



**BSL**  
CORPORATION  
BHD 651118-K

## Moving Towards Strategic Manufacturing Integration



ANNUAL REPORT 2009

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# Notice of Sixth Annual General Meeting

NOTICE IS HEREBY GIVEN that the Sixth 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 Thursday, 25 February, 2010 at 10.00 a.m. to transact the following business:-

## AGENDA

### Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 31 August, 2009 together with the Reports of the Directors and Auditors thereon. ( Please refer to Explanatory Note 1 )
2. To 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 Directors' Fees for the financial year ended 31 August, 2009. ( 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 Ordinary Resolutions:

5. ORDINARY RESOLUTION ( Resolution 6 )  
- AUTHORITY TO ISSUE SHARES  
"THAT pursuant to Section 132D of the Companies Act, 1965, the Directors of the Company be and are hereby empowered to 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 in any one financial year does not exceed 10% of the issued 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."
6. ORDINARY RESOLUTION ( Resolution 7 )  
- 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 ("PROPOSED SHARE BUY-BACK")  
"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 authorized 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:-
  - (a) The aggregate number of Shares in the Company which may be purchased and/or held by the Company shall not exceed ten percent (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;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 authorized to:-
- (i) cancel all or part of the Shares purchased pursuant to the Proposed Share Buy-Back ("Purchased Shares"); and/or
  - (ii) retain all or part of the Purchased Shares as treasury shares; and/or
  - (iii) distribute the treasury shares as share dividends to the Company's shareholders for the time being; and/or
  - (iv) resell the treasury shares on Bursa Securities.

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

By Order of the Board

**NG YEN HOONG (LS 008016)**  
**LIM POH YEN (MAICSA 7009745)**  
 Company Secretaries

Kuala Lumpur  
 3 February, 2010

**NOTES:-**

**1. Notes on Appointment of Proxy**

- (a) 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.
- (b) 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.
- (c) The Proxy Form shall be signed by the appointor of his (her) attorney duly authorized in writing or, if the member is a corporation, must be executed under its common seal or by its duly authorized attorney or officer.
- (d) 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 for the meeting or at any adjournment thereof.

**EXPLANATORY NOTES:-**

- (i) Item 1 of Agenda – This item is meant for discussion only as the provision of Section 169(1) of the Companies Act, 1965 does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda is not put forward for voting.
- (ii) Ordinary Resolution 6 – Authority to Issue Shares  
 The Proposed Resolution 6 is proposed for the purpose of granting a renewed general mandate ("General Mandate") and empowering the Directors to issue shares in the Company up to an amount not exceeding in total ten per centum (10%) of the Issued Share Capital of the Company for such purposes as the Directors consider would be in the interest of the Company.  
 This authority, unless revoked or varied by the Company at a general meeting, will expire at the next Annual General Meeting.  
 The General Mandate will provide flexibility to the Company for allotment of shares for any possible fund raising activities, including but not limited for further placing of shares, for the purpose of funding future investments(s), acquisition(s) and/or working capital.  
 As at the date of this Notice, the Company did not issue any shares pursuant to the mandate granted to the Directors at the Fifth Annual General Meeting. The Company did not issue any shares pursuant to the mandate granted because there were no investment(s), acquisition(s) or working capital that required fund raising activity.
- (iii) Ordinary Resolution 7 – Proposed Share Buy-Back  
 Shareholders are advised to refer to the Statement to Shareholders dated 28 January, 2010 circulated together with the 2009 Annual Report, when considering Resolution 7.

# Statement Accompanying

## Notice of the Sixth Annual General Meeting

(Pursuant to Paragraph 8.27(2) of the Listing Requirements of the Bursa Malaysia Securities Berhad)

### **DIRECTORS STANDING FOR RE-ELECTION**

The name of Directors who are standing for re-election at the forthcoming Sixth Annual General Meeting pursuant to Article 78 of the Company's Articles of Association are as follows:-

- (i) Ngiam Tee Wee
- (ii) Ng Wai Pin
- (iii) To' Puan Rozana Bte Tan Sri Redzuan

The details of the above Directors are set out in their respective profiles on pages 6 and 9 The details of their interest in the securities of the Company are set out on page 92 of the Annual Report.

# Corporate Information

## BOARD OF DIRECTORS

**Ngiam Tong Kwan**

Executive Chairman

**Ngiam Tee Wee**

Chief Executive Officer / Executive Director

**Ngiam Tee Yang**

Deputy Chairman / Executive Director

**Teh Yoon Loy**

Executive Director

**Yukihiro Eguchi**

Executive Director

**Andy Woo Weng Kok**

Executive Director

**Datuk Dr Syed Muhamad bin Syed Abdul Kadir**

Independent Non-Executive Director

**To' Puan Rozana binti Tan Sri Redzuan**

Independent Non-Executive Director

**Ng Wai Pin**

Independent Non-Executive Director

## AUDIT COMMITTEE

**Datuk Dr Syed Muhamad bin Syed Abdul Kadir**

Chairman / Independent Non-Executive Director

**Ng Wai Pin**

Member / Independent Non-Executive Director

**To' Puan Rozana binti 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](http://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

## REGISTRARS

Tricor Investor Services Sdn Bhd  
( Formerly known as Tenaga Koperat 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 60, 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 52, 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.



## Ngiam Tee Wee Chief Executive Officer / Executive Director

Aged 41, Malaysian. Appointed to the Board on 28 April 2005, he graduated with a Bachelor of Land Surveying Degree from University of Melbourne, Australia, and started his career in 1993 as Factory Manager of Unique, a subsidiary of BSL. In 1995, he was transferred to BSLI as an Operations Manager. In 1998, one year after he completed his ISO 9000 Lead Assessor training, he led BSLI to ISO 9002 certification. He was promoted to General Manager in 2000 where his responsibilities included overseeing daily operations, sales and marketing, R&D and engineering. He is currently the Managing Director of 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.

# Profile of Directors (cont'd)



## Ngiam Tee Yang

Deputy Chairman / Executive Director

Aged 44, 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.

## Yukihiro Eguchi

Executive Director

Aged 47, Japanese. Appointed to the Board on 28 April 2005, Mr Eguchi joined his family-owned company Bright Trading Corporation in Tokyo after graduated from 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.



# Profile of Directors (cont'd)

## Andy Woo Weng Kok Executive Director

Aged 33, 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. He is also responsible in sourcing for electronic parts and components.

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

## Datuk Dr. Syed Muhamad Bin Syed Abdul Kadir Independent Non-Executive Director

Aged 62, 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.

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.

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

Datuk Dr. Syed Muhamad is a Director of Bumiputra Commerce Holdings Berhad and CIMB Bank Berhad, a subsidiary company of the Bank. He is also a Chairman of CIMB Islamic Bank Berhad and a Director of Euro Holdings Berhad and Solution Engineering Holdings Berhad, both companies listed on Bursa Malaysia Securities Berhad. In addition, he holds directorship in a number of private companies.

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 (cont'd)



## To' Puan Rozana Binti Tan Sri Redzuan Independent Non-Executive Director

Aged 45, 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 two public listed companies on Bursa Malaysia Securities Berhad, namely Perduren (M) Berhad and Mamee-Double Decker (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 44, 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 currently runs a company in Australia and also sits on the board of Euro Holdings Berhad and Frontken Corporation Berhad, both listed on Bursa Malaysia Securities Berhad.

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 financial year ended 31 August 2009.

### FINANCIAL REVIEW

The financial year just ended had been an interesting one, with the world reeling from the global financial crisis and severe economic recession. This was a major setback for the electrical and electronic industries which experienced a downturn in global demand.

Amidst this adverse operating environment, for the 12 months ended 31 August 2009, the Group achieved a turnover of RM139.828 million, about 0.1% higher than the RM139.649 million in FY2008. Loss before tax was RM1.263 million, about 115% lower than the profit of RM8.157 million in FY2008, while net loss attributable to equity holders of the Company was RM1.695 million, about 135% lower than the profit of RM4.833 million in FY2008. This translated into weighted average loss per share of 1.70 sen per share, while net tangible assets drop to RM69.295 million or RM0.71 per share.

### OPERATIONAL REVIEW

Despite the global financial crisis, the Group was able to report a slight increase in turnover. This was due to stronger performance from our stamping division, which benefited from prior effort in engaging new clients in the LCD TV, Blue Ray players and agricultural businesses. This stamping division also posted much improved results in both PBT and PAT.

However, the improvement from stamping division was not sufficient to cover the losses from the other divisions. The global crisis unfortunately had a bigger impact on our other divisions namely PCB Assembly, Fabrication & Forging and Automotive. These three divisions suffered a decline in turnover, which in turn impacted on their profitability.

The PCB Assembly division has higher depreciation due to capital expenditure incurred right before the onset of the global crisis. This division also saw a big drop in turnover, which resulted in difficulties to reduce operating cost quickly. However, remedial actions had been implemented and this division had already shown improved results towards the end of the last financial year.

The Group had recognised the volatility of the global economy specifically the electrical and electronics sector, and is implementing necessary business and operational strategy to mitigate such impact.

## CORPORATE DEVELOPMENTS

There were no significant corporate developments during the financial year under review.

## DIVIDEND

The Board did not recommend any dividend payment in respect of the financial year ended 31 August 2009.

## 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 had implemented the recommendations arising from these internal audit reports.

The Board remains resolute that the Group continues 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 13 to 19.

## CURRENT YEAR OUTLOOK

The global economy continues to be uncertain with mixed reports of both recovery or continued sluggishness. To that end, the Group expects another challenging year.



In order to overcome these challenges, the Group will further enhance its cost effectiveness, improve business agility to steer the Group to the next level of operational efficiency and ensure innovations in the manufacturing process to meet the flexibility in demand and supply chain.

At the end of December 2009, the stamping division had moved successfully to a new premise at Rawang. At this new location, this division is well poised to benefit from the expected increase in LCD TV production this year by major clients in Malaysia and overseas. The stamping division aims to evolve into a 'One Stop Manufacturing Solution Provider' by providing further manufacturing processes in-house such as plastic injection moulding and sheet metal fabrication. The plastic injection moulding operation already started in late 2009 and is expected to contribute progressively in the coming years. We hope to complement plastic moulded components with metal stamped components to provide better added value to our clients.

## 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. We would also like to thank our shareholders, clients, business associates, partners and the relevant government authorities for their continuing support to the Group.

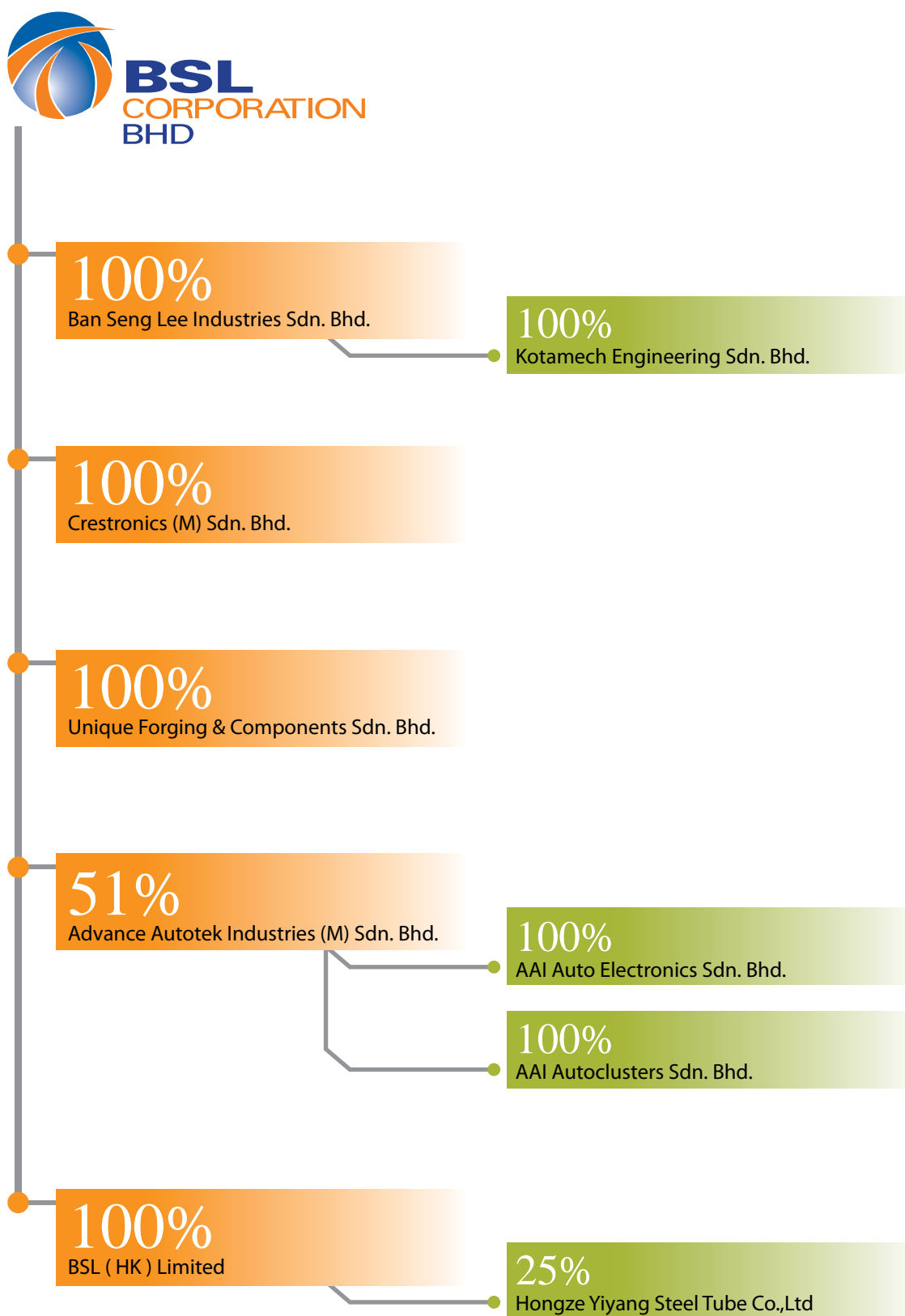
Thank you.

