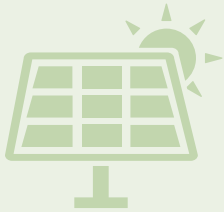
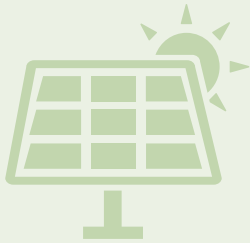




BSL
CORPORATION
BHD 651118-K





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NOTICE OF FIFTEENTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the **Fifteenth Annual General Meeting** of the Company will be held at **Meeting Room, Ground Floor, Hotel S. Damansara, No. 1, Jalan Cempaka SD 12/5, Bandar Sri Damansara, PJU 9, 52200 Kuala Lumpur** on **Monday, 28th January 2019 at 9.00 a.m.** to transact the following businesses:-

AGENDA

ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 August 2018 together with the Reports of the Directors and Auditors thereon. **(Please refer to Explanatory Note 1)**
2. To re-elect the following Directors who retire pursuant to Article 78 of the Company's Articles of Association:-
 - i. Ngiam Tee Wee **Resolution 1**
 - ii. Ng Wai Pin **Resolution 2**
 - iii. To' Puan Rozana Bte Tan Sri Redzuan **Resolution 3**
3. To approve the payment of the under provision of Directors' fees amounting to RM1,000 for the financial year ended 31 August 2018. **Resolution 4**
4. To approve the payment of Directors' fees for an amount not exceeding RM350,000 for the financial year ending 31 August 2019. **Resolution 5**
5. To approve the payment of Directors' benefits for an amount not exceeding RM100,000 from 25 January 2019 until the next Annual General Meeting ("AGM") of the Company. **Resolution 6**
6. To re-appoint Messrs Mazars PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. **Resolution 7**

SPECIAL BUSINESS

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

7. **ORDINARY RESOLUTION I**
Authority To Allot And Issue Shares **Resolution 8**

"THAT subject always to the Companies Act, 2016 ("the Act"), the Articles of Association of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby empowered, pursuant to Sections 75 and 76 of the Act, to allot shares in the Company from time to time at such price, upon such terms and conditions, and for such purposes as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares issued pursuant to this Resolution does not exceed 10% of the total number of issued shares of the Company for the time being AND THAT the Directors be and are also empowered to obtain the approval from Bursa Securities for the listing of and quotation for the additional shares so issued on the Bursa Securities AND FURTHER THAT such authority shall continue in force until the conclusion of the next AGM of the Company."

8. **ORDINARY RESOLUTION II**
Continuing in Office as Independent Non-Executive Directors

“THAT approval be and is hereby given to Datuk Dr. Syed Muhamad Bin Syed Abdul Kadir who has served as Independent Non-Executive Director of the Company for a cumulative term of more than nine years, to continue act as an Independent Non-Executive Director of the Company and to hold office until the conclusion of the next AGM of the Company.”

Resolution 9

“THAT, subject to the passing of Resolution 3, approval be and is hereby given to To’ Puan Rozana Bte Tan Sri Redzuan who has served as Independent Non-Executive Director of the Company for a cumulative term of more than nine years, to continue act as an Independent Non-Executive Director of the Company and to hold office until the conclusion of the next AGM of the Company.”

Resolution 10

“THAT, subject to the passing of Resolution 2, approval be and is hereby given to Ng Wai Pin who has served as Independent Non-Executive Director of the Company for a cumulative term of more than nine years, to continue act as an Independent Non-Executive Director of the Company and to hold office until the conclusion of the next AGM of the Company.”

Resolution 11

9. **SPECIAL RESOLUTION**
Proposed Alteration of the Existing Memorandum and Articles of Association by replacing with a New Constitution (“Proposed Alteration”)

(Special Resolution)

“THAT the existing Memorandum and Articles of Association of the Company be hereby altered by replacing with a new Constitution as set out in the Appendix I attached to the Annual Report 2018 with effect from the date of passing this special resolution.

AND THAT the Directors of the Company be hereby authorised to do all such acts and things and to take all such steps as they deem fit, necessary, expedient and/or appropriate in order to complete and give full effect to the Proposed Alteration with full powers to assent to any condition, modification, variation and/ or amendment as may be required or imposed by the relevant authorities.”

10. To transact any other business of which due notice shall have been given in accordance with the Act.

By Order of the Board

JOANNE TOH JOO ANN [LS 0008574]

YAP SIT LEE [MAICSA 7028098]

Company Secretaries

Kuala Lumpur

27 December 2018

Notice of Fifteenth Annual General Meeting

NOTES:

1. Appointment of Proxy

- a. A proxy may but need not be a member of the Company.
- b. A member entitled to attend and vote at the Meeting is entitled to appoint not more than two (2) proxies to attend and vote at the Meeting except where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, in which event it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
- c. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under Depositories Act which is exempted from compliance with the provisions of subsection 25A(1) of the Depositories Act.
- d. Where a member or the authorised nominee appoints two (2) proxies, or where an exempt authorised nominee appoints two (2) or more proxies, the appointments shall be invalid unless the proportion of shareholdings to be represented by each proxy is specified in the instrument appointing the proxies.
- e. The Proxy Form shall be signed by the appointor or his (her) attorney duly authorised in writing or, if the member is a corporation, must be executed under its common seal or by its duly authorised attorney or officer.
- f. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarily certified copy of the power or authority must be deposited at the office of the Company's Share Registrar situated at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, not less than 48 hours before the time for holding the meeting or at any adjournment thereof.
- g. Only members whose names appear in the Record of Depositors as at 17 January 2019 will be entitled to attend, vote and speak at the meeting or appoint proxy(ies) to attend, vote and speak on their behalf.

EXPLANATORY NOTES ON ORDINARY BUSINESS

1. Agenda item No. 1 - Audited Financial Statements for the Financial Year Ended 31 August 2018

The Audited Financial Statements is meant for discussion only as an approval from shareholders is not required pursuant to the provision of Section 340(1) of the Act. Hence, this item on the Agenda is not put forward for voting by shareholders of the Company.

2. Agenda Items No. 2 (i), (ii) and (iii)- Re-election of Directors

Ngiam Tee Wee, Ng Wai Pin and To' Puan Rozana Bte Tan Sri Redzuan are standing for re-election as Directors of the Company and being eligible, have offered themselves for re-election at the Fifteenth AGM.

The Board has through the Nomination Committee, considered the assessment of the Directors and agreed that they meet the criteria as prescribed by Paragraph 2.20A of the Main Market Listing Requirements of Bursa Securities on character, experience, integrity, competence and time to effectively discharge their roles as Directors.

The board has also through the Nomination Committee conducted an assessment on Ng Wai Pin's and To' Puan Rozana Bte Tan Sri Redzuan's independence and is satisfied that they have complied with the criteria prescribed under the Bursa Securities.

3. Agenda Items No. 3, 4 and 5 – Payment of Directors' Fees and Benefits

Pursuant to Section 230(1) of the Act, the fees of the directors and any benefits payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting.

The Proposed Resolution 4 is to facilitate the payment of the shortfall of Directors' Fees amounting to RM1,000 for the financial year ended 31 August 2018 due to the revision in Directors' Fees computations. The Company had sought the Shareholder's approval in the previous AGM for an amount not exceeding RM265,000.

The Proposed Resolution 5 is to facilitate the payment of Directors' fees on a current financial year basis, calculated based on the current board size. In the event the Directors fees proposed are insufficient (due to enlarged Board size), approval will be sought at the next AGM for additional fees to meet the shortfall.

The proposed Resolution 6 for the Directors' benefits are benefit payable to the Executive Directors and meeting allowances. Meeting allowances are calculated based on the current Board size and the number of scheduled Board and Committee meetings for the period from 25 January 2019 up to the next AGM. In the event the proposed amount is insufficient (e.g. due to more meetings or enlarged Board size), approval will be sought at the next AGM for the shortfall.

EXPLANATORY NOTES ON SPECIAL BUSINESS**4. Agenda item No. 7 - Authority To Allot And Issue Shares**

The Ordinary Resolution proposed under Resolution 8 is the renewal of the mandate obtained from the members at the last AGM ("the previous mandate"). The previous mandate was not utilised and accordingly no proceeds were raised.

The Ordinary Resolution proposed under Resolution 8, if passed, would provide flexibility to the Directors to undertake fund raising activities, including but not limited to placement of shares for the purpose of funding the Company's future investment project(s), working capital and/or acquisition(s), by the issuance of shares in the Company to such persons at any time as the Directors may deem fit provided that the aggregate number of shares issued pursuant to the mandate does not exceed 10% of the total number of issued shares of the Company for the time being, without having to convene a general meeting. This authority, unless revoked or varied by the Company in a general meeting will expire at the conclusion of the next AGM of the Company.

5. Agenda item No. 8 - Continuing in Office as Independent Non-Executive Directors

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

Datuk Dr. Syed Muhamad Bin Syed Abdul Kadir, Ng Wai Pin and To' Puan Rozana Bte Tan Sri Redzuan, were appointed to the Board on 28 December 2006 and have therefore served as the Independent Directors of the Company for a cumulative term of more than nine (9) years.

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

- i. they fulfilled the criteria of an Independent Director pursuant to Main Market Listing Requirements of Bursa Securities;
- ii. they are familiar with the Company's business operations as they have been with the Company for a period of more than nine (9) years;
- iii. their long tenures with the Company have neither impaired nor compromised their independent judgement. They continue to remain objective and are able to exercise independent judgement in expressing their views and in participating in deliberations and decision making of the Board and Board Committees in the best interest of the Company;
- iv. they have exercised due care during their tenure as Independent Directors of the Company and carried out their duties in the interest of the Company and shareholders;
- v. they have devoted sufficient time and commitment to discharge their responsibilities as Independent Non-Executive Directors; and
- vi. they do not have any business dealings with the Group.

The Ordinary Resolutions proposed under Resolutions 9, 10 and 11 if passed, will enable Datuk Dr. Syed Muhamad Bin Syed Abdul Kadir, Ng Wai Pin and To' Puan Rozana Bte Tan Sri Redzuan to continue serving as Independent Non-Executive Directors of the Company.

6. Agenda item No. 9 – Special Resolution – Proposed Alteration

This proposed Special Resolution, if passed, will enable the Company to alter its existing Memorandum and Articles of Association by replacing with a new Constitution which is drafted in accordance with the relevant provisions of the Act relevant amendments of Chapter 7 and other Chapters of the Main Market Listing Requirements of Bursa Securities and other provisions of laws and regulations that are applicable to the Company.

For further information on the Proposed Alteration, please refer to the Appendix I attached to the Annual Report 2018.



BOARD OF DIRECTORS

Ngiam Tong Kwan
Executive Chairman

Ngiam Tee Wee
Chief Executive Officer/
Executive Director

Ngiam Tee Yang
Deputy Chairman/Executive Director

Teh Yoon Loy
Executive Director

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

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

Ng Wai Pin
Independent Non-Executive Director

AUDIT COMMITTEE

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

Ng Wai Pin
Member
Independent Non-Executive Director

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

WEBSITE

www.bsllcorp.com.my

REGISTERED OFFICE

Unit 30-01, Level 30, Tower A,
Vertical Business Suite,
Avenue 3, Bangsar South,
No. 8, Jalan Kerinchi,
59200 Kuala Lumpur.
Tel : 03 2783 9191
Fax : 03 2783 9111

AUDITOR

Mazars PLT (AF001954)
Wisma Selangor Dredging,
11th Floor, South Block,
142-A, Jalan Ampang,
50450 Kuala Lumpur, Malaysia
Tel : 03 2161 5222
Fax : 03 2161 3909

PRINCIPAL BANKER

OCBC Bank (Malaysia) Berhad

COMPANY SECRETARIES

JOANNE TOH JOO ANN
(LS 0008574)

