;</p>

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF BSL CORPORATION BERHAD (651118-K)

Article No.	Existing Provision	Amended Provision
To amend Article 3 (Cont'd)	<p>(c) no issue of shares shall be made which will have the effect of transferring a controlling interest in the Company to any person, company or syndicate without the prior approval of the Members of the Company in general meeting; and</p> <p>(d) no Director shall participate in a share scheme for employees unless the Members in general meeting have approved the allotment to be made to such Director.</p>	<p>(c) no issue of shares shall be made which will have the effect of transferring a controlling interest in the Company to any person, company or syndicate without the prior approval of the Members of the Company in general meeting; and</p> <p>(d) no Director shall participate in a Share Issuance Scheme unless the Members in general meeting have approved the specific allotment to be made to such Director.</p>
To amend Article 9	Notwithstanding Article 11 hereof, the repayment of preference share capital other than redeemable preference shares, or any alteration of preference shareholders' rights shall only be made pursuant to a special resolution of the preference shareholders concerned, provided always that where the necessary majority for such a special resolution is not obtained at the meeting, consent in writing, if obtained from the holders of three-fourths (3/4) of the preference capital concerned within two (2) months of the meeting, shall be as valid and effectual as a special resolution carried at the meeting.	Notwithstanding Article 10 hereof, the repayment of preference share capital other than redeemable preference shares, or any alteration of preference shareholders' rights shall only be made pursuant to a special resolution of the preference shareholders concerned, provided always that where the necessary majority for such a special resolution is not obtained at the meeting, consent in writing, if obtained from the holders of three-fourths (3/4) of the preference capital concerned within two (2) months of the meeting, shall be as valid and effectual as a special resolution carried at the meeting.
To amend Article 53	The notices convening meetings shall specify the place, day and hour of the meeting, and shall be given to all shareholders at least 14 days before the meeting or at least 21 days before the meeting where any special resolution is to be proposed or where it is an annual general meeting. Any notice of a meeting called to consider special business shall be accompanied by a statement regarding the effect of any proposed resolution in respect of such special business. At least 14 days' notice or 21 days' notice in the case where any special resolution is proposed or where it is the annual general meeting, of every such meeting shall be given by advertisement in at least 1 nationally circulated Bahasa Malaysia or English daily newspaper and in writing to each stock exchange upon which the company is listed.	The notices convening meetings shall specify the place, day and hour of the meeting, and shall be given to all shareholders at least 14 days before the meeting or at least 21 days before the meeting where any special resolution is to be proposed or where it is an annual general meeting. Any notice of a meeting called to consider special business shall be accompanied by a statement regarding the effect of any proposed resolution in respect of such special business. At least 14 days' notice or 21 days' notice in the case where any special resolution is proposed or where it is the annual general meeting, of every such meeting shall be given by advertisement in at least 1 nationally circulated Bahasa Malaysia or English daily newspaper and in writing to each stock exchange upon which the Company is listed.

APPENDIX I

(CONT'D)

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF BSL CORPORATION BERHAD (651118-K)

Article No.	Existing Provision	Amended Provision
To amend Article 54 (2)	The Company shall also request the Depository in accordance with the Rules of the Depository, to issue a Record of Depositors, as at the latest date which is reasonably practicable which shall in any event be not less than 3 market days before the general meeting.	The Company shall also request the Depository in accordance with the Rules of the Depository, to issue a Record of Depositors, as at the latest date which is reasonably practicable which shall in any event be not less than 3 market days before the general meeting. ("General Meeting Record of Depositors")
To amend Article 66	Subject to Article 55, no Member shall be entitled to be present and to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.	Subject to Article 54 , no Member shall be entitled to be present and to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.
To amend Article 68	The instrument appointing a proxy shall be in writing (in the common or usual form) under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised. The Directors may but shall not be bound to require evidence of the authority of any such attorney or officer. A proxy may but need not be a Member of the Company and the provisions of Section 149(1)(b) of the Act shall not apply to the Company. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.	The instrument appointing a proxy shall be in writing (in the common or usual form) under the hand of the appointor or of his 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. The Directors may but shall not be bound to require evidence of the authority of any such attorney or officer. A proxy need not be a Member of the Company. There shall be no restriction as to the qualification of the proxy and the provisions of Section 149(1) (b) of the Act shall not apply to the Company. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll and a proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the Member to speak at the meeting.
To amend Article 69	A Member may appoint not more than two (2) proxies to attend the same meeting. Where a Member appoints two (2) proxies, he shall specify the proportion of his shareholdings to be represented by each proxy. Where a Member of the Company is an authorised nominee as defined under the Depositories Act, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.	A Member of the Company who is entitled to attend and vote at a meeting of the Company, or at a meeting of any class of members of the Company, may appoint not more than two (2) proxies to attend and vote instead of the Member at the same meeting. Where a Member of the Company is an Authorised Nominee, it may appoint not more than two (2) proxies in respect of each Securities Account it holds in ordinary shares of the Company standing in credit of the said Securities Account.