**Ngiam Tong Kwan**  
*Executive Chairman*

**Ngiam Tee Wee**  
*Chief Executive Officer*

28 January 2010

# Corporate Structure





# 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 Board composition brings together an extensive pool of experience in the technical, financial, business and government sectors, in particular, the independent directors bring to the Board's deliberations invaluable experience on issues of business strategy and resource allocation.

The profiles of the Directors are presented in pages 6 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 for the day to day running of the business, implementation of the Board policies and making 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.



# 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.

Five (5) meetings were held during the financial year ended 31 August, 2009. The record of attendance for the directors who held office during the financial year is set out below :

Directors	Number of Meeting held during Director's Tenure in Office	Attendance	Percentage of Attendance
Ngiam Tong Kwan	5	5	100%
Ngiam Tee Wee	5	5	100%
Ngiam Tee Yang	5	5	100%
Teh Yoon Loy	5	5	100%
Yukihiro Eguchi	5	3	60%
Andy Woo Weng Kok	5	5	100%
Datuk Dr Syed Muhamad bin Syed Abdul Kadir	5	5	100%
To' Puan Rozana binti Tan Sri Redzuan	5	5	100%
Ng Wai Pin	5	5	100%

### 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 had delegated specific responsibilities to four (4) committees all of which have written terms of reference approved by the Board. These committees have the authority to examine particular areas and report back to the Board with their findings and recommendations. The ultimate responsibility for the final decision on all matters lies with the Board. These committees are:

# Corporate Governance Statement (cont'd)

## 1. BOARD OF DIRECTORS ( cont'd )

### (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 21 to 24 of this Annual Report.

### (ii) Remuneration Committee

The members of the Remuneration Committee are currently as follows :

1. **Ngiam Tong Kwan** ( Executive Director )  
( *Chairman* )
2. **To' Puan Rozana binti 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 binti 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.

# Corporate Governance Statement (cont'd)

## 1. BOARD OF DIRECTORS ( cont'd )

### (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 binti Tan Sri Redzuan** ( Independent Non-Executive Director )  
( *Member* )
3. **Ngiam Tee Wee** ( Chief Executive Officer / Executive Director )  
( *Member* )

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 (RIAIAM). 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 2009, the Directors have attended the following trainings : -

Directors	Title of Training	Duration	Mode
Ngiam Tong Kwan	Corporate Governance Revisited	Half day	Briefing
Ngiam Tee Wee	The Investor Relations Policy - Best Practices on Corporate Disclosure	One day	Training
	Bullet Proof Management	12 days	Training
Teh Yoon Loy	Corporate Governance Revisited	Half day	Briefing
Andy Woo Weng Kok	The Investor Relations Policy - Best Practices on Corporate Disclosure	One day	Training
Ngiam Tee Yang	Technical Briefing on Main Market listing Requirements	Half day	Briefing
Datuk Dr.Syed Muhamad bin Syed Abdul Kadir	Financial Institution Development (FIDE) module 1, 2, 3 & 4	8 days	Training
To' Puan Rozana binti Tan Sri Redzuan	Best Practices of Boardroom Affairs	One day	Briefing
Ng Wai Pin	Technical Briefing on Main Market Listing Requirements	half day	Briefing
	Strengthening the Financial Reporting Chain in enhancing Corporate Governance	One day	Briefing
	PLCs Forum on Corporate Governance Best Practices	One day	Forum
	Financial Reporting During Financial Turbulence	One day	Training

Mr Yukihiro Eguchi did not attend any relevant training and seminar courses due to his hectic travelling schedule throughout the year. The Director will undertake to attain relevant training and seminar courses in 2010 to continue enhancing his skills and knowledge for the purpose of discharging his duties and responsibilities.

## 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 under review are as follows :

	Salaries & Bonus RM	Other benefits RM	Fees RM	Total RM
Executive Directors	1,512,909	176,911	211,600	1,901,420
Non-Executive Directors	-	4,200	86,000	90,200
Total	1,512,909	181,111	297,600	1,991,620

# Corporate Governance Statement (cont'd)

## 2. DIRECTORS' REMUNERATION ( cont'd )

A breakdown of Directors' remuneration for the financial year 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
50,001 – 100,000	1	-
100,001 – 150,000	-	-
150,001 – 200,000	-	-
200,001 – 250,000	2	-
250,001 – 300,000	1	-
300,001 – 350,000	-	-
350,001 – 400,000	2	-
Total	6	3

## 3. COMMUNICATION WITH SHAREHOLDERS & INVESTORS

The Board values and encourages dialogues with shareholders to facilitate better understanding of the Group's objectives and financial performance.

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, the Board plans to establish an investor relations programme as a channel for regular communication with shareholders, stakeholders, investment analysts, fund managers and the media.

## 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 20.

### 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.

# Corporate Governance Statement (cont'd)

## 5. ADDITIONAL COMPLIANCE INFORMATION

### (a) Utilisation of Proceeds

The Company did not raise any proceeds from corporate proposals during the financial year.

### (b) Share Buy-back

Details of the Company's share buy-back exercise during the financial year ended 31 August 2009 are disclosed in Note 21 of the financial statement in page 80 of this Annual Report.

### (c) Options, Warrants or Convertible Securities

There were no options, warrants or convertible securities exercised during the financial year ended 31 August 2009.

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

The Company did not sponsor any of those programs during the financial year.

### (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 no non-audit fees paid and payable to the External Auditor during the financial year ended 31 August 2009.

### (g) Variation in Results

There is no material variance between the audited results for the financial year ended 31 August 2009 and the unaudited results previously announced.

### (h) Profit Guarantees

During the financial year, 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 2009 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 2009 are disclosed in Notes 6 and 12 of the financial statements in pages 62, 73 to 76 of this Annual Report.

### (k) Revaluation of landed properties

The Group has adopted a policy on regular revaluation on landed properties. This is disclosed at Note 3 and 10 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 of 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 21 to 24.

## 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, 2009. 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 binti 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 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 1<sup>st</sup> 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 1<sup>st</sup> 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;
  - (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;

# Audit Committee Report (cont'd)

## DUTIES AND RESPONSIBILITIES OF THE COMMITTEE ( cont'd )

- (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.

## 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 numbers, to act as chairman of the meeting.

# Audit Committee Report (cont'd)

## PROCEDURE OF COMMITTEE MEETING ( cont'd )

### (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 2009, 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 binti Tan Sri Redzuan	5	5
Ng Wai Pin	5	5

The following activities were carried out by the Audit Committee during the financial year ended 31 August 2009 :

- 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 external auditors' scope of works and the audit planning memorandum, the results of their examination, their auditors' report and management letters in relation to the audit and accounting issues arising from the audit.
- 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 15.27 ( a ) of the Bursa Malaysia 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.

This statement is made pursuant to a resolution of the Board of Directors' meeting held on 28 January, 2010.



# Financial Statements

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# Directors' Report

The directors of **BSL CORPORATION BERHAD**, hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended August 31, 2009.

## 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 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	The Company
	RM	RM
(Loss)/Profit before tax	(1,262,593)	336,015
Income tax (expense)/credit	(321,851)	29,155
(Loss)/Profit for the year	<u>(1,584,444)</u>	<u>365,170</u>
Attributable to:		
Equity holders of the Company	(1,695,308)	
Minority interest	<u>110,864</u>	
	<u>(1,584,444)</u>	

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.

# Directors' Report (cont'd)

## DIVIDENDS

A first and final dividend of 1.33 sen per share, less 25% tax, amounting to RM977,553, proposed in respect of ordinary shares in the previous financial year and dealt with in the previous directors' report was paid by the Company during the financial year.

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

## RESERVES AND PROVISIONS

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

## ISSUE OF SHARES AND DEBENTURES

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

## SHARE OPTIONS

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

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

## TREASURY SHARES

During the year, the Company purchased 6,100 units of its own shares through purchases on Bursa Malaysia Securities Berhad. The total amount paid for acquisition of the shares was RM1,899 and has been deducted from equity. The repurchased transactions were financed by internally generated funds and the average price paid for the shares were RM0.3113. The repurchased shares are held as treasury shares in accordance with Section 67A of the Companies Act, 1965.

## OTHER STATUTORY INFORMATION

Before the income statements and the balance sheets 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 have satisfied themselves that there are no known bad receivables to be written off and adequate allowances have been made for doubtful receivables; and
- (b) to ensure that any current assets which were unlikely to realise their book values in the ordinary course of business have been written down to their estimated realisable values.

# Directors' Report (cont'd)

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**

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

Ngiam Tong Kwan

Ngiam Tee Wee

Ngiam Tee Yang

Teh Yoon Loy

Yukihiro Eguchi

Ng Wai Pin

To' Puan Rozana Bte Tan Sri Redzuan

Datuk Dr. Syed Muhamad Bin Syed Abdul Kadir

Andy Woo Weng Kok

# Directors' Report (cont'd)

Mr. Ngiam Tee Wee, Mr. Ng Wai Pin, and To' Puan Rozana Bte Tan Sri Redzuan retire under Article 78 of the Company's Articles of Association in the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

## DIRECTORS' INTERESTS

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

Number of ordinary shares of RM0.50 each				
	Balance at 1.9.2008	Bought	Sold	Balance at 31.8.2009
<b>Shares in the Company</b>				
<b>Registered in name of directors</b>				
Ngiam Tong Kwan	406,315	-	-	406,315
Teh Yoon Loy	36,347	-	-	36,347
Yukihiro Eguchi	58,445	-	-	58,445
Ngiam Tee Wee	135,000	-	-	135,000
Ngiam Tee Yang	100,000	-	-	100,000
Datuk Dr. Syed Muhamad Bin Syed Abdul Kadir	100,000	-	-	100,000
Andy Woo Weng Kok	60,000	-	-	60,000
<b>Deemed interest</b>				
Ngiam Tong Kwan*	49,980,000	-	-	49,980,000
Ngiam Tong Kwan**	4,192,670	-	-	4,192,670
Andy Woo Weng Kok **	47,000	-	-	47,000
Ng Wai Pin **	17,000	-	-	17,000

Number of ordinary shares of RM1.00 each				
	Balance at 1.9.2008	Bought	Sold	Balance at 31.8.2009
<b>Shares in the holding company, Esteem Role Sdn. Bhd.</b>				
<b>Registered in name of directors</b>				
Ngiam Tong Kwan	25,472	-	-	25,472
Teh Yoon Loy	7,060	-	-	7,060
Yukihiro Eguchi	3,050	-	-	3,050
Ngiam Tee Wee	7,000	-	-	7,000
Ngiam Tee Yang	5,000	-	-	5,000

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

\*\* Deemed to have interest held through his family members.

# Directors' Report (cont'd)

By virtue of the above directors' interest in the shares of the Company and of the holding company, they are deemed to have an interest in the shares of the subsidiary 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 he is a member, or with a company in which he 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 12 and 26 to the Financial Statements.

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

## **HOLDING COMPANY**

The Company is a subsidiary company of Esteem Role Sdn. Bhd., a company incorporated in Malaysia.



# Directors' Report (cont'd)

## AUDITORS

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

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

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NGIAM TONG KWAN

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NGIAM TEE WEE

Petaling Jaya,  
December 22, 2009

# 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 balance sheets as of August 31, 2009 of the Group and of the Company and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 35 to 87.

## ***Directors' Responsibility for the Financial Statements***

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

## ***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit and to report our opinion to you, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purposes. We do not assume responsibility towards any other person for the content of this report.

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 the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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, 2009 and their financial performance and cash flows for the year then ended.

# Independent Auditors' Report

to the Members of BSL Corporation Berhad ( Incorporated in Malaysia )  
(cont'd)

## 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 consolidated financial statements.
- 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, and we have received satisfactory information and explanations as required by us for these purposes.
- d) The auditors' reports on the financial statements of the subsidiary companies were not subject to any qualification and did not include any comment made under sub-section (3) of Section 174 of the Act.