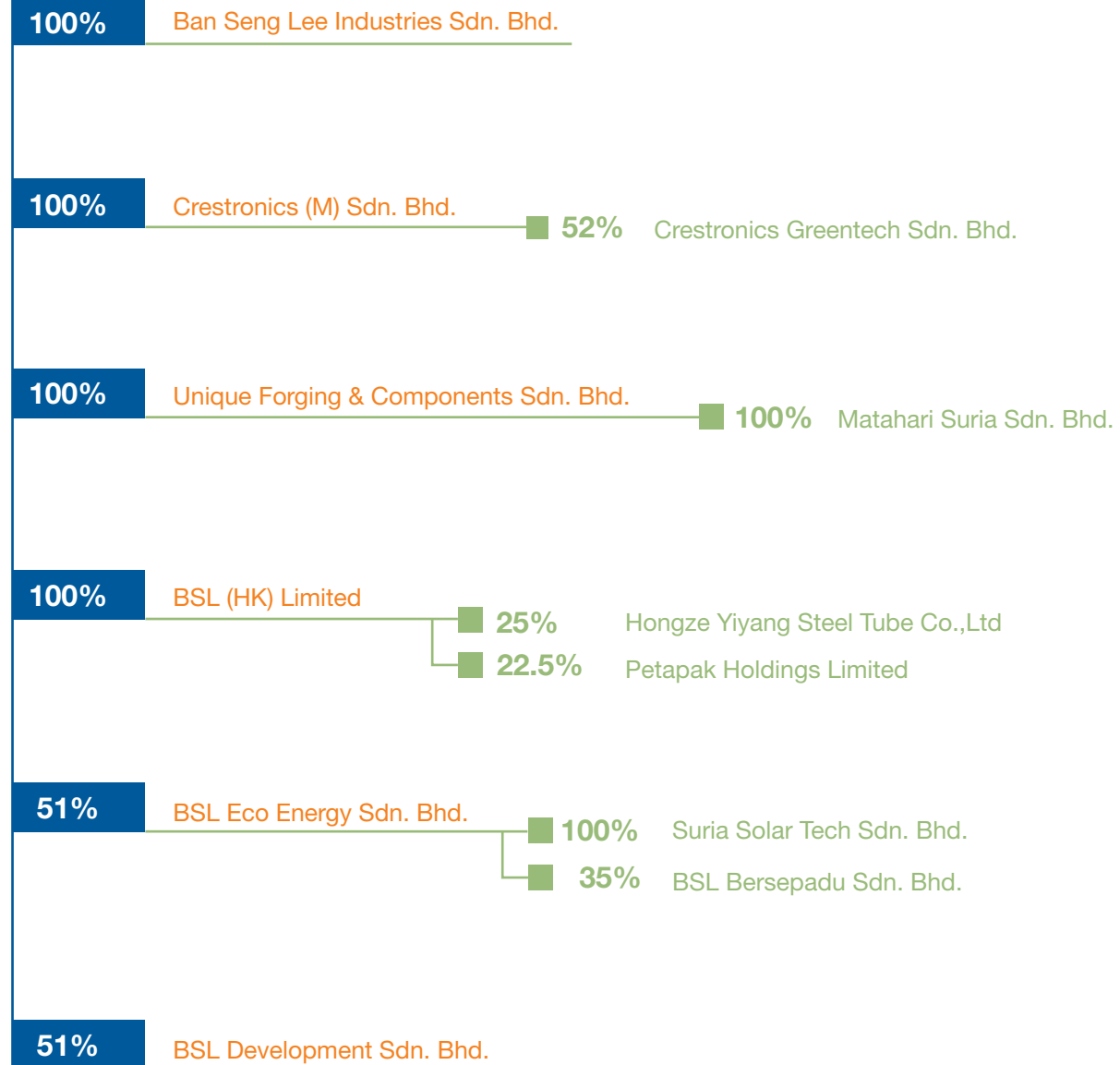
YAP SIT LEE
(MAICSA 7028098)

SHARE REGISTRAR

**Tricor Investor & Issuing House
Services Sdn. Bhd.** (11324H)
Unit 32-01, Level 32, Tower A,
Vertical Business Suite,
Avenue 3, Bangsar South,
No. 8, Jalan Kerinchi,
59200 Kuala Lumpur.
Tel : 03 2783 9299
Fax : 03 2783 9222

STOCK EXCHANGE LISTING

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



PROFILE OF DIRECTORS

NGIAM TONG KWAN

Executive Chairman



Aged 69
Malaysian
Male

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

He is the Chairman of the Remuneration Committee of BSL.

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

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

NGIAM TEE WEE

*Chief Executive Officer /
Executive Director*



Aged 50
Malaysian
Male

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

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

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

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

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

TEH YOON LOY

Executive Director



Aged 61
Malaysian
Male

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 as a Director of Unique.

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

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

NGIAM TEE YANG*Deputy Chairman / Executive Director*

Aged 52
Malaysian
Male

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

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

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

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

**DATUK DR. SYED
MUHAMAD BIN SYED
ABDUL KADIR**
Independent Non-Executive Director

Aged 71
Malaysian
Male

Appointed to the Board on 28 December 2006. He graduated with a Bachelor of Arts (Hons) from University of Malaya in 1971. He obtained a Masters of Business Administration from the University of Massachusetts, USA, in 1977 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 University Teknologi MARA in December 2009. In June 2011, he became a member of The Chartered Institute of Arbitrators, United Kingdom and in May 2012 became the fellow of the Institute.

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

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

Datuk Dr. Syed Muhamad is a Director of Euro Holdings Berhad, Malakoff Corporation Berhad, Solution Engineering Holdings Berhad, ACR ReTakaful SEA Berhad and Asia Capital Reinsurance Malaysia Sdn. Bhd. He is also the Chairman of Sun Life Malaysia Takaful Berhad and Sun Life Malaysia Assurance Berhad. In addition, he holds a directorship in a number of private companies.

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

TO' PUAN ROZANA BTE TAN SRI REDZUAN

Independent Non-Executive Director



Aged 54
Malaysian
Female

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

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

She also sits on the board of Tomypak Holdings Berhad.

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

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

NG WAI PIN

Independent Non-Executive Director



Aged 53
Malaysian
Male

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

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

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

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

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

PROFILE OF THE KEY SENIOR MANAGEMENT

ANDY WOO WENG KOK

Executive Director of
Crestronics (M) Sdn. Bhd.



Aged 42
Malaysian
Male

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

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

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

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

CHAN CHOON KEUW

Deputy General Manager



Aged 60
Malaysian
Male

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

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

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

NISHIMURA KOICHI

Business Development Senior Manager



Aged 57
Japanese
Male

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

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

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

Profile of the Key Senior Management

YUKIHIRO EGUCHI

Operation Director for
Crestronics (M) Sdn. Bhd.



Aged 56
Japanese
Male

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

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

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

CHAY JIUN YEE

Chief Financial Officer



Aged 46
Malaysian
Male

Chay Jiun Yee was appointed as the Chief Financial Officer of BSL on 1 November 2017. He completed his ACCA in the year 2006. He is also a member of the MIA.

He began his career with Tan Peng Sam & Co as an audit assistant in 1996. He subsequently joined Malayan United Industries Berhad in 1998 as an account executive. In the year 2004, he joined BSL as a finance manager and was a key person in the Initial Public Offering of BSL in the main market of Bursa Malaysia. In the year 2009, he left BSL and joined 2 other companies in the finance manager capacity before rejoining BSL on 1 November 2017. Over the years, he has gained vast experience through his involvement in corporate exercises, group reporting, audit, tax and finance operations.

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

KENNETH NG

Finance Manager



Aged 30
Malaysian
Male

Kenneth Ng was appointed as the Finance Manager of BSL on 11 September 2017. He graduated with a Bachelor's Degree in Business and Commerce majoring in Accounting & Banking and Finance from Monash University in the year 2009. He is also a member of CPA Australia and the Malaysian Institute of Accountants.

He began his career with KPMG as an audit assistant in 2010 and later in 2015 he was promoted to audit manager. He has over 5 years of audit experience covering public listed, non-public listed companies and multinational companies. In 2015, he joined a private company in the corporate finance department where he was involved in corporate exercises, audit, tax, reporting and corporate secretarial matters.

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

*Dear
Shareholders,*

On behalf of the Board of Directors, we are pleased to present to you the Annual Report for BSL Corporation Berhad ("BSL") for the financial year ended 31 August 2018.

OVERVIEW

Financial year 2018 had been an interesting year for the Group. BSL continues to build up the foundation for a stronger core business base which is in the metal stamping and PCB assembly. Our clients in agricultural and industrial product continued their business growth. The Group is proud to announce that its EMS sector kicked off during the financial year and is expected to gain further traction in coming years.

FINANCIAL REVIEW

For the financial year under review, the Group recorded its highest ever turnover at RM158.8 million, an increase of 8.6% from the turnover recorded in the previous financial year. Besides agricultural and industrial product contribution, the growth in revenue was also contributed by the higher orders for TV back chassis which is further described in the Operational Review segment.

Despite the higher turnover, the Group suffered a loss after tax of RM2.5 million as compared to a profit after tax of RM3.7 million in the previous financial year. This is mainly due to provision for impairment in goodwill amounting to RM4.6 million made during the financial year. The goodwill arose from the Group's investment in Petapak whose operations is in the sales of metal collars for PET plastics aerosol. As there were no significant breakthrough in the

operations since 2014, the Group took a conservative approach to make a full provision for the investment during the financial year. The operations faced some setbacks in the testing of the final product which requires additional investigation to be undertaken prior to the product being accepted in the various target market. From the testing performed, there were no major issues with the metal collar but weaknesses were from the PET aerosol containers. Each target clients has various differing requirements which makes it challenging to develop a common PET aerosol container suitable for a wider range of propellant, content and pressure. Despite the provision made in the current financial year, the Group is still highly committed to ensure the success of this project with its business partner by aggressively searching for new target customers and concurrently addressing the issues pertaining to the PET aerosol containers.

In addition, due to unfavorable exchange rates, the Group incurred unrealized foreign exchange losses amounting to RM0.9 million as compared to a gain in prior year of RM0.9 million arising from its investment in overseas shares and intercompany owing. In line with the requirements of the accounting standards, the Group recognizes its assets at amortized cost and this results in a net interest cost of RM1.2 million in the current financial year.

During the financial year under review, the Group also performed an independent valuation of all its properties resulting in a gain on revaluations net of tax of RM34.3 million. This was carried out to reflect the actual value of our properties into our financial statements.





CAPITAL STRUCTURE AND CAPITAL EXPENDITURES

The Group's equity attributable to the owners of the Company currently stands at RM110.4 million, an increase of 43% from prior year which is mainly due to the revaluation surpluses from our properties.

During the financial year under review, the Group incurred capital expenditures of approximately RM3.4 million. A significant portion of capital expenditure is coming from an advanced fiber laser cutting machine and CNC press brake machine which were financed by hire purchase arrangement. The investment in this technology enables the Group to provide more offerings to its current customers as well as opens up the opportunity to penetrate into new customers and facilitate the EMS business model.

Our total borrowings currently stands at RM14.56 million as compared to RM17.38 million in the prior year. This translates to a debt to equity ratio of a healthy 13%.

OPERATIONAL REVIEW

Stamping Division

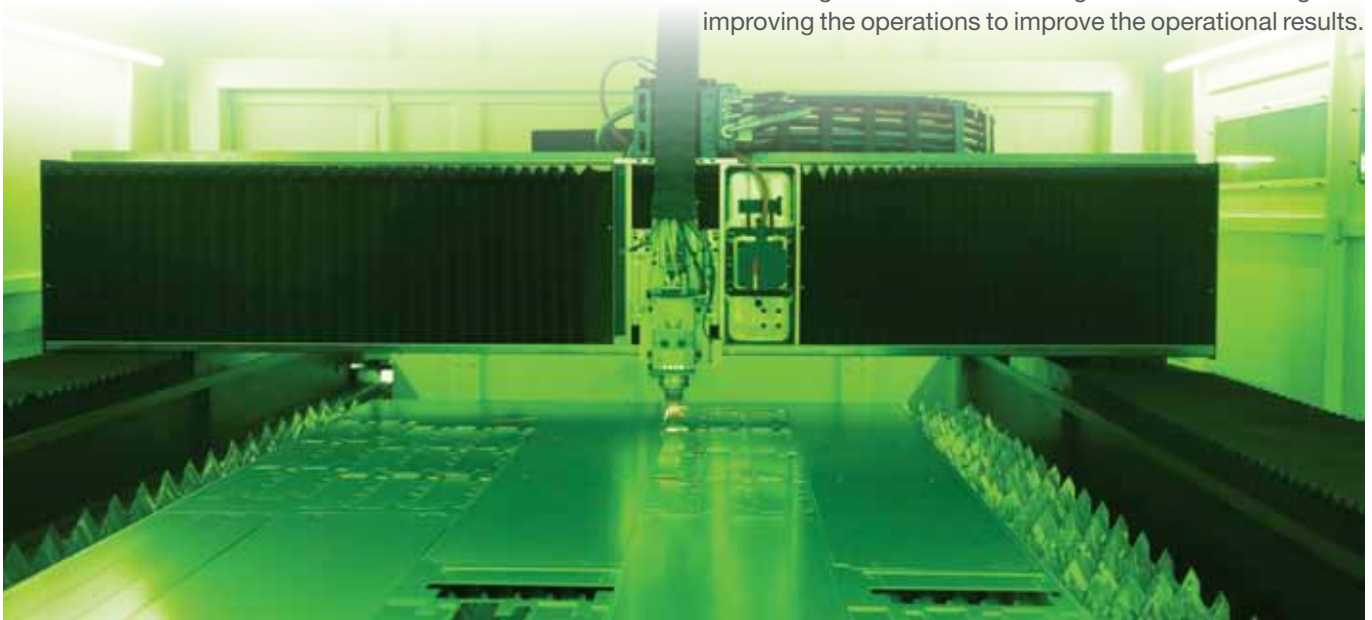
The stamping division continued to produce stellar performances in terms of turnover and profit after tax. For the 5th year in a row, turnover increased to its highest ever revenue recorded of RM140.5 million, an increase of 16% from prior year. Profit after tax increased by 68% from RM3.8 million in FY2017 to RM6.4 million in FY2018.

Higher sales were recorded for this segment notably from our TV back chassis as well as agricultural components customers. The sales of TV back chassis for one key customer increased by 69% due to the full production running for the current financial year. As the Group is selective of its customers, it had benefitted from customer's growth as well where the sales for the agricultural component segment increased by 33%, thus contributing to the strong top line.