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF BSL CORPORATION BERHAD (651118-K)

Article No.	Existing Provision	Amended Provision
To amend Article 69 (Cont'd)		<p>Where a Member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) Securities Account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Depositories Act which is exempted from compliance with the provisions of subsection 25A(1) of the Depositories Act.</p> <p>Where a Member or the Authorised Nominee appoints two (2) proxies, or where an exempt authorised nominee appoints two (2) or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.</p>
To amend Article 70	<p>The instrument appointing a proxy shall be in the following form with such variations as circumstances may require or the statutes permit or in such other form as the Directors may approve:-</p> <p style="text-align: center;">BSL CORPORATION BERHAD (651118 K) (formerly know as Cabaran Satria Sdn Bhd)</p> <p>I/We.....(NRIC No./Company No.) of being a member/members of BSL CORPORATION BERHAD (formerly known as Cabaran Satria Sdn Bhd) hereby appoint* the Chairman of the meeting or.....(NRIC No.) of , or failing whom..... (NRIC No.) of , as my/our Proxy(ies) to vote for me/us and act on my/our behalf at the Annual/Extraordinary General Meeting of the Company to be held at on.....day of.....at..... and, at my adjournment thereof for/against * the resolution(s) to be proposed thereat.</p> <p>Dated this.....day of..... No. of shares held</p> <p>Signature of Member/Common Seal of Shareholder (s) * Delete if not applicable</p>	<p>The instrument appointing a proxy shall be in the following form with such variations as circumstances may require or the statutes permit or in such other form as the Directors may approve:-</p> <p style="text-align: center;">BSL CORPORATION BERHAD (651118 K)</p> <p>I/We.....(NRIC No./Company No.) of being a member/members of BSL CORPORATION BERHAD hereby appoint* the Chairman of the meeting or.....(NRIC No.) of , or failing whom..... (NRIC No.) of , as my/our Proxy(ies) to vote for me/us and act on my/our behalf at the Annual/Extraordinary General Meeting of the Company to be held at on.....day of.....at..... and, at my adjournment thereof for/against * the resolution(s) to be proposed thereat.</p> <p>Dated this.....day of..... No. of shares held</p> <p>Signature of Member/Common Seal of Shareholder (s) * Delete if not applicable</p>

APPENDIX I

(CONT'D)

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF BSL COPORATION BERHAD (651118-K)

Article No.	Existing Provision	Amended Provision
To amend Article 70 (Cont'd)	<p>Notes:</p> <ol style="list-style-type: none"> 1. A member (other than an Authorised Nominee as defined under the Securities Industry (Central Depositories) Act 1991) entitled to attend and vote at the Meeting is entitled to appoint a maximum of two proxies to attend and vote on his (her) behalf. 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. 2. Where a member appoints two (2) Proxies, the appointment shall be invalid unless he (she) specifies the proportions of his (her) holdings to be represented by each Proxy. 3. The Proxy Form shall be signed by the appointor or his (her) attorney duly authorised in writing or, if the member is a corporation, must be executed under its common seal or by its duly authorised attorney or officer. 4. The instrument appointing a Proxy must be deposited at the Office of the Company not less than 48 hours before the time for the Meeting or at any adjournment thereof. 	<p>Notes:</p> <ol style="list-style-type: none"> 1. A proxy may but need not be a Member of the Company and the provisions of Section 149(1)(b) of the Act shall not apply to the Company. 2. A Member entitled to attend and vote at the meeting is entitled to appoint not more than two (2) proxies to attend and vote at the meeting except where a Member is an Authorised Nominee, in which event it may appoint not more than two (2) proxies in respect of each Securities Account it holds in ordinary shares of the Company standing to the credit of the said Securities Account. 3. Where a Member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) Securities Account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under Depositories Act which is exempted from compliance with the provisions of subsection 25A(1) of the Depositories Act. 4. Where a Member or the Authorised Nominee appoints two (2) proxies, or where an exempt authorised nominee appoints two (2) or more proxies, the appointment shall be invalid unless the proportion of shareholdings to be represented by each proxy is specified in the instrument appointing the proxies. 5. The Proxy Form shall be signed by the appointor or his (her) attorney duly authorised in writing or, if the member is a corporation, must be executed under its common seal or by its duly authorised attorney or officer. 6. The instrument appointing a Proxy must be deposited at the Office of the Company not less than 48 hours before the time for holding the meeting or at any adjournment thereof.