**DELOITTE KASSIMCHAN**

AF 0080

Chartered Accountants

**LOO CHEE CHOU**

Partner - 2783/09/10 (J)

Chartered Accountant

December 22, 2009

# Income Statements

## for the Year Ended August 31, 2009

	Note	The Group		The Company	
		2009 RM	2008 RM	2009 RM	2008 RM
Revenue	5	139,827,923	139,649,418	1,464,000	4,268,000
Other income	6	1,655,920	615,589	964,826	483,334
Investment income		100,158	159,650	37,659	111,898
Changes in inventories of work-in-progress and finished goods		(2,619,422)	3,446,008	-	-
Raw materials and consumables used		(94,198,526)	(92,185,819)	-	-
Production overhead		(10,261,813)	(9,888,521)	-	-
Staff costs	6	(18,074,305)	(18,770,297)	-	-
Depreciation of property, plant and equipment	10	(6,300,067)	(5,256,344)	-	-
Finance costs	7	(1,973,691)	(2,188,855)	(877,500)	(879,904)
Other expenses	6	(8,293,464)	(6,882,942)	(1,252,970)	(1,394,848)
Share of result of associated company	13	(1,052,745)	(468,432)	-	-
Amortisation of prepaid lease payments on leasehold land	11	(72,561)	(72,561)	-	-
<b>(Loss)/Profit before tax</b>		<b>(1,262,593)</b>	<b>8,156,894</b>	<b>336,015</b>	<b>2,588,480</b>
Income tax (expense)/credit	8	(321,851)	(2,715,940)	29,155	(1,605,771)
<b>(Loss)/Profit for the year</b>		<b>(1,584,444)</b>	<b>5,440,954</b>	<b>365,170</b>	<b>982,709</b>
Attributable to:					
Equity holders of the Company		(1,695,308)	4,833,094		
Minority interest		110,864	607,860		
		<u>(1,584,444)</u>	<u>5,440,954</u>		
(Loss)/Earnings per ordinary share					
Basic (sen)	9	<u>(1.7)</u>	<u>5.0</u>		

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

# Balance Sheets

## as of August 31, 2009

		The Group		The Company	
	Note	2009 RM	2008 RM	2009 RM	2008 RM
ASSETS					
Non-Current Assets					
Property, plant and equipment	10	46,973,009	45,796,883	-	-
Prepaid lease payments on leasehold land	11	6,402,059	6,512,956	-	-
Investment in subsidiary companies	12	-	-	49,046,047	49,046,047
Investment in an associated company	13	3,648,426	9,870,773	-	-
Goodwill on consolidation	14	3,540,889	3,540,889	-	-
Quoted investment	15	1,700	1,700	-	-
Other investment	16	-	750,000	-	750,000
Total Non-Current Assets		60,566,083	66,473,201	49,046,047	49,796,047
Current Assets					
Inventories	17	14,780,108	19,795,345	-	-
Trade receivables	18	28,792,472	27,301,579	-	-
Other receivables, deposits and prepaid expenses	18	3,892,026	3,481,189	-	15,000
Tax recoverable		333,846	541,404	346,064	129,409
Amount owing by subsidiary companies	12	-	-	17,852,827	19,380,074
Short-term deposits with licensed banks	19	5,159,163	5,330,521	4,062,058	2,293,504
Cash and bank balances	29	12,353,648	7,650,211	107,949	384,507
Total Current Assets		65,311,263	64,100,249	22,368,898	22,202,494
TOTAL ASSETS		125,877,346	130,573,450	71,414,945	71,998,541

# Balance Sheets

## as of August 31, 2009 (cont'd)

		The Group		The Company	
		2009	2008	2009	2008
	Note	RM	RM	RM	RM
<b>EQUITY AND LIABILITIES</b>					
<b>Capital and Reserves</b>					
Share capital	20	49,000,000	49,000,000	49,000,000	49,000,000
Treasury shares	21	(1,899)	-	(1,899)	-
Reserves	22	20,296,973	23,108,458	2,770,321	3,382,704
Equity attributable to equity holders of the Company		69,295,074	72,108,458	51,768,422	52,382,704
Minority interest		1,596,327	2,171,463	-	-
<b>Total Equity</b>		<b>70,891,401</b>	<b>74,279,921</b>	<b>51,768,422</b>	<b>52,382,704</b>
<b>Non-Current and Deferred Liabilities</b>					
Hire-purchase payables - non-current portion	23	2,695,089	4,771,497	-	-
Term loans - non-current portion	24	15,421,350	15,970,628	15,000,000	15,000,000
Deferred tax liabilities	25	2,302,380	3,499,193	-	-
<b>Total Non-Current and Deferred Liabilities</b>		<b>20,418,819</b>	<b>24,241,318</b>	<b>15,000,000</b>	<b>15,000,000</b>
<b>Current Liabilities</b>					
Trade payables	26	17,326,327	12,991,060	-	-
Other payables and accrued expenses	26	5,834,103	4,617,494	366,181	434,498
Amount owing to subsidiary company	12	-	-	4,280,342	4,181,339
Hire-purchase payables - current portion	23	4,035,789	3,710,297	-	-
Bank borrowings	27	5,877,050	9,556,308	-	-
Term loans - current portion	24	545,927	698,366	-	-
Tax liabilities		947,930	478,686	-	-
<b>Total Current Liabilities</b>		<b>34,567,126</b>	<b>32,052,211</b>	<b>4,646,523</b>	<b>4,615,837</b>
<b>Total Liabilities</b>		<b>54,985,945</b>	<b>56,293,529</b>	<b>19,646,523</b>	<b>19,615,837</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>125,877,346</b>	<b>130,573,450</b>	<b>71,414,945</b>	<b>71,998,541</b>

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



# Statements of Changes In Equity

## for the Year Ended August 31, 2009

The Group	Non-distributable					Attributable to equity holders of the Company	Minority interest	Total
	Share capital	Share premium	Revaluation reserve	Foreign currency translation reserve	Distributable reserve - Retained earnings			
	RM	RM	RM	RM	RM	RM	RM	RM
<b>As of August 31, 2007</b>	49,000,000	1,767,230	184,916	-	17,317,869	68,270,015	1,159,241	69,429,256
Dividend paid (Note 30)	-	-	-	-	(993,529)	(993,529)	-	(993,529)
Minority interest share of profit guarantee	-	-	-	-	-	-	404,362	404,362
Currency translation differences	-	-	-	(1,122)	-	(1,122)	-	(1,122)
Total recognised income and expense - profit for the year	-	-	-	-	4,833,094	4,833,094	607,860	5,440,954
<b>As of August 31, 2008</b>	49,000,000	1,767,230	184,916	(1,122)	21,157,434	72,108,458	2,171,463	74,279,921

# Statements of Changes In Equity

## for the Year Ended August 31, 2009 (cont'd)

The Group	Non-distributable						Distributable reserve - Retained earnings	Attributable to equity holders of the Company	Minority interest	Total
	Share capital	Treasury shares	Share premium	Revaluation reserve	Foreign currency translation reserve					
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
<b>As of August 31, 2008</b>	49,000,000	-	1,767,230	184,916	(1,122)	21,157,434	72,108,458	2,171,463	74,279,921	
Dividend paid (Note 30)	-	-	-	-	-	(977,553)	(977,553)	-	(977,553)	
Dividend paid to minority interest	-	-	-	-	-	-	-	(686,000)	(686,000)	
Currency translation differences	-	-	-	-	(138,624)	-	(138,624)	-	(138,624)	
Total recognised income and expense - profit/ (loss) for the year	-	-	-	-	-	(1,695,308)	(1,695,308)	110,864	(1,584,444)	
Repurchase of shares	-	(1,899)	-	-	-	-	(1,899)	-	(1,899)	
<b>As of August 31, 2009</b>	49,000,000	(1,899)	1,767,230	184,916	(139,746)	18,484,573	69,295,074	1,596,327	70,891,401	
(Forward)										

# Statements of Changes In Equity

## for the Year Ended August 31, 2009 (cont'd)

The Company	Share capital RM	Treasury shares RM	Non-distributable reserve - Share premium RM	Distributable reserve - Retained earnings RM	Total RM
<b>As of September 1, 2007</b>	49,000,000	-	1,767,230	1,626,294	52,393,524
Dividend paid (Note 30)	-	-	-	(993,529)	(993,529)
Total recognised income and expense - profit for the year	-	-	-	982,709	982,709
<b>As of August 31, 2008</b>	49,000,000	-	1,767,230	1,615,474	52,382,704
Dividend paid (Note 30)	-	-	-	(977,553)	(977,553)
Total recognised income and expense - profit for the year	-	-	-	365,170	365,170
Repurchase of shares	-	(1,899)	-	-	(1,899)
<b>As of August 31, 2009</b>	<u>49,000,000</u>	<u>(1,899)</u>	<u>1,767,230</u>	<u>1,003,091</u>	<u>51,768,422</u>

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

# Cash Flow Statements

## for the Year Ended August 31, 2009

	The Group		The Company	
	2009	2008	2009	2008
	RM	RM	RM	RM
<b>Cash Flows From/(Used In)</b>				
<b>Operating Activities</b>				
(Loss)/Profit for the year	(1,584,444)	5,440,954	365,170	982,709
Income tax expense/(credit) recognised in the income statements	321,851	2,715,940	(29,155)	1,605,771
Adjustments for:				
Depreciation of property, plant and equipment	6,300,067	5,256,344	-	-
Interest expense	1,973,691	2,188,855	877,500	879,904
Allowance for doubtful receivables	1,073,994	99,604	-	-
Share of losses of associated company	1,052,745	468,432	-	-
Unrealised loss/(gain) on foreign exchange	103,615	56,034	(283,787)	181,687
Allowance for diminution in value of other investment	750,000	750,000	750,000	750,000
Amortisation of prepaid lease payments on leasehold land	72,561	72,561	-	-
Gain on partial disposal of associated company	(968,528)	-	-	-
Gain on disposal of property, plant and equipment - net	(389,298)	(295,122)	-	-
Interest income	(100,158)	(159,650)	(37,659)	(111,898)
Allowance for diminution in value of quoted investment	-	3,900	-	-
Property, plant and equipment written off	-	36	-	-
Dividend income	-	-	(1,464,000)	(4,268,000)
Interest receivable from subsidiary companies	-	-	(552,126)	(483,334)
Operating Profit/(Loss) Before Working Capital Changes	8,606,096	16,597,888	(374,057)	(463,161)

(Forward)

# Cash Flow Statements

## for the Year Ended August 31, 2009 (cont'd)

	The Group		The Company	
	2009	2008	2009	2008
	RM	RM	RM	RM
(Increase)/Decrease in:				
Inventories	5,015,237	(4,206,947)	-	-
Trade receivables	(2,567,887)	(4,268,312)	-	-
Other receivables, deposits and prepaid expenses	(410,837)	2,615,162	15,000	(621,513)
Amount owing by subsidiary companies	-	-	3,077,160	3,583,992
Increase/(Decrease) in:				
Trade payables	4,335,267	2,405,308	-	-
Other payables and accrued expenses	316,779	2,253,240	(68,317)	29,721
Amount owing to subsidiary company	-	-	661,503	(513,018)
Cash Generated From Operations	15,297,655	15,396,339	3,311,289	2,016,021
Income tax refund	508,595	1,011,048	-	-
Income tax paid	(1,350,457)	(1,233,537)	-	(9,000)
Net Cash From Operating Activities	<u>14,455,793</u>	<u>15,173,850</u>	<u>3,311,289</u>	<u>2,007,021</u>
<b>Cash Flows From/(Used In) Investing Activities</b>				
Proceeds from partial disposal of associated company	6,138,130	-	-	-
Proceeds from disposal of property, plant and equipment	389,300	478,133	-	-
Interest received	100,158	159,650	37,659	111,898
Refund received on difference on leasehold land price	38,336	-	-	-
Additions to property, plant and equipment (Note)	(4,609,801)	(6,285,624)	-	-
Net Cash From/(Used In) Investing Activities	<u>2,056,123</u>	<u>(5,647,841)</u>	<u>37,659</u>	<u>111,898</u>
(Forward)				

# Cash Flow Statements

## for the Year Ended August 31, 2009 (cont'd)

	Note	The Group		The Company	
		2009 RM	2008 RM	2009 RM	2008 RM
<b>Cash Flows (Used In)/From Financing Activities</b>					
Repayment of hire-purchase payables		(4,507,095)	(2,209,789)	-	-
Repayment of bank borrowings		(4,281,598)	(768,550)	-	-
Interest paid		(1,973,691)	(2,188,855)	(877,500)	(879,904)
Dividend paid		(977,553)	(993,529)	(977,553)	(993,529)
Repayment of term loan		(701,717)	(991,706)	-	-
Short-term deposits pledged with licensed banks		(50,593)	(137,815)	-	-
Purchase of treasury shares		(1,899)	-	(1,899)	-
Proceed from profit guarantee received		-	825,227	-	-
<b>Net Cash Used In Financing Activities</b>		<u>(12,494,146)</u>	<u>(6,465,017)</u>	<u>(1,856,952)</u>	<u>(1,873,433)</u>
<b>Net Increase In Cash And Cash Equivalents</b>		4,017,770	3,060,992	1,491,996	245,486
Effect of changes in exchange rates		(138,624)	(35,046)	-	-
<b>Cash and Cash Equivalents At Beginning Of Year</b>		<u>12,316,671</u>	<u>9,290,725</u>	<u>2,678,011</u>	<u>2,432,525</u>
<b>Cash and Cash Equivalents At End Of Year</b>	29	<u>16,195,817</u>	<u>12,316,671</u>	<u>4,170,007</u>	<u>2,678,011</u>

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

	The Group	
	2009 RM	2008 RM
Total cost of property, plant and equipment acquired	7,476,195	12,769,748
Less: Purchase consideration:		
Included in other payables and accrued expenses	(110,215)	-
Satisfied by hire-purchase arrangements	<u>(2,756,179)</u>	<u>(6,484,124)</u>
Cash payments	<u>4,609,801</u>	<u>6,285,624</u>

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



# Notes to the Financial Statements

## 1. GENERAL INFORMATION

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

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 47687, Jalan Bukit Idaman 6, Taman Bukit Idaman, 68100 Batu Caves, 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 22, 2009.