We are optimistic that the agriculture segment will continue to contribute to the growth of the Group but are concern that the TV segment will not contribute as strongly due to the advent of OLED technology that reduces the number of metal components per TV set.

PCB Assembly Division

Our PCB assembly division registered a turnover of RM15.5 million as compared to RM13.9 million, an improvement of RM1.6 million or 11.5%. Turnover were stronger on the back of higher volume mainly from the home appliance segment. However, this division incurred a loss of RM1.9 million as compared to RM0.5 million in prior year. This financial year's results were affected by unrealized foreign exchange losses of RM0.44 million as compared to a gain of RM0.38 million in prior year and also a provision for impairment in investment in subsidiary of RM0.26 million. The management is still focusing effort in stabilizing and improving the operations to improve the operational results.



Renewable Energy Division

Our renewable energy segment recorded a turnover of RM2.1 million and loss after tax of RM2.2 million as compared to turnover of RM20.4 million and profit after tax of RM2.2 million in FY2017. This segment relies on secured Engineering, Procurement, Construction and Completion ("EPCC") projects to deliver results. In the previous financial year this segment completed 2 EPCC projects of which one of the project is owned by BSL at University Teknologi Malaysia in Kuala Lumpur. Despite the tough competition in the market, BSL managed to secure 1 EPCC project during the financial year of which completion is expected in FY2019. The losses in the current financial year were attributed by the accounting requirements to recognize assets at amortized cost, which resulted in the recognition of net finance cost of RM1.6 million.



Property Development Division

We embarked on the property development segment late last year through a joint venture arrangement. This division recorded a turnover of RM0.7 million and loss after tax of RM8k through trading of construction materials. Given the softer property market faced currently, the Group is cautious on the development of this segment but stands strong with its long term goal of developing affordable homes in Malaysia.

ANTICIPATED OR KNOWN RISKS

Any changes in the country's regulations and policies may have an impact on the Group's operations. The Group is susceptible to changes to labor law (eg. Changes in minimum wages requirements, foreign worker intakes) which may impact the earnings. To mitigate this, we are always looking into improving production efficiencies and increase automation to reduce manual work.

In regards to the bills of demand amounting to RM11.1 million issued by the Royal Malaysian Customs on 19 December 2014, we wish to highlight that the Ministry of Finance had rejected our appeal once more despite the Company presenting a strong case against it. Through the advice from our appointed consultant and lawyer, we applied for a Judicial Review against the Minister of Finance's decision and the Shah Alam High Court had granted leave on the Judicial Review application and an

interim stay of enforcement of the bills of demand until the disposal of the inter-partes stay hearing. As our lawyer opines that we have arguable grounds and basis to contend that there is no legal and factual grounds for the Minister of Finance to reject our remission application, we have not made a further provision in the accounts for this matter for FY2018.

SUSTAINABILITY IN BUSINESS

We recognize that value creation is not just for shareholders, but should be extended to all the relevant stakeholders. In view of that, we have taken various initiatives to promote sustainability as prescribed in our maiden sustainability report which can be found in pages 17 to 19 in the Annual Report. Moving forward, we intend to enhance our sustainability practices in our continuous quest for improvements.



MOVING FORWARD

The transition to EMS segment continues to strengthen as we expect the increase in production volume for the assembly of automated egg elevator. We are also aggressively looking for new customers local and overseas to grow our repertoire of EMS products to further showcase our manufacturing and assembly capabilities.

We are also positive on the potential business opportunities due to the trade war between US and China as we foresee electronics manufacturing companies venturing out of China and to Malaysia to move its production base.

Internally, we continue our efforts in being more effective and efficient in our production methods to remain competitive but never to compromise on our high level of quality standards.

We continue to be concern over the impending rise in minimum wage in January 2019. We are expecting continued pressure on our bottom lines but also concern over our local clients affected by this ruling.



DIVIDEND

The Board does not recommend any dividend payment in respect of FY2018 as we decided to be financially conservative in view of the possible cash requirements for the expansion of our business as we seek to stay competitive in the ever challenging business environment.

APPRECIATION

On behalf of the Board, we would like to express our sincere gratitude and acknowledge the contribution by all the Directors, management team and employees of BSL for their continuous support and commitment towards the growth of the Group. We would also like to thank our valued shareholders, customers, business associates, partners, suppliers, financiers, relevant government authorities and all other stakeholders for their continuing trust and support to the Group.

Thank you.

NGIAM TEE WEE

Chief Executive Officer
BSL Corporation Berhad
27 December 2018

BSL Corporation Berhad (“BSL or “the Group”) recognizes its responsibility in increasing value not only for its shareholders, but to all stakeholders of the Group. These stakeholders include customers, suppliers, environment, staff and the wider community in which BSL operates. The current report covers the activities of our main subsidiary (Ban Seng Lee Industries Sdn. Bhd.) which contributes to 89% of the Group’s FY2018 total revenue.

We are pleased to present this maiden sustainability statement for BSL which highlights our commitment towards ethical and responsible business practice, environmental sustainability practices and the well-being of our employees.

Our 3 main pillars for sustainability is as follows:



i. Economic



ii. Environment



iii. Social

ECONOMIC

At BSL, we continuously strive to strengthen our core business and improve our manufacturing processes to generate higher value for our customers and stakeholders. These include investing in new technology, R&D activities and improvements in the production process line.

i. Procurement practice

We practice good governance in the procurement practice where we carry out supplier evaluations frequently and maintain an approved supplier list. In addition, we also conduct self-audit and on-site audit for suppliers to ensure their performance complies with our requirement for quality as well as environment.

BSL also monitor its suppliers to ensure no breach of compliance with international requirements such as the use of conflict materials. In addition, BSL encourages its suppliers to reuse the packaging materials after delivery to BSL to reduce wastages and be more cost effective.

ii. Customers satisfaction

We conduct customer satisfaction survey yearly and we have maintained a positive ratings for the past 4 years. BSL always prioritize in developing a positive working relationship with customers and to improve the manufacturing process to meet customer’s needs.

In addition, BSL also strive to meet customer’s requirements on Restriction on Hazardous Substance Directive (“RoHS”) and Registration, Evaluation, Authorisation, and Restriction of Chemicals (“REACH”) and have complied fully for the past 4 years. We take pride in this as it is a key factor to further strengthen sustainability in the Economic segment.

iii. Kaizen practice

BSL also practices Kaizen activities across its various departments. In FY2018, we undertaken 16 Kaizen activities spread across 6 departments which resulted in improvements in inspection time, reduction in packaging material purchases through reuse, improvements in production flow and material retrieval as well as process reengineering which lowers manpower costs.

ENVIRONMENT

At BSL, we recognize the potential environmental impacts of our operations and are committed to operate in a manner which minimizes the negative impact towards the environment. We are also fully committed towards compliance with the various regulatory requirements.

i. Compliance

BSL is assessed yearly based on the ISO9001 & ISO14001 standards and any non-compliance noted will be addressed immediately. In addition, BSL also complies with Department of Environment (“DOE”), Department of Safety and Health Malaysia (“DOSH”) and Suruhanjaya Perkhidmatan Air Negara (“SPAN”) requirements and no major non-compliance were noted for the past 4 years.

ii. Environment policy

BSL maintains an environmental policy which stresses on amongst others 4R practice (Reduce, reuse, recycle and refuse), strong control over spillage & effluent to ensure minimal contamination, employee awareness programs as well as ensuring sub-contractors comply with BSL’s environmental regulations.

iii. Waste management

Given the nature of our operations, our processes produce wastes in the form of metal scraps, and other miscellaneous wastes such as grease, coolants, hydraulic oil and used drums. BSL maintains a proper waste management system where we dispose according to DOE requirements and to approved parties only. As BSL places such high emphasis on waste management, BSL is proud that no major findings were noted during the audits of our waste management process. In our effort to reduce overall waste, we encourage all employees to utilize available resources prudently in order to reduce waste generation. We also employ a full time qualified ‘Competent Person’ to manage our waste.

iv. Emissions

The major emission due to the nature of business is noise emission. Inevitably, our metal stamping division has been identified to be generating the higher noise emission. Through our Safety and Health Committee, we always ensure the noise level is monitored and brought under control. We have set the benchmark to ensure the noise emission is less than 85 dB and have complied with this for the past 4 years. Furthermore, we provide our workers with the appropriate ear protection equipment and also provide ear plugs for our visitors to ensure their safety and well-being.

v. Energy usage

Through our initiatives, we have managed to optimize the usage of electricity where the ratio percentage of electricity usage over revenue have decreased slightly from 1.5% in FY2017 to 1.4% in FY2018. Moving forward, we plan to implement more energy saving initiatives such as weekly monitoring of manufacturing site to detect energy waste.

SOCIAL

BSL advocates that people are its most important asset. To that, BSL places people-centric policies and practices to promote a supportive and safe environment for both work and professional progression.

i. Fair and equitable workplace

BSL believes in equal opportunities for all in the workforce. For our main operating subsidiary, 60% of the total staff are factory operators while the remaining 40% forms the remaining workforce. Being a heavy manufacturing company, the workforce consists of more male to female workers. In FY2018, female workers contributes to 30% of the total work force, while the percentage increases to 35% if factory operators are excluded.

ii. Employee wellbeing

BSL always acknowledges the hardwork of its employees and provide a competitive remuneration package for them. Opportunities and rewards are based on meritocracy system where deserving employees are recognized and rewarded accordingly regardless of gender and race.

In addition, management of BSL also practice open and transparent communication where staff can access to the Chairman, Chief Executive Officer and HR manager to share their concerns and be heard.

iii. Employee training programs

BSL believes in the importance of its staff's development and hence have structured various training types for all staff level.

BSL requires a minimum of 5 trainings to be held every month and this includes internal as well as external trainings. The training masterplan will be drawn up yearly and it includes 4 main categories which are Quality Management System, Environmental Management System, Safety & Health and Operational trainings. BSL also ensures that the training participation frequency in certain key areas are in compliance with international standards requirement.

In-line with the quest for continuous development, BSL had increased the total number of trainings types from 44 in FY2017 to 50 in FY2018. In addition to this, staffs are also encouraged to participate in trainings and seminars provided by our external auditors and tax agent to further enhance themselves and keep abreast of all the latest developments in the respective field.

iv. Foreign workers

BSL being a manufacturing company, relies heavily on foreign workers. Therefore, BSL places great emphasis on their well-being by providing proper accommodations, safety equipment and a conducive working environment.

BSL also ensures that it is in compliance with all the regulatory requirements pertaining to foreign workers such as levy, minimum wage and working hours.

v. Occupational Health & Safety ("OSH")

Emphasis is placed heavily on OSH in BSL given the nature of the industry. BSLI put in place various safety measures such as having a Safety & Health Committee, training and awareness programs and safety drills to promote a safe and healthy workplace. Due to the exposure to noise pollution, BSL conducts periodic audiometric tests for its employees and has fulfilled the requirements of Part VI, Audiometric Testing Program under the Factory & Machinery (Noise Exposure) Regulations 1989. BSL has a fulltime Safety Officer, Emergency Response Team and a significant number of staff trained to provide First Aid and CPR.



vi. Contribution to Society

BSL provides an annual budget to support charitable activities. In FY18, BSL contributed monetary support to Tabung Harapan Malaysia and to a Shelter for single and/or abandoned mothers with children located at Rawang.



BSL'S ONGOING COMMITMENT FOR THE FUTURE

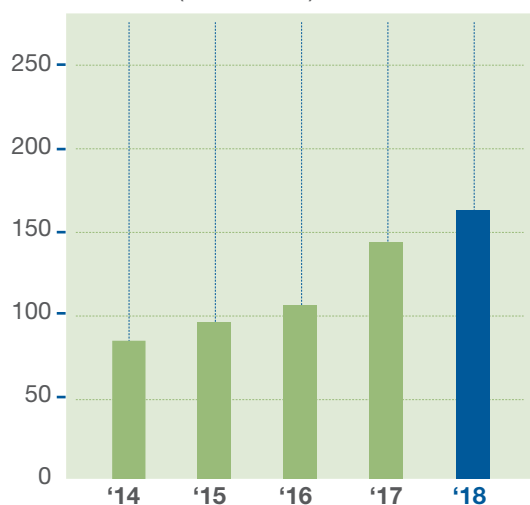
Embedding sustainability into our business is of paramount importance to benefit both the Company and stakeholders. We look forward to further enhance our sustainability practices and reporting in this continuous quest for improvements.