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF BSL COPRORATION BERHAD (651118-K)

Article No.	Existing Provision	Amended Provision
To amend Article 111	The Directors may elect a Chairman or a Deputy Chairman of their meetings and determine the period for which he is to hold office, but if no such Chairman is elected, or if at any meeting the Chairman or Deputy Chairman is not present within fifteen (15) minutes after the time appointed for holding the meeting, the Directors present may choose one (1) of their Member to be the Chairman of the meetings.	The Directors may elect a Chairman or a Deputy Chairman of their meetings and determine the period for which he is to hold office, but if no such Chairman is elected, or if at any meeting the Chairman or Deputy Chairman is not present within fifteen (15) minutes after the time appointed for holding the meeting, the Directors present may choose one (1) of their member to be the Chairman of the meetings.
To amend Article 113	A committee may elect a Chairman of its meetings; if no such Chairman is elected, or if at any meeting the Chairman is not present within fifteen (15) minutes after the time appointed for holding the meeting, or is unwilling to act the Members present may choose one (1) of their number to be Chairman of the meeting.	A committee may elect a Chairman of its meetings; if no such Chairman is elected, or if at any meeting the Chairman is not present within fifteen (15) minutes after the time appointed for holding the meeting, or is unwilling to act, the members present may choose one (1) of their number to be Chairman of the meeting.
To amend Article 114	Subject to any rules and regulations made pursuant to Article 111 and the Listing Requirements, a committee may meet and adjourn as it thinks proper. Questions arising at any meeting shall be determined by a majority of votes of the Members present, and in the case of an equality of votes the Chairman shall have a second or casting vote.	Subject to any rules and regulations made pursuant to Article 112 and the Listing Requirements, a committee may meet and adjourn as it thinks proper. Questions arising at any meeting shall be determined by a majority of votes of the members present, and in the case of an equality of votes the Chairman shall have a second or casting vote.
To amend Article 130	A document purporting to be a copy of a resolution of the Directors or any extract from the minutes of a meeting of the Directors which is certified as such in accordance with the provisions of Article 128, shall be conclusive evidence in favour of all persons dealing with the Company upon the faith thereof that such resolution has been duly passed or, as the case may be, that such extract is a true and accurate record of a duly constituted meeting of the Directors.	A document purporting to be a copy of a resolution of the Directors or any extract from the minutes of a meeting of the Directors which is certified as such in accordance with the provisions of Article 129 , shall be conclusive evidence in favour of all persons dealing with the Company upon the faith thereof that such resolution has been duly passed or, as the case may be, that such extract is a true and accurate record of a duly constituted meeting of the Directors.

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PROXY FORM

BSL Corporation Berhad. (651118 K)
(Incorporated in Malaysia)

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:

I/We _____ (NRIC No./Company No.) _____

of _____

being a member/members of BSL CORPORATION BERHAD hereby appoint *the Chairman of the meeting or _____ (NRIC No.) _____

of _____

or failing whom _____ (NRIC No.) _____

of _____

as *my/our Proxy(ies) to vote for *me/us and on *my/our behalf at the Ninth Annual General Meeting of the Company to be held at Templer 1, First Floor, Perangsang Templer Golf Club, No.1, Templer Park Resort, 48000 Rawang, Selangor Darul Ehsan on Wednesday, 27th day of February 2013 at 10.00 a.m. and at any adjournment thereof for/against* the resolution(s) to be proposed thereat.

Item	Agenda			
1.	To receive the Audited Financial Statements for the financial year ended 31 August, 2012 together with the Directors' and Auditors' Reports thereon.			
		Resolution	For	Against
2.	ORDINARY BUSINESS To re-elect the Director, Ngiam Tee Wee who retires pursuant to Article 78 of the Company's Articles of Association.	1		
3.	To re-elect the Director, Ng Wai Pin who retires pursuant to Article 78 of the Company's Articles of Association.	2		
4.	To re-elect the Director, To' Puan Rozana Bte Tan Sri Redzuan who retires pursuant to Article 78 of the Company's Articles of Association.	3		
5.	To approve the payment of Directors' Fees for the financial year ended 31 August, 2012.	4		
6.	To re-appoint Messrs Deloitte Kassim Chan as Auditors of the Company and to authorise the Directors to fix their remuneration.	5		
7.	SPECIAL BUSINESS To grant authority to the Directors to allot and issue shares pursuant to Section 132D of the Companies Act, 1965.	6		
8.	To approve the Proposed Renewal of Authority for the Company to purchase its own ordinary shares on Bursa Malaysia Securities Berhad up to 10% of the Issued and Paid up Share Capital.	7		
9.	To approve the Proposed Amendments to the Articles of Association of the Company.	8		

(Please indicate with an "X" in the space provided above on how you wish your vote to be cast. If you do not do so, the proxy will vote or abstain from voting at his discretion)

Dated this _____ day of _____ 2013.

Signature/Common Seal of Shareholder(s)

*Delete whichever is not applicable

Notes:

- 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. 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. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportion of his/her holdings to be represented by each proxy.
- Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("Depositories Act"), it may appoint not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- Where a member of the Company is an exempt authorised nominee as defined under the Depositories Act 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.
- 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.
- 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.
- Only members whose names appear in the Record of Depositors as at 20 February 2013 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