## 2. BASIS OF PREPARATION OF ACCOUNTS

The financial statements of the Group and of the Company have been prepared in accordance with the provisions of the Companies Act, 1965 and Financial Reporting Standards in Malaysia.

### Standards and Interpretations in issue but not yet effective

At the date of authorisation for issue of these financial statements, the following FRSs, Issues Committee Interpretation ("IC Interpretations") and amendments to FRSs were in issue but not yet effective:

FRS 1	First-time Adoption of Financial Reporting Standards (Amendments relating to cost of an investment in a subsidiary, jointly controlled entity or associate)
FRS 2	Share-based Payment (Amendments relating to vesting conditions and cancellations)
FRS 4	Insurance Contracts
FRS 7	Financial Instruments : Disclosures
FRS 7	Financial Instruments: Disclosures (Amendments relating to reclassification of financial assets and reclassification of financial assets – effective date and transition)
FRS 8	Operating Segments
FRS 101	Presentation of Financial Statements (Revised in 2009)
FRS 123	Borrowing Costs (Revised)

# Notes to the Financial Statements (cont'd)

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

FRS 127	Consolidated and Separate Financial Statements (Amendments relating to cost of an investment in a subsidiary, jointly controlled entity or associate)
FRS 132	Financial Instruments: Presentation (Amendments relating to puttable financial instruments and obligations arising on liquidation)
FRS 139	Financial Instruments: Recognition and Measurement
FRS 139	Financial Instruments: Recognition and Measurement (Amendments relating to eligible hedged items, reclassification of financial assets, reclassification of financial assets – effective date and transition and embedded derivatives)
Improvements to FRSs (2009)	
IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 9	Reassessment of Embedded Derivatives (Amendments relating to embedded derivatives)
IC Interpretation 10	Interim Financial Reporting and Impairment
IC Interpretation 11	FRS 2 - Group and Treasury Share Transactions
IC Interpretation 13	Customer Loyalty Programmes
IC Interpretation 14	FRS 119 - The Limit on a Defined Benefits Asset, Minimum Funding Requirements and their Interaction

Consequential amendments were also made to various FRS as a result of these new/revised FRSs.

All of the above new/revised FRSs, amendments to FRSs and IC Interpretation are effective for periods beginning on or after January 1, 2010, except for FRS 8 which is effective for annual financial statements for period beginning on or after July 1, 2009.

By virtue of the exemption provided in paragraph 103AB of FRS 139 and paragraph 44AB of FRS 7, the impact of applying FRS 139 and FRS 7 on the financial statements of the Group and of the Company upon initial application of these standards as required by paragraph 30(b) of FRS 108, Accounting Policies, Changes in Accounting Estimates and Errors is not disclosed.

FRS 2, FRS 4, IC Interpretation 9, IC Interpretation 13 and IC Interpretation 14 are not expected to be relevant to the operations of the Group and of the Company. The directors anticipate that the other FRSs, amendments to FRSs and IC Interpretation will be adopted at the effective dates and that the adoption of these new FRSs will have no material impact on the financial statements of the Group and of the Company in the period of initial application. The adoption of FRS 7 and the consequential amendment to FRS 101 Presentation of Financial Statements introduce a new disclosure requirement to the Group's and the Company's financial instruments and the objectives, policies and processes for managing capital.

# Notes to the Financial Statements

## (cont'd)

### 3. SIGNIFICANT ACCOUNTING POLICIES

#### **Basis of Preparation**

The financial statements of the Group and of the Company have been prepared under the historical cost convention modified to include the revaluation of freehold land and buildings.

The principal accounting policies adopted are set out below:

#### **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.

#### **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.

##### **(ii) Defined Contribution Plan**

The Group makes contributions to the Employees Provident Fund ("EPF") and the contributions to the EPF are charged to the income statements in the period 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.

# Notes to the Financial Statements

## (cont'd)

### 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### Foreign Currency Conversion

The financial statements of the Group and of the Company are presented in Ringgit Malaysia, the currency of the primary economic environment in which the Company operates (its functional currency).

In preparing the financial statements of the Group and of the Company, transactions in currencies other than the functional currency (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the balance sheet date. 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 the income statements for the year. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in income statements 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.

For the purpose of consolidation, the financial statements of the foreign incorporated subsidiary company have been translated into Ringgit Malaysia as follows:

Assets and liabilities	-	at closing rate
Issued capital	-	at historical rate
Revenue and expenses	-	at average rate

All translation gains or losses are taken up and reflected in translation reserve.

The closing rate used in the translation of foreign incorporated subsidiary company's financial statements is as follows:

	2009 RM	2008 RM
<b>Foreign Currency</b>		
1 Hong Kong Dollar	<u>0.4628</u>	<u>0.4341</u>

# Notes to the Financial Statements

## (cont'd)

### 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

The exchange rates of foreign currencies against Ringgit Malaysia ruling at balance sheet date are as follows:

Currencies	2009 RM	2008 RM
1 United States Dollar	3.5225	3.3895
1 Singapore Dollar	2.4441	2.3937
100 Japanese Yen	3.7631	3.1065
1 Hong Kong Dollar	<u>0.4628</u>	<u>0.4341</u>

#### Income Taxes

Income tax 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 balance sheet date.

Deferred tax is provided for, using the "liability" method, on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits (including investment tax allowances) 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 goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither the accounting profit nor taxable profit.

The carrying amount of deferred tax assets, if any, is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax is measured at the tax rates that are expected to apply in the year when the asset is realised or the liability settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is recognised in the income statements, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied 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 reinvestment allowance are recognised only upon actual realisation.

# Notes to the Financial Statements (cont'd)

## 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### **Basis of Consolidation**

The consolidated financial statements include the financial statements of the Company and its subsidiary companies mentioned in Note 12 made up to August 31, 2009. Subsidiary companies are those companies in which the Group has power to exercise control over the financial and operating policies so as to obtain benefits from their 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.

The result of subsidiary companies acquired or disposed of during the financial year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

### **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 are recognised at their fair values at the acquisition date.

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 exceeds the cost of the business combination, the excess is recognised immediately in the income statements.

The interest of minority 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.

### **Goodwill on Consolidation**

Goodwill arising on the acquisition of subsidiary companies represents the excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiary companies recognised 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 purposes 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 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 the gain or loss on disposal.



# Notes to the Financial Statements

## (cont'd)

### 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### **Impairment of Assets Excluding Goodwill**

At each balance sheet date, 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 estimates 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 the income statements.

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 the income statements.

#### **Property, Plant and Equipment**

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

Freehold and leasehold land and buildings are stated at valuation and are revalued at regular intervals of at least once in every three years by the directors based on the valuation reports of independent professional valuers using the "open market value on existing use" 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.

An increase in the carrying amount arising from revaluation of property, plant and equipment is credited to the revaluation reserve account as revaluation surplus. Any deficit arising from revaluation is charged against the revaluation reserve account to the extent of a previous surplus held in the revaluation reserve account for the same asset. In all other cases, a decrease in carrying amount is charged to income statements. An increase in revaluation directly related to a previous decrease in carrying amount for that same asset that was recognised as an expense, is credited to income statements to the extent that it offsets the previously recorded decrease.

# Notes to the Financial Statements

## (cont'd)

### 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### Property, Plant and Equipment (cont'd)

Property, plant and equipment, except for freehold land which is 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:

Leasehold land	90 - 99 years
Buildings	2%
Plant and machinery	10% - 12%
Office equipment, computer equipment, furniture, fittings, renovation, factory upgrade, factory equipment and tooling equipment	2% - 20%
Motor vehicles	10% - 20%

Where parts or an item of property, plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis between the parts and each part is depreciated separately.

At each balance sheet date, 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 the income statements. Upon disposal of revalued assets, the amounts in revaluation reserve account relating to the assets disposed are transferred to retained earnings account.

#### Assets Acquired Under Hire-Purchase Arrangements

Property, plant and equipment acquired under hire-purchase arrangements are capitalised in the financial statements and the corresponding obligations are recorded as liabilities. Finance charges are allocated to the income statements 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.

#### Leasing

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 income statements on a straightline 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.

# Notes to the Financial Statements

## (cont'd)

### 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### **Prepaid Lease Payments on Leasehold Land**

Lease of land with title not expected to pass to the lessee by the end of the lease term is treated as operating lease as land normally has an indefinite economic life. The upfront payments made on entering into a lease or acquiring a leasehold land that is accounted for as an operating lease are accounted for as prepaid lease payments that are amortised over the lease term on a straight line basis.

#### **Investment in Subsidiary Companies**

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

#### **Associated Company**

An associated company is a non-subsidiary company in which the Group holds as long-term investment between 20% to 50% of the equity voting rights and in which the Group is in a position to exercise significant influence in its management.

The results and assets and liabilities of associated companies are incorporated in the financial statements of the Group using the equity method of accounting based on the latest audited and/or management financial statements of the associated companies made up to August 31, 2009 while dividends received are reflected as a reduction of the investment in the consolidated balance sheet.

Under the equity method, investments in associated companies are carried in the consolidated balance sheet at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the associated companies, less any impairment in the value of individual investments. 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 not recognised unless the Group has incurred obligations or made payments on behalf of the associated company.

Where necessary, adjustments are made to the financial statements of associated companies to bring their accounting policies into line with those used by other members of the Group.

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 the income statements.

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, except where losses provide evidence of an impairment of the asset transferred, in which case, appropriate provision is made for impairment.

# Notes to the Financial Statements

## (cont'd)

### 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### **Quoted Investment**

Quoted investment represents investment in quoted shares of local corporations and is stated at cost less impairment losses.

#### **Other Investments**

Other investments, which consist investment in unquoted subordinated bonds, are stated at cost less impairment loss.

#### **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.

#### **Receivables**

Trade and other receivables are stated at nominal value as reduced by the appropriate allowances for estimated irrecoverable amounts. Allowance for doubtful receivables is made based on estimates of possible losses which may arise from non-collection of certain receivable accounts.

#### **Payables**

Trade and other payables are stated at the nominal value of the amount for goods and services received.

#### **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 each balance sheet 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.

#### **Financial Assets**

The Group's principal financial assets are quoted investment, other investment, trade and other receivables and cash and cash equivalents. The principal financial assets of the Company also include amount owing by subsidiary companies.

# Notes to the Financial Statements (cont'd)

## 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### Financial Liabilities

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

Significant financial liabilities of the Group include trade and other payables, hire-purchase payables, bank borrowings and term loans. Financial liabilities of the Company also include amount owing to subsidiary company.

Dividends on ordinary share are recognised in shareholders' equity in the year in which they are declared.

Bank borrowings are recorded at the proceeds received net of direct issue costs and finance costs are accounted for on an accrual basis.

### Cash Flow Statements

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

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, 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 the financial statements (apart from those involving estimations which are dealt with below).

- Allowance for doubtful receivables

The Group makes allowance for doubtful receivables based on an assessment of the recoverability of trade and other receivables. Allowances are applied to trade and other receivables where events or changes in circumstances indicate that the balances may not be collectible. The identification of doubtful receivables requires use of judgement and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful receivables expenses in the period in which such estimate has been changed.

- Impairment of Goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the management to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value of those cash flows. The carrying amount of goodwill at the balance sheet date, pertaining to the Group's single cash generating unit ("CGU"), namely, the operations of Advance Autotek Industries (M) Sdn. Bhd. and its subsidiary companies, was RM3,540,889 (2008: RM3,540,889) and no impairment loss has been recognised in the income statements during the current financial year as the management are of the opinion that the recoverable amount of the cash-generating unit is higher than the carrying amount.