GROUP FINANCIAL HIGHLIGHTS

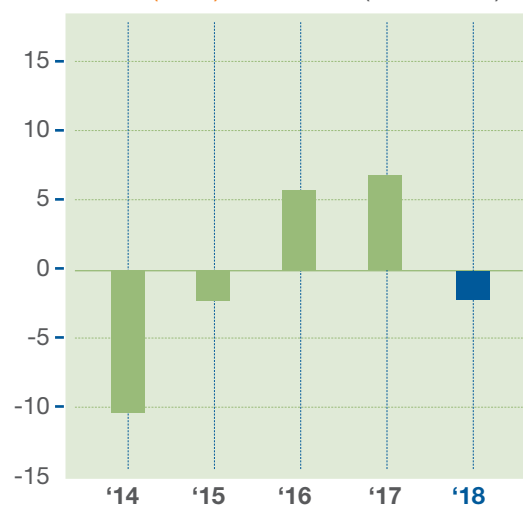
FIVE-YEARS PERFORMANCE HIGHLIGHTS

	2018 RM'000	2017 RM'000	2016 RM'000	2015 RM'000	2014 RM'000
Income					
Revenue	158,783	146,251	108,262	98,076	94,883
Profit / (Loss) Before Tax	(2,122)	6,484	5,182	(2,675)	(10,496)
Profit / (Loss) Attributable to Shareholders	(1,116)	3,202	4,761	(3,568)	(9,804)
Balance Sheet					
Total Assets	161,249	131,482	111,761	111,259	113,034
Shareholders' Funds	110,394	77,113	74,352	66,395	71,376
Paid-up Capital	49,000	49,000	49,000	49,000	49,000
Financial Ratios					
Return on Shareholders' Fund (%)	(1.01)	4.15	6.40	(5.37)	(13.74)
Earnings / (Loss) per Share (sen)	(1.15)	3.31	4.90	(3.7)	(10.2)
Net Assets per Share (sen)	114.2	79.8	76.9	68.6	73.7
Gross Dividend per Share - First and Final (sen)	-	-	-	-	-

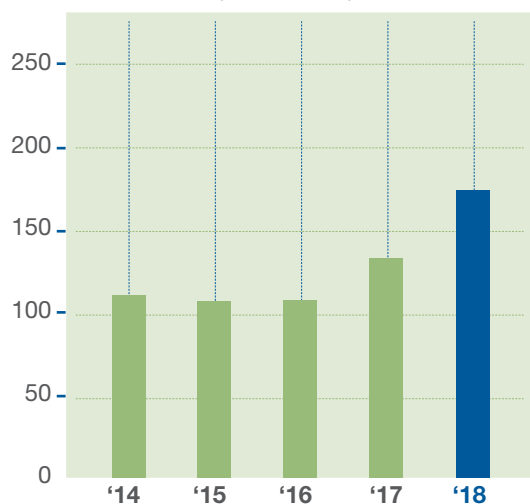
Revenue (RM'Million)



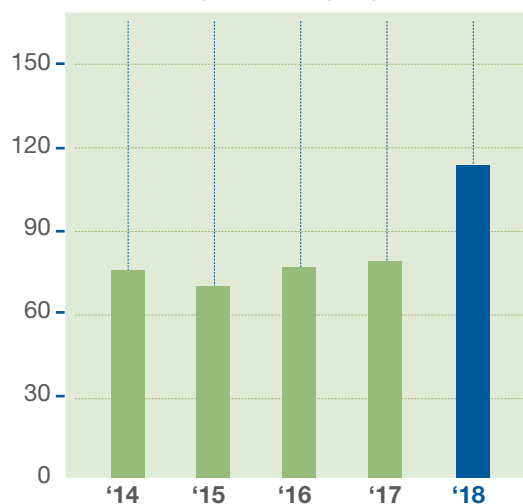
Profit / (Loss) Before Tax (RM'Million)



Total Assets (RM'Million)



Net Assets per Share (sen)



CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

Below is the Company’s Corporate Governance overview statement of the Company’s approach with respect to the Principles and Practices of the Malaysian Code on Corporate Governance (“the Code”) and the Main Market Listing Requirements (“MMLR” or “Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Securities”). The detailed application of each practice as set out in the Code is disclosed in the Corporate Governance Report, announced together with this Annual Report to Bursa Securities, and is available in the Company’s website at www.bslcorp.com.my.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

1. Board Responsibilities

Clear Functions of the Board and Management

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

The Management conducts the daily operation of the companies guided by internally developed KPIs and ISO 9001 and ISO 14001 principles. Meetings are conducted on monthly basis to review the KPIs results and to seek constant improvement. The Executive Directors then report to the Board on a quarterly basis.

All Board Committees have written terms of reference which are approved by the Board. The Chairman of the AC, Nomination Committee and Remuneration Committee report to the Board subsequent to the respective committee meetings.

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

Clear Roles and Responsibilities

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

- Review and approve strategies, business plans and significant policies and ensure that the Group’s goals are clearly established, and to monitor implementation and performance of the strategy, policies, plans, legal and fiduciary obligations that affect the business by adopting performance appraisal measures;
- The Management devise action plans in accordance to the business plan and works towards achieving the targets. Review meetings are carried out to track progress and identify gaps;
- Ensure a competent management by establishing policies for strengthening the performance of the Group with a view to proactively build the business through innovation, initiative, technology, new products and the development of its business capital;
- To evaluate whether the business is being properly managed and to ensure that the solvency of the Group and the ability of the Group to meet its contractual obligations and to safeguard the Company’s assets; the Board analyses the financial results periodically and seek clarification on any anomaly. Besides explaining on the deviation, the Management also required to have rectification plans whenever necessary. Further meetings will be conducted to follow up on the effectiveness of the rectification plans;
- To ensure that the Group has appropriate business risk management process, including adequate control environment be it the internal control systems and management information systems, systems for compliance with applicable laws, regulations, rules, directives and guidelines and controls in areas of significant financial and business risks;
- Establish various Board Committees and ensure their effectiveness to address specific issues, by considering recommendations of the various board committees and acting on their reports;

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)**1. Board Responsibilities (cont'd)****Clear Roles and Responsibilities (cont'd)**

- Ensuring that the statutory accounts of the Company and Group are fairly stated and otherwise conform with the relevant regulations including acceptable accounting policies that result in balanced and understandable financial statements;
- Ensuring that there is in place an appropriate succession plan for members of the Board and senior management. The Board periodically reviews the status of succession of key positions. Whenever the need arises, the Board considers creating a deputy position to ensure continuity;
- Ensuring that the Group adheres to high standards of ethics and corporate behaviour including transparency in the conduct of business. Directors are required to comply with the Directors' Code of Best Practice which among others includes the declaration of any personal, professional or business interests, direct or indirect which may conflict with directors responsibilities as a Board Member and to refrain from voting on such transaction with the Group; and
- Ensuring that there is in place an appropriate investor relations and communications policy. The Board recognises the need to keep shareholders informed on key or material development. Majority of the communication was done through announcements made to Bursa Securities. General information has been provided on the company's website and is constantly updated. Further important explanations such as condition of business, business direction, status of certain projects, etc are explained in the Management's Discussion and Analysis section in the Annual Report. AGM is held once a year and EGMs will be held whenever the needs arise.

The Board has a formal schedule of matters reserved to itself for decision, which includes the overall Group strategy and direction, acquisition and investment, consideration of significant financial matters and the review of the financial and operating performance of the Group. The schedule ensures that the governance of the Group is firmly in the Board's hand.

Formalised Ethical Standards through Code of Conduct and Ethics

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

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

The Group encourages employees who are facing conflicts to discuss accordingly with their superior to solve the matter in a peaceful manner. The Group CEO is always available to be contacted by any employees in regards to matters regarding any known corrupt practices, unethical behavior, misuse of company assets or any non-compliance with rules and regulations.

The Group has an official policy on whistle blowing plus various adherences to Labour Law, Clean Procurement and Race and Religious impartiality stated in its Corporate Social Responsibility Policy. Both internal staff and external contractors/suppliers are able to submit report anonymously of any wrong doings or breach. Reports can be submitted via emails and phone numbers stated in the policy and confidentiality are assured. The person in charge is the Chairman of the Audit Committee, Datuk Dr. Syed Muhamad Bin Syed Abdul Kadir whose contact detail is stated in the whistle blowing policy. The policy is published in the Company's website at www.bsllcorp.com.my.

Access to Information and Advice

Seven (7) days prior to the meetings of the Board and the Board Committees, the meetings' agenda together with previous meetings' minutes and other relevant qualitative and quantitative information were compiled into reports to be circulated to all members on a timely basis. The signed minutes are being kept in the minutes books. Management has been invited to the Board and Board Committees' meetings to report or present on areas within their responsibilities to ensure the members were able to effectively discharge their responsibilities. All Directors also have full and free access to information within the Group, as well as the prerogative to seek the Company Secretaries' and independent professional advice, in furtherance of their duties, at the expense of the Group, should such advisory services be considered necessary.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)**1. Board Responsibilities (cont'd)****Qualified and Competent Company Secretary**

Directors have direct access to the advice and services of the Company Secretaries. The Company Secretaries are qualified to act in accordance with the requirements of the Companies Act 2016. The Board is advised and updated on statutory and regulatory requirements pertaining to their duties and responsibilities as well as appropriate procedures for management of meetings. The Board is supported to ensure adherence to board policies and procedures, rules, relevant laws and best practices on the Code.

The Company Secretary also has undertaken the following functions, among others:

- i. Advise and remind the Directors of their obligations to disclose their interest in securities, any conflict of interest and related party transactions;
- ii. Advise the Directors of their duties and responsibilities;
- iii. Advise and remind the Directors on the prohibition on dealing in securities during closed period and the restriction on disclosure of price sensitive information;
- iv. Prepare agenda items of meetings for Board and Board Committees and send to the respective Board and Board Committees; and
- v. Attend all Board and Board Committees meetings and to ensure that meetings are properly convened, and that accurate and proper records of the proceedings and resolution passes are made and maintained accordingly.

The Company Secretaries are suitably qualified and have attended relevant training and seminars to keep abreast with the statutory and regulatory requirements' updates.

Board Charter

The Board has adopted a Board Charter to promote the standards of corporate governance and clarifies, amongst others, the role and responsibilities of the Board. The details of the Board Charter are available for reference at www.bslcorp.com.my.

Any amendment to the Board Charter can only be approved by the Board. The Board Charter was last reviewed on 18 December 2018 and would be reviewed and updated periodically in accordance with the needs of the Company and any new regulations that may have an impact on the discharge of the Board's responsibilities.

2. Compositions, Independence and Diversity of the Board**Composition of the Board**

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

The concept of independence adopted by the Board is in tandem with the definition of an independent director as stated in Paragraph 1.01 of the MMLR. The key element for fulfilling the criteria is the appointment of an independent Director who is not a member of management and who is free of any relationship which could interfere with the exercise of independent judgement or the ability to act in the best interest of the Company. The Company is in compliance with Paragraph 15.02 of the MMLR of Bursa Securities that two directors or one-third (1/3) of the Board, whichever is the higher, are independent Directors. If the number of directors of the listed issuer is not 3 or a multiple of 3, then the number nearest 1/3 must be used.

The Directors with their different backgrounds and specialisations, collectively bring with them a wide range of experience and expertise in areas such as finance, corporate affairs, marketing and operations. The Executive Directors, are responsible for implementing the policies and decisions of the Board, overseeing the operations as well as co-ordinating the development and implementation of business and corporate strategies. The Independent Non-Executive Directors provide objective and independent judgement to decision making and serve as a capable check and balance for the Executive Directors. The brief profile of each Director is presented on pages 08 to 10 of the Annual Report.

The Code states that at least half of the board comprises Independent Directors. Although the current composition of the Board does not meet this best practice, the Board practices the need to inform and obtain perspectives and insights from the Independent Directors prior to executing any major decisions for the Group.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)**2. Compositions, Independence and Diversity of the Board (cont'd)****Annual Assessment of Independence**

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

The NC and the Board have upon their annual assessment in year 2018, are of the view that all the three (3) Independent Non-Executive Directors of the Company continue to remain objective and independent in expressing their views and participating in deliberations and decision making of the Board and Board Committees and no individual or small group of individuals dominates the Board's decision-making process. All evaluations carried on the independence of the Independent Directors were tabled to the Board and are properly documented.

Tenure of Independent Directors

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

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

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

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

- i. they fulfilled the criteria of an Independent Director pursuant to MMLR of Bursa Securities;
- ii. they are familiar with the Company's business operations as they have been with the Company for a period of more than nine (9) years;
- iii. their long tenures with the Company have neither impaired nor compromised their independent judgement. They continue to remain objective and are able to exercise independent judgement in expressing their views and in participating in deliberations and decision making of the Board and Board Committees in the best interest of the Company;
- iv. they have exercised due care during their tenure as Independent Directors of the Company and carried out their duties in the interest of the Company and shareholders;
- v. they have devoted sufficient time and commitment to attend the Company's meetings and discharge their duties and responsibilities as Independent Non-Executive Directors; and
- vi. they do not have any business dealings with the Group.

Furthermore, Datuk Dr. Syed Muhamad Bin Syed Abdul Kadir through his directorship in many other public listed and private companies, is able to share his advice on best practices as well as governance matters for the benefit of the Group. Ng Wai Pin with his legal background and directorship in local as well as overseas companies shares insights of various matters through his vast experience and exposure and continues to provide an objective judgement. To' Puan Rozana Bte Tan Sri Redzuan with her background in accounting as well as past experience in corporate exercises is able to ensure the Group is well aligned and fundamentally sound.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)**2. Compositions, Independence and Diversity of the Board (cont'd)****Shareholders' approval for the retention of Independent Directors who have served more than nine (9) years (cont'd)**

The Board is satisfied that the Independent Directors continue to bring along with them their core competencies, experience, integrity and skill sets to discharge their responsibilities independently and for the best interest of the Group despite having served for more than 9 years.