# Notes to the Financial Statements

## (cont'd)

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

##### (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 balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

#### 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) Trading of automotive components.

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

# Notes to the Financial Statements

(cont'd)

The Group - 2009	Investment holding RM	Precision stamping and tooling RM	PCB and module assembly RM	Fabrication and forging RM	Automotive components RM	Eliminations RM	Consolidated RM
<b>Revenue</b>							
External sales	-	93,312,446	26,366,383	10,720,552	9,428,542	-	139,827,923
Inter-segment sales	1,464,000	2,900	-	-	-	(1,466,900)	-
<b>Total revenue</b>	<u>1,464,000</u>	<u>93,315,346</u>	<u>26,366,383</u>	<u>10,720,552</u>	<u>9,428,542</u>	<u>(1,466,900)</u>	<u>139,827,923</u>
<b>Results</b>							
Segment results	<u>1,834,766</u>	<u>8,400,822</u>	<u>(4,839,358)</u>	<u>(2,085,238)</u>	<u>368,819</u>	<u>(2,016,126)</u>	<u>1,663,685</u>
Profit from operations							1,663,685
Finance costs							(1,973,691)
Share of results of associated company							(1,052,745)
Investment revenue							<u>100,158</u>
Loss before tax							(1,262,593)
Income tax expense							<u>(321,851)</u>
Loss for the year							<u>(1,584,444)</u>
Attributable to:							
Equity holders of the Company							(1,695,308)
Minority interest							<u>110,864</u>
							<u>(1,584,444)</u>



# Notes to the Financial Statements

(cont'd)

	Investment holding RM	Precision stamping and tooling RM	PCB and module assembly RM	Fabrication and forging RM	Automotive components RM	Eliminations RM	Consolidated RM
<b>Other information</b>							
Capital additions	-	4,219,939	2,721,385	500,973	33,898	-	7,476,195
Depreciation of property, plant and equipment	-	1,939,844	3,545,849	782,770	31,604	-	6,300,067
Amortisation of prepaid lease payments on leasehold land	-	72,561	-	-	-	-	72,561
<b>Consolidated Balance Sheets</b>							
<b>Assets</b>							
Segment assets	76,886,170	73,480,843	32,115,108	11,295,592	4,742,775	(76,517,877)	122,002,611
Unallocated corporate assets							<u>3,874,735</u>
Consolidated total assets							<u>125,877,346</u>
<b>Liabilities</b>							
Segment liabilities	24,803,558	18,161,113	27,655,140	5,432,015	1,547,964	(25,864,155)	51,735,635
Unallocated corporate liabilities							<u>3,250,310</u>
Consolidated total liabilities							<u>54,985,945</u>
<b>Geographical segments</b>							

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

# Notes to the Financial Statements

(cont'd)

The Group - 2008	Investment holding RM	Precision stamping and tooling RM	PCB and module assembly RM	Fabrication and forging RM	Automotive components RM	Eliminations RM	Consolidated RM
<b>Revenue</b>							
External sales	-	59,371,907	38,279,860	17,166,069	24,831,582	-	139,649,418
Inter-segment sales	4,268,000	160,868	-	-	-	(4,428,868)	-
<b>Total revenue</b>	<u>4,268,000</u>	<u>59,532,775</u>	<u>38,279,860</u>	<u>17,166,069</u>	<u>24,831,582</u>	<u>(4,428,868)</u>	<u>139,649,418</u>
<b>Results</b>							
Segment results	<u>3,523,005</u>	<u>3,849,287</u>	<u>4,893,239</u>	<u>1,050,420</u>	<u>2,089,914</u>	<u>(4,751,334)</u>	<u>10,654,531</u>
Profit from operations							10,654,531
Finance costs							(2,188,855)
Share of results of associated company							(468,432)
Investment revenue							159,650
Profit before tax							8,156,894
Income tax expense							(2,715,940)
Profit for the year							<u>5,440,954</u>
Attributable to:							
Equity holders of the Company							4,833,094
Minority interest							<u>607,860</u>
							<u>5,440,954</u>

# Notes to the Financial Statements

(cont'd)

	Investment holding RM	Precision stamping and tooling RM	PCB and module assembly RM	Fabrication and forging RM	Automotive components RM	Eliminations RM	Consolidated RM
<b>Other information</b>							
Capital additions	-	1,318,922	11,199,316	250,950	560	-	12,769,748
Depreciation of property, plant and equipment	-	1,762,662	2,655,714	809,810	28,158	-	5,256,344
Amortisation of prepaid lease payments on leasehold land	-	72,561	-	-	-	-	72,561
<b>Consolidated Balance Sheets</b>							
<b>Assets</b>							
Segment assets	83,582,027	62,413,884	35,408,358	16,777,538	7,488,967	(79,179,617)	126,491,157
Unallocated corporate assets							<u>4,082,293</u>
Consolidated total assets							<u>130,573,450</u>
<b>Liabilities</b>							
Segment liabilities	31,188,794	13,797,451	25,350,593	8,662,043	2,895,409	(29,578,640)	52,315,650
Unallocated corporate liabilities							<u>3,977,879</u>
Consolidated total liabilities							<u>56,293,529</u>
<b>Geographical segments</b>							

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

# Notes to the Financial Statements

## (cont'd)

### 6. OTHER INCOME/(EXPENSES)

Included in other income/(other expenses) are the following:

	The Group		The Company	
	2009	2008	2009	2008
	RM	RM	RM	RM
Gain on partial disposal of associated company	968,528	-	-	-
Gain on disposal of property, plant and equipment	389,298	297,624	-	-
Realised gain on foreign exchange-net	-	57,085	62,933	-
Directors' remuneration*	(1,991,620)	(2,040,452)	(273,600)	(270,000)
Allowance for doubtful receivables	(1,073,994)	(99,604)	-	-
Allowance for diminution in value of other investment	(750,000)	(750,000)	(750,000)	(750,000)
Realised loss on foreign exchange-net	(181,884)	-	-	-
Rental of motor vehicles	(138,628)	(106,740)	-	-
Rental of premises payable:				
Related parties (Note 12)	(246,682)	(245,700)	-	-
Third parties	(66,750)	(59,750)	-	-
Unrealised (loss)/gain on foreign exchange	(103,615)	(56,034)	283,787	(181,687)
Rental of machineries	(73,074)	(242,062)	-	-
Auditors' remuneration:				
Current year	(96,898)	(95,070)	(20,000)	(20,000)
Special	(5,000)	(5,000)	-	-
Underprovision in prior year	-	(6,500)	-	(5,000)
Allowance for diminution in value of quoted investment	-	(3,900)	-	-
Loss on disposal of property, plant and equipment	-	(2,502)	-	-
Property, plant and equipment written off	-	(36)	-	-
Interest receivable from subsidiary companies (Note 12)	-	-	552,126	483,334

# Notes to the Financial Statements (cont'd)

## 6. OTHER INCOME/(EXPENSES) (cont'd)

\*Directors' remuneration consists of the following:

	The Group		The Company	
	2009	2008	2009	2008
	RM	RM	RM	RM
Executive directors:				
Company				
- Fees	187,600	180,850	187,600	180,850
- Other emoluments	242,700	476,829	-	-
Subsidiary companies				
- Fees	24,000	24,000	-	-
- Other emoluments	1,447,120	1,269,623	-	-
	1,901,420	1,951,302	187,600	180,850
Non-executive directors:				
Company				
- Fees	86,000	85,250	86,000	85,250
- Other emoluments	4,200	3,900	-	3,900
	1,991,620	2,040,452	273,600	270,000

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 RM1,101,278 (2008: RM1,083,714).

The remunerations of the key management personnel are directors' remuneration as disclosed above.

## 7. FINANCE COSTS

	The Group		The Company	
	2009	2008	2009	2008
	RM	RM	RM	RM
Interest on:				
Term loans	985,532	1,052,888	877,500	879,904
Trust receipts, trade time				
loan and bankers' acceptances	298,775	691,972	-	-
Hire-purchase	595,801	329,553	-	-
Bank overdrafts	93,583	114,442	-	-
	1,973,691	2,188,855	877,500	879,904

# Notes to the Financial Statements

## (cont'd)

### 8. INCOME TAX EXPENSE/(CREDIT)

	Group		The Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Estimated current tax:				
Income tax	1,687,000	1,496,000	52,000	1,030,000
Deferred tax (Note 25)	(1,251,019)	960,500	-	-
	435,981	2,456,500	52,000	1,030,000
Under/(Over)provision in prior years:				
Income tax	(168,336)	24,540	(81,155)	575,771
Deferred tax (Note 25)	54,206	234,900	-	-
	(114,130)	259,440	(81,155)	575,771
Income tax expense/(credit)	321,851	2,715,940	(29,155)	1,605,771

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

	The Group		The Company	
	2009 RM	2008 RM	2009 RM	2008 RM
(Loss)/Profit before tax	(1,262,593)	8,156,894	336,015	2,588,480
Tax at the statutory tax rates of:				
20% on first RM500,000 of chargeable income for 2008	-	297,108	-	-
25% (2008: 26% on balance of chargeable income)	(217,198)	2,155,724	84,004	673,005
Tax effects of:				
Expenses which are not deductible in determining taxable profit	934,174	228,596	233,176	311,995
Share of result of associated company	263,186	121,792	-	-
Income which are not taxable in determining taxable profit	(250,621)	-	(265,180)	-

# Notes to the Financial Statements (cont'd)

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

	The Group		The Company	
	2009	2008	2009	2008
	RM	RM	RM	RM
Reinvestment allowances utilised	(468,750)	(347,880)	-	-
Deferred tax assets not recognised	175,190	1,160	-	45,000
(Over)/Underprovision in prior years in respect of:				
Current tax	(168,336)	24,540	(81,155)	575,771
Deferred tax	<u>54,206</u>	<u>234,900</u>	<u>-</u>	<u>-</u>
	<u>321,851</u>	<u>2,715,940</u>	<u>(29,155)</u>	<u>1,605,771</u>

Under Schedule 7A of the Income Tax Act, 1967, the Group is allowed to claim reinvestment allowances. During the financial year, the Group claimed RM4,177,000 (2008: RM4,280,000) of reinvestment allowances of which RM1,875,000 (2008: RM1,338,000) was utilised during the year. As of August 31, 2009, the Group has unutilised reinvestment allowances of approximately RM13,942,000 (2008: RM11,640,000). The unutilised reinvestment allowances is subject to the approval by the tax authorities and available for offset against future business income.

As of August 31, 2009, the tax exempt income of the Group and the Company is as follows:

		The Group	
	Note	2009	2008
		RM	RM
Reinvestment allowances	(i)	19,302,000	17,427,000
Tax exempt account	(ii)	<u>478,000</u>	<u>478,000</u>
		<u>19,780,000</u>	<u>17,905,000</u>

- (i) Arising from reinvestment allowances claimed and utilised under Schedule 7A of the Income Tax Act, 1967.
- (ii) Arising from chargeable income on which tax was waived in 1999 in accordance with the Income Tax (Amendment) Act, 1999.

The above tax exempt accounts, which are subject to approval by the tax authorities, are available to frank the distribution of tax exempt dividends to the shareholders without incurring any further tax liabilities.

# Notes to the Financial Statements

## (cont'd)

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

As mentioned 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 recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. As of August 31, 2009, the amount of net deferred tax assets, calculated at the applicable tax rate which is not recognised in the financial statements due to uncertainty of its realisation, as follows:

	The Group Deferred Tax Assets/(Liabilities)	
	2009 RM	2008 RM
Tax effect of temporary differences arising from:		
Property, plant and equipment	(458,739)	-
Tax effect of:		
Unabsorbed capital allowances	260,715	22,334
Unused tax losses	406,409	10,861
	<u>208,385</u>	<u>33,195</u>

### 9. BASIC (LOSS)/EARNINGS PER ORDINARY SHARE

	2009 RM	2008 RM
(Loss)/Profit attributable to equity holders of the Company	<u>(1,695,308)</u>	<u>4,833,094</u>
Weighted average number of ordinary shares in issue	<u>98,000,000</u>	<u>98,000,000</u>
Basic (loss)/earnings per ordinary share (sen)	<u>(1.7)</u>	<u>5.0</u>

The basic earnings per ordinary share is calculated by dividing the loss attributable to equity holder of Company of RM1,695,308 (2008: profit attributable to equity holders of Company of RM4,833,094) by weighted average number of ordinary shares in issue during the financial year of 98,000,000 (2008: 98,000,000) shares.



# Notes to the Financial Statements

(cont'd)

## 10. PROPERTY, PLANT AND EQUIPMENT

2009 The Group	At beginning of year RM	Additions RM	Disposals RM	At end of year RM	Comprising	
					At cost RM	At valuation RM
Freehold land	5,424,665	-	-	5,424,665	-	5,424,665
Buildings	8,955,174	-	-	8,955,174	332,257	8,622,917
Plant and machinery	60,056,474	6,347,545	(48,218)	66,355,801	66,355,801	-
Office equipment, furniture, fittings, renovation, factory upgrade and factory equipment	4,675,032	351,186	-	5,026,218	5,026,218	-
Motor vehicles	3,058,463	777,464	(691,143)	3,144,784	3,144,784	-
	<u>82,169,808</u>	<u>7,476,195</u>	<u>(739,361)</u>	<u>88,906,642</u>	<u>74,859,060</u>	<u>14,047,582</u>
						<u>88,906,642</u>

# Notes to the Financial Statements

(cont'd)

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

2009 The Group	At beginning of year		Accumulated depreciation		At end of year		At cost		Comprising		Total RM
	RM	RM	Additions RM	Disposals RM	RM	RM	RM	RM	At valuation RM	At RM	
Freehold land	-	-	-	-	-	-	-	-	-	-	-
Buildings	175,250	175,250	180,536	-	355,786	10,868	344,918	355,786	344,918	355,786	355,786
Plant and machinery	31,667,103	31,667,103	5,369,252	(48,218)	36,988,137	36,988,137	-	36,988,137	-	36,988,137	36,988,137
Office equipment, furniture, fittings, renovation, factory upgrade and factory equipment	2,611,520	2,611,520	327,805	-	2,939,325	2,939,325	-	2,939,325	-	2,939,325	2,939,325
Motor vehicles	1,919,052	1,919,052	422,474	(691,141)	1,650,385	1,650,385	-	1,650,385	-	1,650,385	1,650,385
	<u>36,372,925</u>	<u>36,372,925</u>	<u>6,300,067</u>	<u>(739,359)</u>	<u>41,933,633</u>	<u>41,588,715</u>	<u>344,918</u>	<u>41,933,633</u>	<u>344,918</u>	<u>41,933,633</u>	<u>41,933,633</u>

# Notes to the Financial Statements

(cont'd)

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

2008 The Group	At beginning of year RM	Reclassification RM	Additions RM	Disposals RM	Written off RM	At end of year RM	Comprising		Total RM
							At cost RM	At valuation RM	
Freehold land	5,353,081	71,584	-	-	-	5,424,665	-	5,424,665	5,424,665
Buildings	8,694,501	(71,584)	332,257	-	-	8,955,174	332,257	8,622,917	8,955,174
Plant and machinery	49,221,891	-	11,694,292	(859,709)	-	60,056,474	60,056,474	-	60,056,474
Office equipment, furniture, fittings, renovation, factory upgrade and factory equipment	4,273,924	-	466,581	(11,922)	(53,551)	4,675,032	4,675,032	-	4,675,032
Motor vehicles	2,934,215	-	276,618	(152,370)	-	3,058,463	3,058,463	-	3,058,463
	<u>70,477,612</u>	<u>-</u>	<u>12,769,748</u>	<u>(1,024,001)</u>	<u>(53,551)</u>	<u>82,169,808</u>	<u>68,122,226</u>	<u>14,047,582</u>	<u>82,169,808</u>

# Notes to the Financial Statements

(cont'd)

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

	← Accumulated depreciation →				← Comprising →			
	At beginning of year RM	Additions RM	Disposals RM	Written off RM	At end of year RM	At cost RM	At valuation RM	Total RM
2008								
The Group								
Freehold land	-	-	-	-	-	-	-	-
Buildings	-	175,250	-	-	175,250	1,360	173,890	175,250
Plant and machinery	27,973,712	4,407,192	(713,801)	-	31,667,103	31,667,103	-	31,667,103
Office equipment, furniture, fittings, renovation, factory upgrade and factory equipment	2,370,250	303,131	(8,346)	(53,515)	2,611,520	2,611,520	-	2,611,520
Motor vehicles	1,667,124	370,771	(118,843)	-	1,919,052	1,919,052	-	1,919,052
	<u>32,011,086</u>	<u>5,256,344</u>	<u>(840,990)</u>	<u>(53,515)</u>	<u>36,372,925</u>	<u>36,199,035</u>	<u>173,890</u>	<u>36,372,925</u>

# Notes to the Financial Statements (cont'd)

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

	The Group Net book value	
	2009 RM	2008 RM
Freehold land	5,424,665	5,424,665
Buildings	8,599,388	8,779,924
Plant and machinery	29,367,664	28,389,371
Office equipment, furniture, fittings, renovation, factory upgrade and factory equipment	2,086,893	2,063,512
Motor vehicles	1,494,399	1,139,411
	<u>46,973,009</u>	<u>45,796,883</u>

The details of the valuation of the Group's land and buildings are as follows:

Details of properties	Year of valuation	Details of valuers	The Group Revalued amount RM
Freehold land	2007	Long Tian Chek, B.Sc., MRICS, MIS (M) Registered Valuer of Henry Butcher, Malaysia Sdn. Bhd.	2,723,043
Freehold building	2007	Long Tian Chek, B.Sc., MRICS, MIS (M) Registered Valuer of Henry Butcher, Malaysia Sdn. Bhd.	2,797,739
Freehold land and building	2007	Long Tian Chek, B.Sc., MRICS, MIS (M) Registered Valuer of Henry Butcher, Malaysia Sdn. Bhd.	4,400,000
Long leasehold building	2007	Long Tian Chek, B.Sc., MRICS, MIS (M) Registered Valuer of Henry Butcher, Malaysia Sdn. Bhd.	3,896,800
Freehold land	2007	Siew Weng Hong, Registered Valuer of Henry Butcher Malaysia (NS) Sdn. Bhd.	<u>230,000</u>
			<u>14,047,582</u>

The above valuations were undertaken by registered valuers and independent firms of professional valuers, using the "open market value on existing use" basis.

# Notes to the Financial Statements (cont'd)

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

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

	The Group	
	2009 RM	2008 RM
Cost:		
Long leasehold buildings	3,518,536	3,518,536
Freehold land and buildings	4,892,335	4,892,335
	8,410,871	8,410,871
Accumulated depreciation of buildings	(1,305,664)	(1,236,945)
Net book value	7,105,207	7,173,926

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

	The Group	
	2009 RM	2008 RM
Net book value:		
Plant and machinery	11,986,913	13,459,699
Motor vehicles	930,110	959,064
	12,917,023	14,418,763

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

	The Group	
	2009 RM	2008 RM
Cost:		
Plant and machinery	12,078,504	10,094,632
Office equipment, furniture, fittings, renovation, factory upgrade and factory equipment	1,438,788	1,266,269
Motor vehicles	544,477	855,769
	14,061,769	12,216,670

# Notes to the Financial Statements

## (cont'd)

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

As of August 31, 2009, the following property, plant and equipment are charged to licensed banks and financial institutions as security for term loans and other credit facilities, as mentioned in Note 24, granted to the Group:

	The Group	
	2009	2008
	RM	RM
Net book value:		
Buildings	6,674,671	6,603,541
Freehold land	7,055,108	7,405,048
Plant and machinery	<u>3,771,977</u>	<u>2,197,956</u>
	<u>17,501,756</u>	<u>16,206,545</u>

### 11. PREPAID LEASE PAYMENTS ON LEASEHOLD LAND

	The Group	
	2009	2008
	RM	RM
Cost	6,803,200	6,803,200
Less: Adjustment on cost	(38,336)	-
Amortisation:		
At beginning of year	290,244	217,683
Charge for the year	72,561	72,561
	<u>(362,805)</u>	<u>(290,244)</u>
At end of year		
Net	<u>6,402,059</u>	<u>6,512,956</u>

Prepaid land lease relate to lease of land for the subsidiary company located at Lot 47687, Jalan Bukit Idaman 6, Taman Bukit Idaman, 68100 Batu Caves, Selangor Darul Ehsan, Lot PT 12872, Nilai Industrial Area, Nilai, Negeri Sembilan and H.S. (D) 107769, Lot No. PT 12872, Mukim Labu, Daerah Seremban, Negeri Sembilan.

The unexpired portion of the said leasehold land as of August 31, 2009 is 81 years (2008: 82 years).

The leasehold lands have been charged for term loan and bank borrowings as disclosed in Notes 24 and 27.

### 12. INVESTMENT IN SUBSIDIARY COMPANIES

	The Company	
	2009	2008
	RM	RM
Unquoted shares in Malaysia - at cost	<u>49,046,047</u>	<u>49,046,047</u>

# 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
	2009 %	2008 %		
<b>Direct</b>				
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	Trading of automotive components.
<b>Indirect</b>				
Kotamech Engineering Sdn. Bhd.**	100	100	Malaysia	Dormant.
AAI Auto Electronics Sdn. Bhd.#	51	51	Malaysia	Dormant.
AAI Autoclusters Sdn. Bhd.#	51	51	Malaysia	Dormant.

\* The financial statements were examined by other firm of auditors other than the auditors of the Company.

\*\* Held through Ban Seng Lee Industries Sdn. Bhd.

# Held through Advance Autotek Industries (M) Sdn. Bhd.



# Notes to the Financial Statements (cont'd)

## 12. INVESTMENT IN SUBSIDIARY COMPANIES (cont'd)

The amount owing by subsidiary companies, which arose mainly from dividend receivable and advances granted which bear interest at 5.5% (2008: 6.5%) per annum, are unsecured and has no fixed terms of repayment.

The amount owing to subsidiary company, which arose mainly from consideration payable on the acquisition of subsidiary companies in previous year and payments made on behalf are unsecured, interest free and has no fixed terms of repayment.

### Related Party Transactions:

Significant transactions during the financial year which are determined on a basis as negotiated between the Company with its subsidiary companies and other related party transactions are as follows:

	The Group		The Company	
	2009	2008	2009	2008
	RM	RM	RM	RM
<b>Purchases from companies in which a director of a subsidiary company is a director</b>				
- Orisis Freight Logistics (M) Sdn. Bhd.	4,055,170	19,995,755	-	-
- PKT Logistics (M) Sdn. Bhd.	243,606	289,903	-	-
- Gelombang Mantat Sdn. Bhd.	17,013	11,260	-	-
- Multishield (M) Sdn. Bhd.	10,868	7,314	-	-
<b>Total</b>	<b>4,326,657</b>	<b>20,304,232</b>	<b>-</b>	<b>-</b>
<b>Rental payable to companies in which certain directors of the Company are directors</b>				
- Teh & Co. Sdn. Bhd.	150,000	150,000	-	-
- Teh Chooi Choon Enterprise Sdn. Bhd.	72,000	72,000	-	-
- PKT Logistics (M) Sdn. Bhd.	24,682	23,700	-	-
<b>Total (Note 6)</b>	<b>246,682</b>	<b>245,700</b>	<b>-</b>	<b>-</b>
<b>Purchases from a company in which certain directors of the Company are directors</b>				
- Teh & Co. Sdn. Bhd.	328,452	371,252	-	-
<b>Sales to a company in which certain directors of the Company are directors</b>				
- Shokowsha Technology (M) Sdn. Bhd.	-	281,102	-	-

# Notes to the Financial Statements

## (cont'd)

### 12. INVESTMENT IN SUBSIDIARY COMPANIES (cont'd)

	The Group		The Company	
	2009	2008	2009	2008
	RM	RM	RM	RM
<b>Dividends receivable from subsidiary companies</b>				
- Ban Seng Lee Industries Sdn. Bhd.	-	-	750,000	1,816,000
- Advance Autotek Industries (M) Sdn. Bhd.	-	-	714,000	-
- Crestronics (M) Sdn. Bhd.	-	-	-	2,120,000
- Unique Forging & Components Sdn. Bhd.	-	-	-	332,000
<b>Total</b>	<b>-</b>	<b>-</b>	<b>1,464,000</b>	<b>4,268,000</b>
<b>Interest receivable from subsidiary companies</b>				
- Crestronics (M) Sdn. Bhd.	-	-	385,100	294,508
- Unique Forging & Components Sdn. Bhd.	-	-	167,026	188,826
<b>Total (Note 6)</b>	<b>-</b>	<b>-</b>	<b>552,126</b>	<b>483,334</b>

### 13. INVESTMENT IN AN ASSOCIATED COMPANY

	The Group	
	2009	2008
	RM	RM
Unquoted shares at cost*		
At beginning of year	9,870,773	10,339,205
Less: Disposal of shares	(5,169,602)	-
Less: Share of loss of associated company	(1,052,745)	(468,432)
At end of year	<u>3,648,426</u>	<u>9,870,773</u>

\* Held through BSL (HK) Limited, a subsidiary company incorporated in Hong Kong.

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

Name of Company	Effective equity interest		Principal activities
	2009	2008	
	%	%	
Hongze Yiyang Steel Tubes Co., Ltd. ("HYST")	25	50	Production, manufacturing, sales and distribution seamless steel tubes and pipes.

# Notes to the Financial Statements

## (cont'd)

### 13. INVESTMENT IN AN ASSOCIATED COMPANY (cont'd)

During the financial year, BSL (HK) Limited, a subsidiary company disposed off 25% of the equity interest in HYST to an independent third party for a cash consideration of USD1,800,000. The disposal has resulted in a gain on partial disposal of associated company of RM968,528 being recognised in the Group's income statement, as disclosed in Note 6.

The following amounts represent the Group's share of income, expenses, assets and liabilities of the associated company:

	The Group	
	2009	2008
	RM	RM
Revenue	3,101,951	205,985
Other operating income	22,766	-
Other operating expenses	(4,159,375)	(811,074)
Loss before tax	(1,034,658)	(605,089)
Income tax (expense)/credit	(18,087)	136,657
Share of loss of associated company	(1,052,745)	(468,432)
Current assets	1,297,347	4,686,389
Non-current assets	6,767,501	13,634,306
Current liabilities	(4,416,422)	(8,449,922)
Net assets	3,648,426	9,870,773

### 14. GOODWILL ON CONSOLIDATION

	The Group	
	2009	2008
	RM	RM
At beginning of year	3,540,889	3,961,754
Less: Share of profit guarantee	-	(420,865)
At end of year	3,540,889	3,540,889

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. Before recognition of any impairment losses, the carrying amount of goodwill had been allocated to the following business segment as independent CGUs:

	The Group	
	2009	2008
	RM	RM
Automotive components division	3,540,889	3,540,889

# Notes to the Financial Statements

## (cont'd)

### 14. GOODWILL ON CONSOLIDATION (cont'd)

The Group tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired.