Based on the recommendation of the NC, the Board was satisfied with the knowledge, contributions and independent judgements of Datuk Dr. Syed Muhamad Bin Syed Abdul Kadir, To' Puan Rozana Bte Tan Sri Redzuan and Ng Wai Pin. Hence, the Board recommended the retention of Datuk Dr. Syed Muhamad Bin Syed Abdul Kadir, To' Puan Rozana Bte Tan Sri Redzuan and Ng Wai Pin as Independent Non-Executive Directors of the Company, which will be tabled for shareholders' approval at the forthcoming Fifteenth (15th) AGM.

Separation of Positions of the Chairman and CEO

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

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

3. Board Committees**Nomination Committee ("NC")**

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

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

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

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

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

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

The Term of Reference of the NC is included in the Board Charter and available on the Company's website at www.bslcorp.com.my.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)**3. Board Committees (cont'd)****Nomination Committee ("NC") (cont'd)**

The NC has full, free and unrestricted access to the Company's records, properties and personnel in carrying out its duties and responsibilities. The NC is also authorised to seek independent professional advice, subject to the approval of the Board, at the expense of the Company, in carrying out its duties. However, the NC is not authorised to implement its own recommendations but reports the same to the Board for the latter's consideration, approval and implementation.

The NC will meet at any time when the need arises. The presence of the majority of the Independent Non-Executive Directors shall form the quorum of the meeting. There were three (3) Nomination Committee meetings held during the financial year, which details of Committees' attendance set out below:

Nomination Committee		Attendance
Datuk Dr Syed Muhamad Bin Syed Abdul Kadir	Chairman	3/3
Ng Wai Pin	Member	3/3
To' Puan Rozana Bte Tan Sri Redzuan	Member	3/3

Develop, Maintain and Review Criteria for Recruitment and Annual Assessment of Directors**a. Recruitment or New Appointment of Directors**

The NC recommends to the Board, candidates for all directorships and to review the Board's policies and procedures for the selection of Board members. In making the recommendations, the NC should also consider candidates proposed by the Chairman/CEO, and within the bounds of practicability, by any other senior executive, Director or shareholder. In making its recommendations, the NC shall assess and consider the candidates':

- skills, knowledge, expertise and experience;
- professionalism;
- time commitment to effectively discharge his/her role as a director;
- contribution and performance;
- character, integrity and competence;
- boardroom diversity including gender diversity, ethnicity diversity, age group diversity; and
- in the case of candidates for the position of Independent Non-Executive Directors, the NC shall also evaluate the candidates' ability to discharge such responsibilities/functions as are expected from Independent Non-Executive Directors.

New Directors are provided with comprehensive information on the Group to enable them to gain a better understanding of the Group's strategies and operations, and hence allow them to effectively contribute to the Board. The NC will ensure that a formal orientation program is in place for future new recruits to the Board.

b. Gender, Ethnicity and Age Group Diversity Policy

The Board noted the Code recommended the establishment of boardroom gender diversity and company to take steps to ensure that women candidates are sought in its recruitment exercise for both board and senior management positions. The Board does not have a specific policy on gender, ethnicity and age group for candidates to be appointed to the Board and senior management level. The Company does not practice any form of gender, ethnicity and age group biasness as all candidates shall be given fair and equal treatment. The Board believes that there is no detriment to the Company in not adopting a formal gender, ethnicity and age group diversity policy as the Company is committed to provide fair and equal opportunities and nurturing diversity within the Company. In identifying suitable candidates for appointment to the Board and senior management level, the NC will consider candidates on merit against objective criteria and with due regard for the benefits of diversity on the Board and senior management level. Currently, there is one female director on the Board.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)**3. Board Committees (cont'd)****Develop, Maintain and Review Criteria for Recruitment and Annual Assessment of Directors (cont'd)**

c. Annual Assessment

The NC had on 18 December 2018 reviewed and assessed the mix of skills, expertise, composition, size and experience of the Board, including core competencies of the Directors, the contribution of each individual Director as well as their character, integrity and time commitment, independence of the Independent Directors, effectiveness of the Board as a whole, and the Board Committees and also the Directors eligible for re-election.

Self and peer evaluations had been conducted by each Individual Director and Independent Director and a summary of the evaluations was furnished to the NC prior to the NC meeting. The evaluations of the Board Committees, Independent Directors and the individual Directors produced positive results on the performance of the Board and each director.

Remuneration Committee ("RC")

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

The RC shall be appointed by the Board and should only consist of non-executive directors and a majority of them must be independent directors as recommended by the Code. The members of the RC during the financial year are:-

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

There were three (3) RC meetings held during the financial year with details of Committee's attendance set out below:

Remuneration Committee		Attendance
Ngiam Tong Kwan	Chairman	3/3
To' Puan Rozana Bte Tan Sri Redzuan	Member	3/3
Ng Wai Pin	Member	3/3

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

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

Directors who are shareholders should abstain from voting at general meetings to approve their fees and/or benefits. Similarly, Executive Directors shall abstain from the deliberation and voting on decisions in respect of their own remuneration package which comprise monthly salary, bonuses, benefits-in-kind and other benefits. Executive Directors are not entitled to meetings allowance for the Board and Committee meetings that he attended. In the event where the Chairman's remuneration is to be decided, he shall abstain from discussion and voting. The remuneration and entitlements of Non-Executive Directors should be endorsed by the Board for the approval by the shareholders at general meeting. The individuals concerned should abstain from discussions pertaining to their own remuneration.

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

Corporate Governance Overview Statement

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

3. Board Committees (cont'd)

Remuneration Committee ("RC")

The aggregate remuneration of Directors received from the Company and its subsidiary companies for the financial year ended 31 August, 2018 are set out as below:

Name of Director	Salaries	Fees	Bonus	Other emolument	Benefit-in-kind	Total
Company						
Datuk Dr. Syed Muhamad Bin Syed Abdul Kadir	-	56,000	-	1,500	-	57,500
Ngiam Tong Kwan	-	37,500	-	-	-	37,500
Ngiam Tee Wee	-	65,750	-	-	-	65,750
Ngiam Tee Yang	-	37,500	-	-	-	37,500
Teh Yoon Loy	-	31,250	-	-	-	31,250
Ng Wai Pin	-	50,150	-	1,500	-	51,650
To' Puan Rozana Bte Tan Sri Redzuan	-	50,150	-	1,500	-	51,650
Subtotal	-	328,300	-	4,500	-	332,800
Subsidiaries						
Datuk Dr. Syed Muhamad Bin Syed Abdul Kadir	-	-	-	-	-	-
Ngiam Tong Kwan	300,000	-	26,400	22,524	-	348,924
Ngiam Tee Wee	251,325	-	26,400	33,336	21,250	332,311
Ngiam Tee Yang	189,000	-	-	22,752	1,800	213,552
Teh Yoon Loy	198,000	-	20,400	26,208	15,000	259,608
Ng Wai Pin	-	-	-	-	-	-
To' Puan Rozana Bte Tan Sri Redzuan	-	-	-	-	-	-
Subtotal	938,325	-	73,200	104,820	38,050	1,154,395
Grand total:	938,325	328,300	73,200	109,320	38,050	1,487,195

Included in the total director fees is an amount of RM62,300 paid to the directors which relates to the financial year ended 31 August 2017.

The RC would meet and review and recommend to the Board, the remuneration package for the Chairman, CEO and Executive Directors of the Company, Directors' fees as well as Directors' benefits. The fees of the Non-Executive Directors shall be determined by the Board as a whole where each individual Director abstains from discussions pertaining to his/her own fees. The Board has endorsed the recommendation by the RC on the remuneration package for Executive Directors and further recommended the directors' fees and benefits to the shareholders for approval at the Company's forthcoming 15th AGM.

The Code also recommended the Board to disclose on a named basis the top five senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000. However, the Board are of the view that this disclosure is disadvantageous to the Company as it could potentially give rise to security concerns, staff poaching by competitors and conflict between staffs. As an alternative for this disclosure, the Board views that the aggregate remunerations of the top five senior management's remuneration is suffice to set out as follows:

	Salary, EPF and bonuses	Other emoluments	Benefit-in-kind	Total
Top five senior management	939,826	54,645	12,900	1,007,371

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)**3. Board Committees (cont'd)****Board meetings**

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

The Board is in compliance with Paragraph 15.06 of the MMLR of Bursa Securities on the restriction on the number of directorships in listed companies held by the Directors where none of the Company Directors holds more than five (5) directorships in Malaysian public listed companies. All Directors have complied with the minimum 50% attendance as stipulated by Paragraph 15.05(3)(c) of the MMLR of Bursa Securities and the Board is satisfied with the level of time commitment of the Directors from their attendance at the Meetings. The record of the Directors' attendance at Board Meeting for the financial year ended 31 August 2018 is contained in the table below:

Board of Directors		Attendance
Ngiam Tong Kwan	Chairman	5/5
Ngiam Tee Wee	Member	5/5
Ngiam Tee Yang	Member	5/5
Teh Yoon Loy	Member	5/5
Datuk Dr. Syed Muhamad Bin Syed Abdul Kadir	Member	5/5
To' Puan Rozana Bte Tan Sri Redzuan	Member	5/5
Ng Wai Pin	Member	5/5

Directors' Training

All Directors of the Company have attended the Mandatory Accreditation Program prescribed by Bursa Securities. Details of trainings/seminars/forums attended by the Directors during the financial year are as follows:

Name of Directors	Title of Training/Seminar/Forum	Duration
Ngiam Tee Wee	- Seminar on LEAN production system: Applications & Sharing of Experiences	1 day
	- Understanding & Analysing Financial Statement	2 days
	- Occupational Safety & Health Compliance by Management	1 day
Ngiam Tee Yang	- Metaltech 2018	1 day
	- IBS Regularisation & Opportunities within	1 day
Teh Yoon Loy	- Inaugural Town Hall session: RE Industry with YB Yeo Bee Yin, Minister of Energy, Technology, Science, Climate Change & Environment	1/2 day
To'Puan Rozana Bte Tan Sri Redzuan	- Key Proposed Amendments to Listing Requirements arising from the Companies Act 2016	1/2 day
Datuk Dr. Syed Muhamad Bin Syed Abdul Kadir	- CEO Faculty	1 day
	- Speaker for Leadership Talk in University Malaya	1 day
	- Dialog YB Menteri dengan Industri Zon Tengah & Majlis Graduasi Fellow CEO	1 day
	- Islamic Finance Training Module for Board of Directors (IF4BOD) with Bank Negara	1 day
	- Audit Committee Institute (ACI) Breakfast Roundtable 2018	1 day
	- CEO Faculty	1 day
	- FIDE Forum on Block Chain in Financial Services Industry	1 day
Ng Wai Pin	- Storytelling Techniques in Investor Relations	1 day

Mr. Ngiam Tong Kwan did not attend any training and seminar courses due to his hectic schedule.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT**1. Audit Committee (“AC”)**

The AC comprises of three (3) members, all of whom are Independent Non-Executive Directors of which the terms of reference was approved by the Board and a copy of the terms of reference can be found in the Board Charter which is available on the Company website at www.bslcorp.com.my. To ensure the overall effectiveness and independence of the AC, the positions of the Chairman of the Board and Chairman of the AC are held by different persons.

The Board is assisted by the AC to oversee the Group’s financial reporting processes and the quality of its financial reporting and to ensure that the financial statements of the Group and the Company comply with applicable financial reporting standards in Malaysia. Such financial statements comprise the quarterly financial report announced to Bursa Securities and the annual audited financial statements. A Statement by the Board of its responsibilities (Directors’ Responsibility Statement) in respect of the preparation of the annual audited financial statements is set out on page 38 of this Annual Report.

Through the annual audited financial statements, the quarterly financial results as well as the Chairman’s statement and review of operations in the Annual Report, the Board aims to provide and present a balanced and meaningful assessment of the Group’s financial performance and prospects.

The AC oversees and appraises the quality of the audits conducted by the Company’s external auditors; maintain open lines of communication between the Board and external auditors for the exchange of views and information, as well as to confirm their respective authority and responsibilities; and assess the adequacy of the risk management systems and internal control environment as well as the financial reporting systems based on audit feedback from the external auditors. The representatives of Messrs Mazars PLT were invited to the AC meetings to present annual audit findings for the respective reporting period specifically on financial matters and the integrity of systems that relate to financial aspects of the Company from time to time. Key features underlying the relationship between the AC and the external auditors are included in the AC’s Report as detailed on pages 36 to 37 of the Annual Report.

The Company has a policy that requires former key audit partner of the external auditors to observe a cooling-off period of at least two (2) years before being appointed as a member of the AC. Presently, no former key audit partner is appointed as a member of the AC.