During the financial year, the Group assessed the recoverable amount of goodwill and no write-down of the carrying amounts of assets in the CGU was necessary.

### 15. QUOTED INVESTMENT

	The Group	
	2009	2008
	RM	RM
Quoted investment in shares of local corporations	17,000	17,000
Less: Allowance for diminution in value	(15,300)	(15,300)
Net	1,700	1,700
Market value	870	1,400

### 16. OTHER INVESTMENT

	The Group and The Company	
	2009	2008
	RM	RM
Unquoted subordinated bonds	1,500,000	1,500,000
Less: Allowance for diminution in value	(1,500,000)	(750,000)
Net	-	750,000

The investment in unquoted subordinated bonds is in relation to the term loan obtained as detailed in Note 24.

### 17. INVENTORIES

	The Group	
	2009	2008
	RM	RM
At cost:		
Raw materials	6,475,596	8,645,214
Work-in-progress	5,726,739	6,459,542
Finished goods	2,577,773	4,464,392
Goods in transit	-	226,197
	14,780,108	19,795,345

# Notes to the Financial Statements (cont'd)

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

- i) Trade receivables comprise amounts receivable for sales of goods. The credit period granted by the Group on sale of goods range from 30 to 90 days (2008: 30 to 90 days).

	The Group	
	2009 RM	2008 RM
Trade receivables	30,417,687	27,852,800
Less: Allowance for doubtful receivables	<u>(1,625,215)</u>	<u>(551,221)</u>
Net	<u>28,792,472</u>	<u>27,301,579</u>

An allowance has been made for estimated irrecoverable amount from the sale of goods to third parties of RM1,625,215 (2008: RM551,221). This allowance has been determined by reference to past default experience.

During the financial year, bad receivables amounting to RMNil (2008: RM14,284) were written off against the allowance for doubtful receivables.

The foreign currencies profile of trade receivables is as follows:

	The Group	
	2009 RM	2008 RM
Ringgit Malaysia	30,210,559	27,245,517
United States Dollar	<u>207,128</u>	<u>607,283</u>
	<u>30,417,687</u>	<u>27,852,800</u>

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

	The Group		The Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Prepaid expenses	1,989,282	2,025,049	-	15,000
Other receivables	413,987	1,202,033	-	-
Refundable deposits	<u>1,488,757</u>	<u>254,107</u>	<u>-</u>	<u>-</u>
	<u>3,892,026</u>	<u>3,481,189</u>	<u>-</u>	<u>15,000</u>

# Notes to the Financial Statements

## (cont'd)

### 19. SHORT-TERM DEPOSITS WITH LICENSED BANKS

Included in the short-term deposits of the Group are deposits amounting to RM714,654 (2008: RM664,061) pledged to a licensed bank as collateral for bank overdrafts and other credit facilities granted to a subsidiary company as mentioned in Note 27.

### 20. SHARE CAPITAL

	The Group and The Company	
	2009 RM	2008 RM
<b>Authorised:</b>		
500,000,000 ordinary shares of RM0.50 each	<u>250,000,000</u>	<u>250,000,000</u>
<b>Issued and fully paid:</b>		
98,000,000 ordinary shares of RM0.50 each	<u>49,000,000</u>	<u>49,000,000</u>

### 21. TREASURY SHARES

	The Group and The Company			
	2009 Number of ordinary shares of RM0.50 each	2008	2009 RM	2008 RM
At beginning of year	-	-	-	-
Repurchased during the year	<u>6,100</u>	<u>-</u>	<u>1,899</u>	<u>-</u>
At end of year	<u>6,100</u>	<u>-</u>	<u>1,899</u>	<u>-</u>

At the Company's Extraordinary General Meeting held on February 23, 2009, the directors obtained shareholders' approval for the Company to purchase its own shares of up to 10% of its issued and paid-up share capital.

During the year, the Company purchased its own shares through purchases on Bursa Malaysia Securities Berhad. The total amount paid for acquisition of the shares was RM1,899 and has been deducted from equity. The repurchased transactions were financed by internally generated funds and the average price paid for the shares were RM0.3113. The repurchased shares are held as treasury shares in accordance with Section 67A of the Companies Act, 1965.

# Notes to the Financial Statements (cont'd)

## 22. RESERVES

	Note	The Group		The Company	
		2009 RM	2008 RM	2009 RM	2008 RM
Non-distributable reserves:					
Share premium	(i)	1,767,230	1,767,230	1,767,230	1,767,230
Revaluation reserve	(ii)	184,916	184,916	-	-
Foreign currency translation reserve		(139,746)	(1,122)	-	-
		1,812,400	1,951,024	1,767,230	1,767,230
Distributable reserve:					
Retained earnings	(iii)	18,484,573	21,157,434	1,003,091	1,615,474
		<u>20,296,973</u>	<u>23,108,458</u>	<u>2,770,321</u>	<u>3,382,704</u>

(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 arose from revaluation of freehold land and buildings and leasehold building in previous years.

(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 balance sheet date, 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 RM448,000 of the Company's retained earnings as of August 31, 2009 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.

# Notes to the Financial Statements

## (cont'd)

### 23. HIRE-PURCHASE PAYABLES

	The Group	
	2009 RM	2008 RM
Total outstanding	7,142,258	9,203,292
Less: Interest-in-suspense	(411,380)	(721,498)
Principal outstanding	6,730,878	8,481,794
Less: Portion due within the next 12 months (shown under current liabilities)	(4,035,789)	(3,710,297)
Non-current portion	<u>2,695,089</u>	<u>4,771,497</u>

The non-current portion is repayable as follows:

	The Group	
	2009 RM	2008 RM
Financial year ending August 31:		
2010	-	3,113,250
2011	2,556,077	1,658,247
2012	139,012	-
	<u>2,695,089</u>	<u>4,771,497</u>

The term of the hire-purchase payables is 2 to 5 years and interest rates implicit in the hire-purchase arrangements range from 0% to 7.69% (2008: 4.74% to 7.60%) per annum. The interest rates are fixed at the inception of the hire-purchase arrangement.

### 24. TERM LOANS

	The Group		The Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Secured	967,277	1,668,994	-	-
Unsecured	15,000,000	15,000,000	15,000,000	15,000,000
Total outstanding	15,967,277	16,668,994	15,000,000	15,000,000
Less: Portion due within the next 12 months (shown under current liabilities)	(545,927)	(698,366)	-	-
	<u>15,421,350</u>	<u>15,970,628</u>	<u>15,000,000</u>	<u>15,000,000</u>



# Notes to the Financial Statements (cont'd)

## 24. TERM LOANS (cont'd)

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

	The Group		The Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Financial year ending				
August 31:				
2010	-	545,926	-	-
2011	<u>15,421,350</u>	<u>15,424,702</u>	<u>15,000,000</u>	<u>15,000,000</u>
	<u>15,421,350</u>	<u>15,970,628</u>	<u>15,000,000</u>	<u>15,000,000</u>

The Group has secured term loan facilities totaling RM2,500,000 (2008: RM3,581,000) obtained from licensed banks, which are secured by fixed and floating charge over certain property, plant and equipment of the subsidiary companies (Note 10), and corporate guarantee by the Company. The term loans of the Group and the Company bear interest at rate of 6.55% (2008: 7.50% to 7.75%) per annum.

The Company participated in a Primary Collateralised Loan Obligations ("CLO") Transaction and obtained an unsecured term loan facility of RM15,000,000 (2008: RM15,000,000). The CLO transactions include a condition to subscribe for the subordinated bonds as disclosed in Note 16, issued pursuant to the CLO of up to 10% of the principal amount of the term loan. This facility bears interest at a prescribed rate of 5.85% (2008: 5.85%) per annum and is repayable in full in 2011.

## 25. DEFERRED TAX LIABILITIES

	The Group	
	2009 RM	2008 RM
At beginning of year	3,499,193	2,303,793
Transfer from/(to) income statements (Note 8):		
Current year	(1,251,019)	960,500
Under/(Over)provision in prior years	54,206	234,900
	<u>(1,196,813)</u>	<u>1,195,400</u>
At end of year	<u>2,302,380</u>	<u>3,499,193</u>

# Notes to the Financial Statements

## (cont'd)

### 25. DEFERRED TAX LIABILITIES (cont'd)

	The Group Deferred Tax Liabilities/(Assets)	
	2009 RM	2008 RM
The deferred tax liabilities are in respect of the tax effects of:		
Temporary differences in respect of:		
Property, plant and equipment	3,700,336	3,538,094
Trade receivables	(112,904)	(34,201)
Cash and bank balances	-	(8,500)
Trade payables	-	3,800
Other payables and accrued expenses	(25,904)	-
Unused tax losses	(262,411)	-
Unabsorbed capital allowances	(996,737)	-
	<u>2,302,380</u>	<u>3,499,193</u>

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

### 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 (2008: 60 to 90 days).

The foreign currencies profile of trade payables is as follows:

	The Group	
	2009 RM	2008 RM
Ringgit Malaysia	17,255,649	12,744,210
United States Dollar	<u>70,678</u>	<u>246,850</u>
	<u>17,326,327</u>	<u>12,991,060</u>

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	
	2009 RM	2008 RM
PKT Logistics (M) Sdn. Bhd.	29,382	24,859
Orisis Freight Logistics (M) Sdn. Bhd.	14,994	309,241
Teh & Co. Sdn. Bhd.	<u>35,461</u>	<u>25,246</u>
	<u>79,837</u>	<u>359,346</u>

# Notes to the Financial Statements (cont'd)

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

The amount owing to the above related companies arose from transactions mentioned in Note 12.

ii) Other payables and accrued expenses consist of:

	The Group		The Company	
	2009	2008	2009	2008
	RM	RM	RM	RM
Accrued expenses	2,505,287	1,734,584	343,788	404,777
Other payables	3,328,816	2,882,910	22,393	29,721
	<u>5,834,103</u>	<u>4,617,494</u>	<u>366,181</u>	<u>434,498</u>

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

	The Group		The Company	
	2009	2008	2009	2008
	RM	RM	RM	RM
Ringgit Malaysia	4,842,433	3,700,592	366,181	434,498
Japanese Yen	903,385	712,492	-	-
Singapore Dollar	49,106	130,487	-	-
United States Dollar	25,773	68,036	-	-
Hong Kong Dollar	13,406	5,887	-	-
	<u>5,834,103</u>	<u>4,617,494</u>	<u>366,181</u>	<u>434,498</u>

## 27. BANK BORROWINGS

	The Group	
	2009	2008
	RM	RM
Bankers' acceptances	5,166,000	5,894,000
Bank overdrafts	602,340	-
Trust receipts	108,710	1,882,047
Trade time loan	-	1,780,261
	<u>5,877,050</u>	<u>9,556,308</u>

The Group has bank overdrafts and other credit facilities amounting to RM37,150,000 (2008: RM37,150,000) which bear interest at rates ranging from 3.63% to 8.55% (2008: 3.63% to 8.30%) per annum.

# Notes to the Financial Statements

## (cont'd)

### 27. BANK BORROWINGS (cont'd)

The overdrafts and other credit facilities are secured by:

- (i) Fixed and floating charge over certain property, plant and equipment of the subsidiary companies (Note 10), leasehold lands of subsidiary companies (Note 11) and short-term deposits of a subsidiary company (Note 19); and
- (ii) Corporate guarantee by the Company.

### 28. HOLDING COMPANY

The Company is a subsidiary company of Esteem Role Sdn. Bhd., a company incorporated in Malaysia.

### 29. CASH AND CASH EQUIVALENTS

	The Group		The Company	
	2009	2008	2009	2008
	RM	RM	RM	RM
Cash and bank balances	12,353,648	7,650,211	107,949	384,507
Short-term deposits with licensed banks	5,159,163	5,330,521	4,062,058	2,293,504
Bank overdrafts	(602,340)	-	-	-
	<u>16,910,471</u>	<u>12,980,732</u>	<u>4,170,007</u>	<u>2,678,011</u>
Less: Short-term deposits pledged (Note 19)	(714,654)	(664,061)	-	-
	<u>16,195,817</u>	<u>12,316,671</u>	<u>4,170,007</u>	<u>2,678,011</u>

The said short-term deposits of the Group and the Company bear interest at rates ranging from 1.85% to 3.71% (2008: 2.85% to 3.16%) per annum and have an average maturity period of 30 to 90 days (2008: 30 to 90 days).

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

	The Group		The Company	
	2009	2008	2009	2008
	RM	RM	RM	RM
Ringgit Malaysia	10,789,354	7,063,437	107,949	384,507
United States Dollar	1,479,108	556,924	-	-
Hong Kong Dollar	85,186	29,850	-	-
	<u>12,353,648</u>	<u>7,650,211</u>	<u>107,949</u>	<u>384,507</u>

# Notes to the Financial Statements (cont'd)

## 30. DIVIDEND PAID

	The Group and The Company	
	2009	2008
	RM	RM
First and final dividend paid for 2008 - 1.33 sen per share, less 25% tax.	977,553	-
First and final dividend paid for 2007 - 1.37 sen per share, less 26% tax.	-	993,529
	<u>977,553</u>	<u>993,529</u>

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

## 31. FINANCIAL INSTRUMENTS

### Financial Risk Management Objectives and Policies

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

### Foreign currency risk

The Group undertakes minimal trade transactions which are denominated in foreign currencies. As a result, the Group's exposure to foreign currency risk is limited.