The AC assisted by the management, had on 18 December 2018 undertaken an annual assessment of the suitability and independence of the External Auditors. The assessment of the External Auditor was conducted by completing personalised evaluation form. The factors considered by the AC in its assessment include, adequacy of professionalism and experience of the staff, the resources of the external auditors, the fees and the independence of and the level of non-audit services rendered to the Group. The AC has assessed and is satisfied with the suitability and the written confirmation provided by the external auditors that they had complied with the ethical requirements regarding independence and objectivity with respect to the audit of the Group in accordance with all relevant professional and regulatory requirements. The AC has recommended to the Board the re-appointment of Messrs Mazars PLT as the External Auditors for the financial year ending 31 August 2019, upon which the shareholders’ approval will be sought at the forthcoming Fifteenth (15th) AGM. The external auditors had attended the Company’s Fourteenth AGM to provide its report to the shareholders and attended to the issues raised on the conduct of the statutory audit and the preparation as well as the content of their audit report. The External Auditors also may provide certain non-audit services. The AC will ensure that provision of these services do not compromise the External Auditors’ independence.

The total fees paid to the External Auditors for the financial year ended 31 August 2018 are as follows:-

1. Audit Fees

The total audit fees (including both statutory and non-statutory audits) charged by the External Auditors for the financial year ended 31 August 2018 exclusive of expenses and applicable taxes, was amounted to RM187,783.00.

2. Non-audit Fees

The total non-audit fees charged by the External Auditors for other services performed during the financial year ended 31 August 2018, exclusive of expenses and applicable taxes, was amounted to RM5,000.00.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)**2 Risk Management and Internal Control**

The Board ensures that there is an on-going process of identifying, evaluating and managing the significant risks via the examination of principal business risks in critical areas, assessing the likelihood of material exposures and the identification of measures taken to mitigate, avoid or reduce these risks are undertaken by the Executive Directors and senior management through regular meetings held throughout the financial year. Kindly refer to pages 33 to 35 of the Annual Report on the Statement on Risk Management and Internal Control for more information.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS**1. Communication with Stakeholders**

The Board acknowledges the importance of accountability and timely communications with its shareholders and stakeholders and recognizes their rights to be well informed on the activities and performance of the Group and to make their own evaluation and investment decision. The Board would ensure compliance with the disclosure requirements as set out in the MMLR of Bursa Securities at all time. The Annual Report and announcements in Bursa Securities remains the principal form of communication by providing shareholders and stakeholders with an overview of the Group's activities and performances. The Company dispatches its Annual Report to shareholders within the stipulated time. All information to shareholders is available electronically as soon as it is announced or published. Other modes of communications are via the AGM as well as the Group's website at www.bsllcorp.com.my.

2. Conduct of General Meeting

The AGM and any other general meeting are the principal forum for dialogue with the shareholders. Shareholders are notified of the meetings and provided with the Company's Annual Report and Circular/Statement to shareholders (if any) at least twenty-eight (28) days prior to the scheduled AGM and any other general meetings, unless otherwise required by laws, in order to provide sufficient time to shareholders to understand and evaluate the matters involved as well as to make necessary arrangements to attend, participate and vote either in person, by corporate representative, by proxy or by attorney, to exercise their ownership rights on an informed basis during the AGM and any other general meeting. Opportunity is given to the shareholders to ask questions pertaining to the resolutions being proposed and seek clarification on the business and performance of the Group.

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

Shareholders are entitled to appoint proxy/proxies to vote on their behalf in their absences. All resolutions set out in the notice of AGM and any other general meetings will be voted by poll. Independent Scrutineers will be appointed to conduct the polling process and to verify the results of the poll. The Scrutineers confirms the results for each resolution which include votes in favour and against and the results of the poll will be announced by the Chairman. The outcome of AGM and any other general meeting will be announced to Bursa Securities via Bursa Link on the same day the general meeting is held. Board members are also available before and after these general meeting for informal discussion.

OTHER COMPLIANCE INFORMATION

a. Utilization of proceeds

There were no proceeds raised from any corporate proposal during the financial year ended 31 August 2018.

b. Sanctions and / or penalties

Save as disclosed below, there were no material sanctions and/or penalties imposed on the Company and its subsidiaries, directors or management by the relevant regulatory bodies during the financial year ended 31 August 2018:-

- i. On 19 December 2014, Crestronics (M) Sdn. Bhd. ("CMSB"), a wholly owned subsidiary of the Company received bills of demand from the relevant authority demanding payment of sales tax and import duty amounting to RM11,100,000 for the period December 2011 to July 2014 of which CMSB disputed. The directors have been in discussion with the relevant authority and have provided all necessary documentations to support their view. The directors of the Company have obtained advice from a consultant, and based on the advice received, the directors are of the view that CMSB should only be liable for up to RM200,000 and a provision for this had been made in the financial statement Note 25/38(b). The remaining balance of RM10,900,000 represents a contingent liability which is subject to appeal to the authority.

On 30 December 2014, CMSB appealed to the relevant authority. Subsequently, on 15 September 2015, the authority rejected the appeal with no specific reason mentioned.

On 5 November 2015, CMSB appealed to the relevant authority again. However, on 28 June 2017, CMSB received a letter from the authority that the appeal against the bills of demand has been rejected and further appeal will not be considered.

On 30 January 2018, CMSB appealed to the Minister of Finance but was rejected once more on 10 April 2018 with no specific reason mentioned.

CMSB, through its solicitor, filed in an application for a Judicial Review on 5 July 2018 to review the Minister of Finance's decision dated 10 April 2018 of rejecting CMSB's application for remission of customs duties and sales tax. On 19 September 2018, the Shah Alam High Court approved the Judicial Review application and granted an interim stay of enforcement of the bills of demand until the disposal of the inter-partes hearing. As at the date of this annual report, the Shah Alam High Court has yet to fix the inter-partes hearing.

c. Non-audit fees

There were non-audit fees of RM5,000 paid to the External Auditors during the financial year ended 31 August 2018.

d. Material contracts

There were no material contract entered into by the Company and its subsidiaries which involved Directors' and major shareholders' interest, either still subsisting at the end of the financial year ended 31 August 2018 or, if not then subsisting, entered into since the end of the previous financial year.

e. Contract relating to loans

During the financial year ended 31 August 2018, there were no contracts relating to loans entered into by the Company and its subsidiaries which involved Directors' and major shareholders' interest.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Malaysian Code on Corporate Governance requires the Board of Directors (“Board”) of listed companies to establish a sound risk management and internal control system to safeguard shareholders’ investment and assets of BSL Corporation Berhad and its subsidiary companies (“the Group”). Under Paragraph 15.26(b) of Bursa Malaysia Securities Berhad’s Main Market Listing Requirements, the Board of listed companies is required to produce a statement on the state of the Group’s internal control as a group in their Annual Report. In this regards, the Board is pleased to set out below the statement on risk management and internal control for the Group. Associated company and joint venture are excluded from this statement as the Group does not have full management and control of them.

BOARD’S RESPONSIBILITY

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

The system of internal control is designed to manage rather than eliminate the risk of failure to achieve business objectives. In pursuing these objectives, internal controls can only provide reasonable and no absolute assurance against material misstatement or loss.

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

INTERNAL AUDIT FUNCTION

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

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

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

During the financial year ended 31 August 2018, the reviews covered the following areas:

- Human resource and payroll management, particularly focusing on the human resource and payroll management process flow such as compliance with policy and procedures, segregation of duty, recruitment, resignation, staff performance evaluation process, termination procedures, staff remuneration and payroll.
- Payment management, particularly focusing on the controls relating to payment management flow such as proper segregation of duty, preparation of payments approval of payments according to the allocated groups and bank reconciliations and the accuracy of payment record in the financial reporting.
- Asset management, particularly on the existence of a proper asset management policy, segregation of duty, process over asset acquisition, disposal, write off and obsolete assets, asset depreciation, asset repair and maintenance, safeguard of assets as well as asset movements and tagging.
- Sales and marketing management, particularly focusing on the sales and marketing process flow such as existence and compliance with policies and procedures, sales planning process, monitoring of sales performance, pricing and discounts, review of customer relationship, review marketing budget, review of marketing strategies and plan, and review of product development.

INTERNAL AUDIT FUNCTION (CONT'D)

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

In addition, the Internal Auditors also presents their Audit Plan for the financial year prior to commencement which details the key areas to audit for the Audit Committee to approve.

KEY ELEMENTS OF INTERNAL CONTROLS

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

- **Organisation structure**
The Board has in place an organization structure with well-defined delegation of responsibilities and accountabilities within the Group's senior management. The roles and responsibilities are clearly established in the respective job description list in order to enhance the internal control system of the Group's various operations;
- **Board committee**
Board Committees such as Audit Committee, Nomination Committee and Remuneration Committee are established with formal terms of references clearly outlining their functions and duties delegated by the Board. The Audit Committee meets at least four (4) times a year and reviews the effectiveness of the Group's system of internal control and risk management. The Audit Committee meets with the internal auditors and external auditors to review their reports whilst assessing the Board to review the effectiveness of the ongoing monitoring processes on risk and control matters for areas within their scope.
- **Control activities**
The Group continuously reviews and updates its policies, procedures and standards in accordance with changes in the operation environment.
- **Management meetings**
Regular Management meetings are held to raise issues, discuss, review and monitor the business development and resolve operational and management issues and review financial performances for each operating unit and regular visit by the Senior Personnel or Management team to each operating unit as an when necessary.
- **Ongoing training**
As and when necessary, provision of staff training and development programs to equip staff with the appropriate knowledge and skills to enable staff to carry out their job functions productively and effectively.
- **Hands on approach**
Close involvement of the Executive Directors of the Group in its daily operations.
- **Related party transactions monitoring**
Related party transactions are disclosed, reviewed and monitored by the Audit Committee on a periodic basis.

The existing system of internal control has been in place for the financial year under review.

RISK MANAGEMENT

The Board ensures that there is an on-going process of identifying, evaluating and managing the significant risks via the examination of principal business risks in critical areas, assessing the likelihood of material exposures and the identification of measures taken to mitigate, avoid or reduce these risks are undertaken by the Executive Directors and senior management through regular meetings held throughout the financial year.

The Group has also carried out risk assessment exercise individually for its subsidiary companies on a yearly basis. The risk assessment exercise involves Head of Departments who identifies the risk relevant to their respective department and the countermeasures. Based on this exercise, a risk register is compiled which indicates the key risks affecting the Group and the relevant countermeasures. The Senior Management and the Board of Directors were briefed on the key risks of the operating companies in the Group and the risk mitigation plans on 10 October 2018.

REVIEW OF THE STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The External Auditors have performed limited assurance procedures on this Statement on Risk Management and Internal Control pursuant to the scope set out in Recommended Practice Guide (“RPG”) 5, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysia Institute of Accountants for inclusion in the Annual Report of the Group for the financial year ended 31 August 2018, and reported to the Board that nothing has come to their attention that causes them to believe that this Statement intended to be included in the Annual Report is not prepared, in all material respect, in accordance with the disclosures required by Paragraphs 41 and 42 of the Guidelines, not is the Statement factually inaccurate.

RPG 5 does not require the External Auditors to consider whether the Directors’ Statement in Risk Management and Internal Control covers all risk and controls, or to form an opinion in the adequacy and effectiveness of the Group’s risk management and internal control system including the assessment and opinion by the Directors and Management thereon. The report from External Auditors was made solely for, and directed solely to the Board of Directors in connection with their compliance with the Bursa Malaysia Securities Berhad’s Main Market Listing Requirements and for no other purposes or parties. The External Auditors do not assume responsibility to any person other than the Board of Directors in respect of any aspect of this Statement.

CONCLUSION

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

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

AUDIT COMMITTEE REPORT

The audit committee currently comprises the following directors:

Datuk Dr. Syed Muhamad Bin Syed Abdul Kadir

Chairman, Independent Non-Executive Director

To' Puan Rozana Bte Tan Sri Redzuan

Member, Independent Non-Executive Director

Ng Wai Pin

Member, Independent Non-Executive Director

TERMS OF REFERENCE

The details of the Terms of Reference of the Audit Committee is available for reference at the Company's website at www.bsllcorp.com.my.

SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE

During the financial year ended 31 August 2018, the Audit Committee held five (5) meetings and the attendance record is as follows:

Name of Committee members	Number of meetings attended
Datuk Dr. Syed Muhamad Bin Syed Abdul Kadir- Chairman	5 / 5
To' Puan Rozana Bte 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 2018:

1. At the AC meeting held in October 2017, the AC had
 - i. Reviewed and discussed the internal audit conducted on the human resource and payroll management in respect of the subsidiaries, Ban Seng Lee Industries Sdn Bhd and Crestronics (M) Sdn Bhd. The AC discussed the associated business risk, findings and recommendation on actions to be taken for improvement;
 - ii. Reviewed and recommended to the Board the fourth quarter results for the period ended 31 August 2017;
 - iii. Reviewed the recurrent related party transactions and noted the transaction was within the threshold; and
 - iv. Reviewed and discussed with the External Auditors on the progress of the audit for the Group for the financial year ended 31 August 2017.