### Interest rate risk

The Group is exposed to interest rate risk through the impact of rate changes on hire-purchase payables, bank borrowings, term loans and short-term deposits. The interest rates of hire-purchase payables, term loans, bank borrowings and short-term deposits are disclosed in Notes 23, 24, 27 and 29, respectively.

### Credit risk

The Group trade 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, should all its customers fail to perform their obligations as of August 31, 2009, is the carrying amount of these receivables as disclosed in the balance sheets.

# Notes to the Financial Statements

## (cont'd)

### 31. FINANCIAL INSTRUMENTS (cont'd)

#### Liquidity risk

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

#### Cash flow risk

The Group reviews its cash flow position regularly to manage its exposure to fluctuations in future cash flows associated with its monetary financial instruments.

#### 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 in the balance sheets as of August 31, 2009 approximate their fair values because of the short maturity terms of these instruments other than the following financial instruments:

	2009		2008	
	Carrying amount RM	Fair value RM	Carrying amount RM	Fair value RM
<b>The Group</b>				
<b>Financial Assets</b>				
Quoted investment (Note 15)	1,700	870	1,700	1,400
Other investment (Note 16)	-	-	750,000	632,395
<b>Financial Liabilities</b>				
Hire-purchase payables (Note 23)	6,730,878	6,360,115	8,481,794	7,818,819
Term loans (Note 24)	15,967,277	14,334,416	16,668,994	14,226,182
<b>The Company</b>				
<b>Financial Asset</b>				
Other investment (Note 16)	-	-	750,000	632,395
<b>Financial Liability</b>				
Term loans (Note 24)	15,000,000	13,387,810	15,000,000	12,647,907

The market value of quoted investment as at balance sheet date approximates their fair values.

The fair value of other investment 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 2.80% to 7.69% and 5.85% to 6.55% (2008: 4.70% to 7.38% and 5.85% to 6.70% ) per annum respectively.

# Notes to the Financial Statements

## (cont'd)

### 32. CAPITAL COMMITMENT

As of August 31, 2009, the Group has the following capital commitment:

	The Group	
	2009	2008
	RM	RM
Approved and contracted for:		
Purchase of land	10,770,000	-
Purchase of plant and machinery	980,000	459,375
	<u>11,750,000</u>	<u>459,375</u>

### 33. CONTINGENT LIABILITIES

	The Group		The Company	
	2009	2008	2009	2008
	RM	RM	RM	RM
Unsecured:				
Bank guarantee given to financial institution in respect of credit facilities granted to third party	279,250	-	-	-
Bank guarantee given by a local financial institution to local authorities	288,250	-	-	-
Guarantees given to financial institutions in respect of credit facilities granted to subsidiaries	-	-	26,123,907	25,595,032
	<u>567,500</u>	<u>-</u>	<u>26,123,907</u>	<u>25,595,032</u>

### 34. SUBSEQUENT EVENT

On December 14, 2009, Ban Seng Lee Industries Sdn Bhd, a subsidiary company, entered into a Sale and Purchase agreement for the disposal of a piece of leasehold land and building to an independent third party for a cash consideration of RM8,800,000. The disposal will result in a gain on disposal of property, plant and equipment of approximately RM1,851,000 being recognised in the Group's income statement in 2010.

# Statements by Directors

The directors of **BSL CORPORATION BERHAD**, state that, in their opinion, the accompanying balance sheets and the statements of income, cash flows and changes in equity 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 state of affairs of the Group and of the Company as of August 31, 2009 and of the results and the cash flows of the Group and of the Company for the year ended on that date.

Signed in accordance with a resolution of  
the Directors,

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NGIAM TONG KWAN  
Petaling Jaya  
December 22, 2009

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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 balance sheets and the statements of income, cash flows and changes in equity 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.

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**NGIAM TEE WEE**

Subscribed and solemnly declared by  
the abovenamed **NGIAM TEE WEE**  
at **PETALING JAYA** this 22<sup>nd</sup> day of  
December, 2009.  
Before me,

---

COMMISSIONER FOR OATHS



# List of Properties

The details of the properties of the BSL Group as at August 31, 2009 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 2009 ( RM )	Date of valuation
<b>Ban Seng Lee Industries Sdn. Bhd.</b>							
1	Lot 47687 Jalan Bukit Idaman 6 Taman Bukit Idaman 68100 Batu Caves Selangor Darul Ehsan  H.S. ( M ) 13569 Lot No. PT 22183 Mukim Batu Daerah Gombak Selangor Darul Ehsan	Single storey detached factory with annexed 3 storey office building / office and factory	7,067 / 5,909	16	Leasehold for 99 years expiring on 17 Oct 2089	6,948,839	24 Aug 2007
2	Lot 17513, Jalan 2 Selayang Industrial Park 68100 Batu Caves Selangor Darul Ehsan Geran No. 29087 Lot No. 17513 Mukim Batu Daerah Gombak Selangor Darul Ehsan Geran No. 29078 Lot No. 17508 Mukim Batu Daerah Gombak Selangor Darul Ehsan	Single storey detached factory / manufacturing / factory	2,926 / 2,364	15	Freehold	4,332,064	26 Aug 2007
3	Lot PT 12872 Nilai Industrial Area Nilai, Negeri Sembilan H.S. ( D ) 107769 Lot No. PT 12872 Mukim Labu Daerah Seremban Negeri Sembilan	Manufacturing / Industrial land / vacant	21,530 / –	–	Leasehold for 99 years expiring on 22 Aug 2095	2,810,148	29 Aug 2007
4	No. 12214 Jalan BBN 1/1G Putra Point Bandar Baru Nilai 71800 Nilai Negeri Sembilan H.S. ( D ) 92294, PT 12214 Mukim Labu Daerah Seremban Negeri Sembilan	3 storey terrace shop office / vacant	167 / 502	10	Freehold	220,800	29 Aug 2007

# List of Properties (cont'd)

The details of the properties of the BSL Group as at August 31, 2009 are set out below :

	<b>Name of registered owner / beneficial owner / Location</b>	<b>Description / Existing use</b>	<b>Land / built-up area ( sq. m. )</b>	<b>Approximate age of building ( Years )</b>	<b>Tenure</b>	<b>Audited NBV as at 31 August 2009 ( RM )</b>	<b>Date of valuation</b>
<b>Ban Seng Lee Industries Sdn. Bhd.</b>							
5	32A, 1 <sup>st</sup> 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 2 <sup>1/2</sup> storey intermediate shop apartment / workers' hostel	Not applicable / 120	15	Leasehold for 99 years expiring on 17 Oct 2089	96,000	24 Aug 2007
6	35A, 1 <sup>st</sup> 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 2 <sup>1/2</sup> storey intermediate shop apartment / workers' hostel	Not applicable / 120	15	Leasehold for 99 years expiring on 17 Oct 2089	96,000	24 Aug 2007
7	36A, 1 <sup>st</sup> 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 2 <sup>1/2</sup> storey intermediate shop apartment / workers' hostel	Not applicable / 120	15	Leasehold for 99 years expiring on 17 Oct 2089	96,000	24 Aug 2007
8	37A, 1 <sup>st</sup> 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 2 <sup>1/2</sup> storey intermediate shop apartment / workers' hostel	Not applicable / 120	15	Leasehold for 99 years expiring on 17 Oct 2089	96,000	24 Aug 2007

# List of Properties (cont'd)

The details of the properties of the BSL Group as at August 31, 2009 are set out below :

	Name of registered owner / beneficial owner / Location	Description / Existing use	Land / built-up area ( sq. m. )	Date of issuance of certificate of fitness	Approximate age of building ( Years )	Tenure	Audited NBV as at 31 August 2009 ( RM )	Date of valuation
<b>Crestronics ( M ) Sdn. Bhd.</b>								
9	Lot 5002 Batu 5 <sup>1/2</sup> 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	16 Jun 1989, 14 Jan 1991 and 18 Feb 1991	19	Freehold	5,730,261	28 Aug 2007

# Analysis of Shareholdings as at December 31, 2009

Authorised Share Capital	:	RM250,000,000
Issued and Paid-up Capital	:	RM49,000,000
Type of shares	:	Ordinary Shares of RM0.50 each
Voting Rights	:	One vote per ordinary share

## DISTRIBUTION OF SHAREHOLDINGS

Holdings	No. of Holders	%	Total Holdings	%
Less than 100	6	0.46	317	0.00
100 to 1,000	499	38.47	143,310	0.15
1,001 to 10,000	481	37.09	2,683,112	2.70
10,001 to 100,000	245	18.89	7,788,254	7.95
100,001 to 4,899,694 *	65	5.01	37,398,907	38.20
4,899,695 and above **	1	0.08	49,980,000	51.00
Total	1,297	100.00	97,993,900	100.00

Note : \* Less than 5% of Issued Shares

\*\* 5% and above of Issued Shares

## 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	51.00	-	-
Ngiam Tong Kwan	406,315	0.41	49,980,000 (*)	51.00
Nyeam Tong Eng @ Ngiam Tong Yang	269,361	0.27	49,980,000 (*)	51.00
Teh Eng Hock	269,361	0.27	49,980,000 (*)	51.00

(\*) Deemed interest though the substantial shareholding 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	0.41	53,977,670 (***)	55.08
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 though the substantial shareholding in Esteem Role Sdn Bhd pursuant to Section 6A(4) of the Companies Act, 1965.

(\*\*) Deemed interest by virtue of the shareholdings held by his spouse in the Company.

(\*\*\*) Deemed interest by virtue of the shareholdings held in Esteem Role Sdn Bhd, held by spouse and child in the company.

# Analysis of Shareholdings

as at December 31, 2009 (cont'd)

## LIST OF TOP 30 SHAREHOLDERS

No.	Name	Shareholdings	%
1	Esteem Role Sdn Bhd	49,980,000	51.000
2	Xadacorp Sdn Bhd	4,450,000	4.540
3	HDM Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Teh Pen Sim (M12)	3,880,670	3.960
4	TA Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Mohd Haniff Bin Abd Aziz	2,980,000	3.041
5	Mayban Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Mohd Haniff Bin Abd Aziz (REM 851-Margin)	1,777,800	1.814
6	Balakrishnan A/L Muthukaruppan	1,350,000	1.377
7	HDM Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Goh Hoon Ghee (M12)	1,347,900	1.375
8	Lee Kim Poh	1,000,000	1.020
9	Mayban Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lim Soon Kwui (REM 196)	975,600	0.995
10	Yap See See	900,000	0.918
11	RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Woo Yam Sang	868,000	0.885
12	Tan See Chong	834,900	0.851
13	Chang Yoke Lan	800,000	0.816
14	Cheang Wan Ying	800,000	0.816
15	Kong Chun Wah	765,300	0.780
16	S'ng King Kiok	711,700	0.726
17	Koh Ah Mee @ Hoh Ah Mee	696,800	0.711
18	Chang See Phin	600,100	0.612
19	CIMSEC Nominees (Asing) Sdn Bhd Exempt An for CIMB-GK Securities Pte Ltd (Retail Clients)	576,400	0.588
20	Chang Yoke Mooi	572,137	0.583
21	Woo Yam Sang	546,400	0.557
22	Goh Toh Lim	505,000	0.515
23	Loke Keng Hung	491,800	0.501
24	Tan Kim Tiang	438,000	0.446
25	Mayban Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Yee Foong Seng (REM 646)	424,000	0.432
26	Nik Fauzi Bin Nik Hussein	423,500	0.432
27	Ng Ming Kow	415,200	0.423
28	Ngiam Tong Kwan	406,315	0.414
29	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Loh Eng Wah @ Loh Eng Wha (TAI)	400,000	0.408
30	Lee Soon Hock	370,000	0.377

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# Proxy Form

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

No of shares held

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 Sixth 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 Thursday, 25<sup>th</sup> day of February 2010 at 10.00 a.m. and at any adjournment  
thereof for/against\* the resolution(s) to be proposed thereat .

Item	Agenda	Resolution	For	Against
1.	To receive the Audited Financial Statements for the financial year ended 31 August, 2009 together with the Reports of the Directors and Auditors thereon.			
2.	<b>ORDINARY BUSINESS</b> 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, 2009.	4		
6.	To re-appoint Messrs Deloitte KassimChan as Auditors of the Company and to authorise the Directors to fix their remuneration.	5		
7.	<b>As SPECIAL BUSINESS</b> To approve the issue of new ordinary 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		

( 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 \_\_\_\_\_ 2010.

\* Delete whichever is not applicable

\_\_\_\_\_  
Signature / Common Seal of Shareholder(s)

Notes :

- 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.
- 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.
- 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
- The instrument appointing a Proxy must be deposited at the Registered Office of the Company at Level 18, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, not less than 48 hours before the time for the Meeting or at any adjournment thereof.

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To

**The Company Secretary  
BSL Corporation Berhad**

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

S t a m p



**BSL CORPORATION BHD** (651118-K)

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