2. At the AC meeting held in December 2017, the AC had
 - i. Reviewed and discussed with Management the status of the Custom's investigations.
 - ii. Reviewed and discussed with the External Auditors on the progress of the audit for the Group for the financial year ended 31 August 2017;
 - iii. Reviewed the Statement on Risk Management and Internal Control and the Audit Committee Report for inclusion in the 2017 Annual Report;
 - iv. Reviewed the statement to shareholders for the renewal of share buy-back;
 - v. Reviewed the draft Audited Financial Statements for the financial year ended 31 August 2017;
 - vi. Reviewed and evaluated the performance and independence of the external auditor. After taking into consideration the independence, competence, service of the auditing team, scope of audit and audit fee of the External Auditors, the AC had recommended to the Board for further recommendation to the Shareholders for approval for the re-appointment of Messrs Mazars PLT as external auditor of the Group for the financial year ending 31 August 2018; and
 - vii. Conducted a private discussion session with the External Auditors without the presence of the Executive Directors, management and Company Secretaries.

SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE (CONT'D)

The following activities were carried out by the Audit Committee during the financial year ended 31 August 2018 (Cont'd):

3. At the AC meeting held in January 2018, the AC had
 - i. Reviewed and discussed with Management the status of the Custom's investigations.
 - ii. Reviewed and discussed the internal audit conducted on the payment management in respect of the subsidiaries, Ban Seng Lee Industries Sdn Bhd and Crestronics (M) Sdn Bhd. The AC discussed the associated business risk, findings and recommendation on actions to be taken for improvement;
 - iii. Reviewed and recommended to the Board the first quarter results for the period ended 30 November 2017;
 - iv. Reviewed the recurrent related party transactions and noted the transactions were within the threshold;
 - v. Discussed with the management and External Auditors pertaining to the new accounting standards introduced and the potential impact to the Group;
 - vi. Reviewed and discussed on the proposed engagement of consultant to assist the Group in the Enterprise Risk Management, Corporate Governance review and sustainability for the Group; and
 - vii. Reviewed the changes in corporate governance disclosure.

4. At the AC meeting held in April 2018, the AC had
 - i. Reviewed and discussed with Management the status of the Custom's investigations.
 - ii. Reviewed and discussed on the internal audit conducted on the asset management in respect of the subsidiaries, Ban Seng Lee Industries Sdn Bhd and Crestronics (M) Sdn Bhd. The AC discussed the associated business risk, findings and recommendation on actions to be taken for improvements;
 - iii. Reviewed and recommended to the Board the second quarter results for the period ended 28 February 2018;
 - iv. Reviewed the recurrent related party transactions and noted the transactions were within the threshold;
 - v. Discussed the proposed members' voluntary winding-up of the wholly-owned subsidiary, Advance Autotek Industries (M) Sdn Bhd and indirect 52% subsidiary, Crestronics Greentech Sdn Bhd; and
 - vi. Reviewed and recommended to the Board for approval and adoption the External Auditor's assessment policy for the Group.

5. At the AC meeting held in July 2018, the AC had
 - i. Reviewed and discussed with Management the status of the Custom's investigations.
 - ii. Reviewed and discussed on the internal audit conducted on the sales and marketing management in respect of the subsidiaries, Ban Seng Lee Industries Sdn Bhd and Crestronics (M) Sdn Bhd. The AC discussed the associated business risk, findings and recommendation on actions to be taken for improvements;
 - iii. Reviewed and discussed with the Internal Auditors the proposed internal audit plan for financial year ending 31 August 2019;
 - iv. Reviewed and recommended to the Board the third quarter results for the period ended 31 May 2018;
 - v. Reviewed the recurrent related party transactions and noted the transactions were within the threshold; and
 - vi. Reviewed and discussed with the External Auditors, the audit planning memorandum for the financial year ending 31 August 2018, audit approaches, recent developments in the Malaysian Code on Corporate Governance, new and revised accounting standards and the key audit areas.

Based on the above, where appropriate, the Audit Committee will seek further detailed clarifications from the management team to understand the matter in depth prior to making any decisions or recommendations.

INTERNAL AUDIT FUNCTION

The Company recognised 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 had appointed Indah Corporate Governance Sdn Bhd, an external independent professional firm to undertake the internal audit function and risk management function during the financial year with the aim to ensure its existing internal control system is effective and appropriate in mitigating against the Group's significant risks.

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

The internal audit plan was approved by the Audit Committee and the scope of internal audit covers the audits of the selected business processes of operating subsidiary companies in the Group. A summary of key processes tested during the financial year ended 31 August 2018 can be found in the Statement on Risk Management and Internal Control. The cost incurred for the internal audit function for the financial year ended 31 August 2018 was RM33,000.

DIRECTORS' RESPONSIBILITY STATEMENT

IN RESPECT OF THE PREPARATION OF THE AUDITED FINANCIAL STATEMENTS

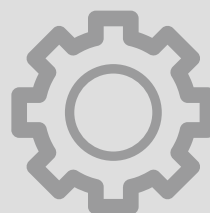
The Board is responsible for ensuring that the financial statements of the Group give a true and fair view of the state of affairs of the Group and of the Company as at 31 August 2018 and of their profit or loss and cash flows for the year then ended. In preparing the financial statements, the Directors have ensured that applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 2016 have been adhered to.

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

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



FINANCIAL STATEMENTS



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Declaration

The directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 August 2018.

PRINCIPAL ACTIVITIES

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

The principal activities of the subsidiary companies are disclosed in Note 6 to the financial statements.

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

RESULTS

	Group RM	Company RM
Loss for the year	2,488,580	6,102,557
Attributable to:		
Equity holders of the Company	1,116,125	
Non-controlling interests	1,372,455	
	<u>2,488,580</u>	

DIVIDENDS

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

ISSUE OF SHARES AND DEBENTURES

There were no issuance of shares or debentures during the financial year.

SHARE OPTIONS

No option was granted to any person to take up unissued shares of the Company during the financial year.

RESERVES AND PROVISIONS

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

HOLDING COMPANY

At the end of the financial year, the directors regard Esteem Role Sdn. Bhd., a company incorporated in Malaysia, as the holding company.

SUBSIDIARY COMPANIES

Details of the subsidiary companies are set out in Note 6 to the financial statements.

- i. There is no qualified auditor's report on the financial statements of any subsidiary company for the financial year in which this report is made.
- ii. As at the end of the financial year, none of the subsidiary companies hold any shares in the holding company or in other related corporations.

DIRECTORS

The directors in office during the period commencing from the beginning of the financial year to date of this report are:

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

DIRECTORS OF SUBSIDIARIES

The directors of the Company's subsidiary companies (excluding directors who are also directors of the Company) during the period commencing from the beginning of the financial year to the date of this report are:

Andy Woo Weng Kok
Goh Adrian
Lim Chi Haur
Nyeam Tong Eng @ Ngiam Tong Yang
Teh Eng Hock
Teh Eng Seng
Azlan bin Azmi
Wong Sze Chien
Tan Ai Nee
Tan Ai Yong

DIRECTORS' INTEREST IN SHARES

The following directors, who held office at the end of the financial year, had interests in shares in the Company and its related corporations as follows:

	Number of ordinary shares			Balance at 31.8.2018
	Balance at 1.9.2017	Bought	Sold	
<i>Shares in the Company</i>				
Registered in name of directors				
Datuk Dr. Syed Muhamad Bin Syed Abdul Kadir	100,000	-	-	100,000
Ngiam Tee Wee	2,285,100	-	-	2,285,100
Ngiam Tee Yang	100,000	-	-	100,000
Ngiam Tong Kwan	2,556,315	-	-	2,556,315
Teh Yoon Loy	711,347	-	-	711,347
Deemed interest				
Ngiam Tong Kwan*	49,980,000	-	-	49,980,000
Ngiam Tong Kwan**	4,057,670	-	-	4,057,670
Ng Wai Pin**	17,000	-	-	17,000

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

** Deemed interest held through his family members

DIRECTORS' INTEREST IN SHARES (CONT'D)

	Number of ordinary shares		Balance at 31.8.2018
	Balance at 1.9.2017	Bought Sold	
<i>Shares in the holding company, Esteem Role Sdn. Bhd.</i>			
Registered in name of directors			
Ngiam Tee Wee	7,000	-	7,000
Ngiam Tee Yang	5,000	-	5,000
Ngiam Tong Kwan	25,472	-	25,472
Teh Yoon Loy	7,060	-	7,060

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

Other than as disclosed above, none of the directors in office at the end of the financial year held any interest in the shares or debentures in the Company, its subsidiary companies, its holding company or subsidiary of its holding company during the financial year.

DIRECTORS' BENEFITS

Neither during nor at the end of the financial year was the Company a party to any arrangements whose object is to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by the directors shown in the financial statements or the fixed salary of a full-time employee of the Company; and other benefits as set out below) by reason of a contract made by the Company or a related corporation with a director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

Directors' remuneration and other benefits are set out in Note 31 to the financial statements.

OTHER INFORMATION

Before the financial statements were made out, the directors took reasonable steps:

- i. to ascertain that appropriate action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and satisfied themselves that all known bad debts had been written off and adequate allowance had been made for doubtful debts; and
- ii. to ensure that any current assets which were unlikely to realised in the ordinary course of business including their value of current assets as shown in the accounting records of the Group and of the Company have been written down to an amount which the current assets might be expected so to realise.

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

- i. which would render the amount written off for bad debts or the amount of the allowance for doubtful debts inadequate to any substantial extent; or
- ii. which would render the values attributed to the current assets in the financial statements misleading; or
- iii. which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

OTHER INFORMATION (CONT'D)

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

- i. any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
- ii. any contingent liability 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 affect the ability of the Group or of the Company to meet their obligations when they fall due.

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading.

In the opinion of the directors:

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

AUDITORS

Auditors' remuneration is set out in Note 31 to the financial statements.

The auditors, Mazars PLT, Chartered Accountants, have expressed their willingness to accept re-appointment.

APPROVAL OF THE DIRECTORS' REPORT

This report is approved by the board of directors, and signed on behalf of the board of directors in accordance with a directors' resolution.

NGIAM TONG KWAN
Director

NGIAM TEE WEE
Director

Kuala Lumpur

Date: 18 December 2018

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF BSL CORPORATION BERHAD

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of BSL Corporation Berhad, which comprise the statements of financial position as at 31 August 2018 of the Group and of the Company, and the statements of profit and loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 47 to 92.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 August 2018, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of property, plant and equipment

The risk:

As at 31 August 2018, the carrying amounts of the Group's leasehold land, freehold land and buildings were RM3,900,000, RM35,000,000 and RM35,000,000 respectively.

Effective from 30 August 2018, the Group adopts revaluation model for its leasehold land, freehold land and buildings. We have identified this to be a key audit matter as the revaluation amount of the Group's leasehold land, freehold land and buildings were based on valuations carried out by independent professional valuers. The revaluation amount of the leasehold land, freehold land and buildings were determined by reference to the selling prices of recent transactions or asking prices of similar properties of nearby location and where necessary, adjusting for tenure, location, development concept and size.

Determination of revaluation involves significant judgement in estimating the inputs used.

The Group's accounting policies and disclosures on leasehold land, freehold land and buildings are disclosed in Notes 3(e) and 5 to the financial statements.

Our response:

- (i) We have considered and assessed the independent professional valuers' competence, reputation or relevant experience, objectivity and independence;
- (ii) We discussed and obtained an understanding of the methodology adopted by the independent valuers in estimating the revaluation amount of the leasehold land, freehold land and buildings;
- (iii) We have assessed the reasonableness of key assumptions and inputs used, including, where applicable, selling prices of recent transactions, any adjustments for location, accessibility, land area, built-up area, category of land use, terrain, land shape, nature of land and building type, building condition and improvement made; and
- (iv) We performed site visits on all properties.

Report on the Audit of the Financial Statements (Cont'd)

Valuation of property, plant and equipment (Cont'd)

Emphasis of Matter

We draw attention to Note 38(b) to the financial statements which discloses the bills of demand issued by the relevant authority to Crestronics (M) Sdn. Bhd. ("CMSB"), a wholly owned subsidiary of the Company.

On 19 December 2014, CMSB received bills of demand from the relevant authority demanding payment of sales tax and import duty amounting to RM11,100,000 for the period December 2011 to July 2014 of which CMSB disputed. The directors have been in discussion with the relevant authority and have provided all necessary documentation to support their view. The directors of the Company have obtained advice from a consultant, and based on the advice received, the directors are of the view that CMSB should only be liable for up to RM200,000 and a provision for this had been made in the financial statements (Note 25). The remaining balance of the claim of RM10,900,000 represents a contingent liability which is subject to appeal to the authority.

On 30 December 2014, CMSB appealed to the relevant authority. Subsequently, on 15 September 2015, the authority rejected the appeal with no specific reason mentioned.

On 5 November 2015, CMSB appealed to the relevant authority again. However, on 28 June 2017, CMSB received a letter from the relevant authority that the appeal against the bills of demand has been rejected and further appeal will not be considered. Thereafter, the directors engaged another consultant to look into this matter to appeal to Minister of Finance.

On 30 January 2018, CMSB has submitted remission application to the Ministry of Finance. Subsequently, on 10 April 2018, Ministry of Finance rejected the application with no specific reason mentioned.

On 5 July 2018, CMSB, through its appointed solicitor filed in an application for judicial review to the High Court. During the leave hearing for judicial review held on 19 September 2018, the High Court granted leave and an interim stay for the enforcement of bills of demand until the disposal of the inter-partes stay hearing. The High Court has fixed for the Minister of Finance to file its affidavit in reply by 21 December 2018 whereas CMSB is required to file its further affidavit in reply by 11 January 2019. The High Court also fixed for case management on 28 January 2019. Based on the available facts and information as of the date of this report, the solicitor is of the opinion that CMSB has arguable grounds and basis to contend that there is no legal and factual basis for the Minister of Finance to reject CMSB's remission application. Consequently, no further provision has been provided. In the event that the appeal is not successful, CMSB is liable for the remaining balance of the claim of RM10,900,000.

Our opinion is not qualified in respect of this matter.

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Report on the Audit of the Financial Statements (Cont'd)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

MAZARS PLT
LLP0010622-LCA
AF 001954
Chartered Accountants

CHONG FAH YOW
03004/07/2020 J
Chartered Accountant

Kuala Lumpur

Date: 18 December 2018

STATEMENTS OF FINANCIAL POSITION

31 AUGUST 2018

	Note	Group		Company	
		2018 RM	2017 RM	2018 RM	2017 RM
ASSETS					
Non-current assets					
Property, plant and equipment	5	92,360,085	55,109,584	-	-
Investment in subsidiary companies	6	-	-	44,415,598	45,005,547
Investment in associated companies	7	-	-	-	-
Investment in joint venture	8	-	4,919,807	-	-
Other investments	9	3,162,887	3,603,552	-	-
Trade receivables	11	1,860,934	-	-	-
Amount owing by subsidiary company	6	-	-	1,499,645	-
Total non-current assets		97,383,906	63,632,943	45,915,243	45,005,547
Current assets					
Inventories	10	12,735,744	11,927,491	-	-
Trade receivables	11	34,499,802	35,580,246	-	-
Amount due from customers on contracts	12	-	3,325,000	-	-
Other receivables, deposits and prepayments	13	4,608,526	3,051,127	54,336	20,833
Amount owing by corporate shareholder	14	24,501	23,934	-	-
Amount owing by subsidiary companies	6	-	-	10,120,201	16,898,067
Current tax assets		129,788	-	49,500	16,444
Short-term deposits with licensed banks	15	2,335,246	1,429,561	-	-
Cash and bank balances	16	9,531,935	12,511,275	122,355	135,299
Total current assets		63,865,542	67,848,634	10,346,392	17,070,643
TOTAL ASSETS		161,249,448	131,481,577	56,261,635	62,076,190
EQUITY AND LIABILITIES					
Equity					
Share capital	17	49,000,000	49,000,000	49,000,000	49,000,000
Treasury shares	18	(459,316)	(456,270)	(459,316)	(456,270)
Reserves	19	61,853,320	28,569,686	1,486,190	7,588,747
Equity attributable to equity holders of the Company		110,394,004	77,113,416	50,026,874	56,132,477
Non-controlling interests		(482,936)	889,470	-	-
Total equity		109,911,068	78,002,886	50,026,874	56,132,477
Non-current liabilities					
Hire purchase liabilities	20	802,582	632,992	-	-
Term loans	21	8,404,184	11,699,316	-	-
Deferred tax liabilities	22	5,030,845	2,428,945	-	-
Total non-current liabilities		14,237,611	14,761,253	-	-
Current liabilities					
Trade payables	23	24,828,186	28,032,045	-	-
Other payables and accruals	24	5,856,932	4,801,530	174,800	104,134
Provision	25	200,000	200,000	-	-
Amount owing to subsidiary companies	6	-	-	6,059,961	5,839,579
Amount owing to customers on contracts	12	556,025	-	-	-
Hire purchase liabilities	20	1,118,346	1,210,973	-	-
Bank borrowings	26	873,169	788,168	-	-
Term loans	21	3,362,089	3,050,906	-	-
Tax liabilities		306,022	633,816	-	-
Total current liabilities		37,100,769	38,717,438	6,234,761	5,943,713
Total liabilities		51,338,380	53,478,691	6,234,761	5,943,713
TOTAL EQUITY AND LIABILITIES		161,249,448	131,481,577	56,261,635	62,076,190

The accompanying notes form an integral part of the financial statements

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 AUGUST 2018

	Note	Group		Company	
		2018 RM	2017 RM	2018 RM	2017 RM
Revenue	27	158,783,032	146,251,489	100,000	150,000
Other income		5,097,549	5,391,201	738,050	875,224
Investment income	28	91,657	64,697	-	12,666
Changes in inventories of work-in progress and finished goods		(1,402,050)	717,218	-	-
Raw materials and consumables used		(101,013,578)	(87,269,880)	-	-
Construction contract costs recognised as contract expenses		(566,446)	(7,710,604)	-	-
Production overheads		(12,863,445)	(11,671,837)	-	-
Staff costs	29	(29,797,792)	(26,887,468)	-	-
Depreciation of property, plant and equipment	5	(4,513,213)	(4,767,540)	-	-
Finance costs	30	(2,544,062)	(846,841)	(195,395)	-
Other expenses		(13,370,970)	(6,652,275)	(6,751,368)	(506,379)
Share of results of associated companies	7	(35)	-	-	-
Share of results of joint venture	8	(23,122)	(134,273)	-	-
(Loss)/Profit before tax	31	(2,122,475)	6,483,887	(6,108,713)	531,511
Tax (expense)/credit	32	(366,105)	(2,817,013)	6,156	(126,202)
(Loss)/Profit for the year		(2,488,580)	3,666,874	(6,102,557)	405,309
Other comprehensive income/(loss):					
<i>Items that will not be subsequently reclassified to profit or loss</i>					
Revaluation gain on property, plant and equipment		34,252,198	-	-	-
<i>Items that will be subsequently reclassified to profit or loss</i>					
Fair value loss on other investment		-	(160,668)	-	-
Exchange differences on translation of foreign operations		147,561	(246,762)	-	-
Other comprehensive income/(loss), net of tax		34,399,759	(407,430)	-	-
Total comprehensive income/(loss) for the year		31,911,179	3,259,444	(6,102,557)	405,309

	Note	Group	
		2018 RM	2017 RM
(Loss)/Profit for the year attributable to:			
Equity holders of the Company		(1,116,125)	3,202,010
Non-controlling interests		(1,372,455)	464,864
		(2,488,580)	3,666,874
Total comprehensive income/(loss) for the year attributable to:			
Equity holders of the Company		33,283,634	2,794,580
Non-controlling interests		(1,372,455)	464,864
		31,911,179	3,259,444
Basic (loss)/earnings per ordinary share (sen)	33	(1.15)	3.31

The accompanying notes form an integral part of the financial statements

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 AUGUST 2018

Group	Non-distributable							Total		
	Share capital RM	Treasury shares RM	Share premium RM	Fair value reserve RM	Revaluation reserve RM	Foreign currency translation reserve RM	Distributable reserve- Retained earnings the Company RM		Attributable to equity holders of the Company RM	Non-controlling interests RM
At 1 September 2017	49,000,000	(456,270)	1,767,230	(160,668)	-	(1,192,460)	28,155,584	77,113,416	889,470	78,002,886
Repurchase of shares	-	(3,046)	-	-	-	-	-	(3,046)	-	(3,046)
Acquisition of a subsidiary	-	-	-	-	-	-	-	-	49	49
Loss for the year	-	-	-	-	-	-	(1,116,125)	(1,116,125)	(1,372,455)	(2,488,580)
Other comprehensive income, net of tax	-	-	-	-	34,252,198	147,561	-	34,399,759	-	34,399,759
Total comprehensive income/(loss) for the year	-	-	-	-	34,252,198	147,561	(1,116,125)	33,283,634	(1,372,455)	31,911,179
At 31 August 2018	49,000,000	(459,316)	1,767,230	(160,668)	34,252,198	(1,044,899)	27,039,459	110,394,004	(482,936)	109,911,068

Group	Non-distributable							Total	
	Share capital RM	Treasury shares RM	Share premium RM	Fair value reserve RM	Foreign currency translation reserve RM	Distributable reserve- Retained earnings the Company RM	Attributable to equity holders of the Company RM		Non-controlling interests RM
At 1 September 2016	49,000,000	(422,661)	1,767,230	-	(945,698)	24,953,574	74,352,445	429,049	74,781,494
Repurchase of shares	-	(33,609)	-	-	-	-	(33,609)	-	(33,609)
Acquisition of a subsidiary	-	-	-	-	-	-	-	(4,443)	(4,443)
Profit for the year	-	-	-	(160,668)	(246,762)	3,202,010	3,202,010	464,864	3,666,874
Other comprehensive loss, net of tax	-	-	-	(160,668)	(246,762)	-	(407,430)	-	(407,430)
Total comprehensive (loss)/income for the year	-	-	-	(160,668)	(246,762)	3,202,010	2,794,580	464,864	3,259,444
At 31 August 2017	49,000,000	(456,270)	1,767,230	(160,668)	(1,192,460)	28,155,584	77,113,416	889,470	78,002,886

Statements of Changes in Equity

FOR THE YEAR ENDED 31 AUGUST 2018

Company	Share capital RM	Treasury shares RM	Non-distributable reserve-Share premium RM	Distributable reserve-Retained earnings / (Accumulated losses) RM	Total RM
At 1 September 2016	49,000,000	(422,661)	1,767,230	5,416,208	55,760,777
Repurchase of shares	-	(33,609)	-	-	(33,609)
Profit for the year	-	-	-	405,309	405,309
Other comprehensive income, net of tax	-	-	-	-	-
Total comprehensive income for the year	-	-	-	405,309	405,309
At 31 August 2017	49,000,000	(456,270)	1,767,230	5,821,517	56,132,477
Repurchase of shares	-	(3,046)	-	-	(3,046)
Loss for the year	-	-	-	(6,102,557)	(6,102,557)
Other comprehensive income, net of tax	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	(6,102,557)	(6,102,557)
At 31 August 2018	49,000,000	(459,316)	1,767,230	(281,040)	50,026,874

The accompanying notes form an integral part of the financial statements

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2018

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
CASH FLOWS FROM OPERATING ACTIVITIES				
(Loss)/Profit before tax	(2,122,475)	6,483,887	(6,108,713)	531,511
Adjustments for:				
Depreciation of property, plant and equipment	4,513,213	4,767,540	-	-
Impairment of:				
- Investment in subsidiary company	-	-	590,000	-
- Investment in associated company	4,689,586	-	-	-
- Goodwill	-	10,804	-	-
Finance costs	2,544,062	846,841	195,395	-
Interest income from advances to a related party	(478,618)	-	-	-
Share of results of joint venture	23,122	134,273	-	-
Share of results of associated company	35	-	-	-
Write-down of inventories, net	4,591	(311,255)	-	-
Allowance for doubtful debts:				
- Trade receivables	-	718,015	-	-
- Subsidiary company	-	-	5,592,548	-
Reversal of allowance for doubtful debts for trade receivables	(100,714)	-	-	-
Gain on fair value of interest rate swap	-	(87)	-	-
Gain on disposal of property, plant and equipment	(97,145)	(148,195)	-	-
Interest income from short-term deposits	(91,657)	(64,697)	-	(12,666)
Net unrealised gain/(loss) on foreign exchange	999,188	(1,329,780)	459,415	(494,381)
Dividend income	-	-	(100,000)	(150,000)
Interest receivable from subsidiary companies	-	-	(738,050)	(380,843)
Operating profit/(loss) before working capital changes	9,883,188	11,107,346	(109,405)	(506,379)
Changes in inventories	(812,844)	437,165	-	-
Changes in receivables	(672,018)	(16,875,590)	(33,503)	-
Changes in payables	(1,571,487)	12,641,178	70,666	(3,375)
Cash generated from/(used in) operations	6,826,839	7,310,099	(72,242)	(509,754)
Income tax refunded	71,882	38,036	22,600	17,637
Income tax paid	(2,410,152)	(1,496,503)	(49,500)	(76,328)
Net cash generated from/(used in) operating activities	4,488,569	5,851,632	(99,142)	(568,445)
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment in subsidiary company	-	-	(51)	-
Dividend received	-	-	100,000	150,000
Proceeds from disposal of property, plant and equipment	97,145	333,288	-	-
Interest received	91,657	64,697	738,050	393,509
Additions to property, plant and equipment (note)	(1,767,283)	(8,261,570)	-	-
Repayment from/(Advances to) subsidiaries companies	-	-	(773,742)	(1,375,354)
Increase in investment in direct/indirect subsidiary by non-controlling interests	49	-	-	-
Acquisition of equity interest in subsidiary company	-	(6,180)	-	-
Payment for buy-back of shares	(3,046)	(33,609)	(3,046)	(33,609)
Net cash (used in)/generated from investing activities	(1,581,478)	(7,903,374)	61,211	(865,454)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of hire purchase liabilities	(1,550,787)	(1,445,212)	-	-
Interest paid	(880,744)	(803,122)	-	-
Advances from subsidiary companies	-	-	24,987	-
Drawdown of term loans	-	5,000,000	-	-
Repayment of term loans	(2,974,063)	(2,585,406)	-	-
Decrease/(Increase) in short-term deposits pledged with licensed banks	322,920	(630,088)	-	-
Net cash used in financing activities	(5,082,674)	(463,828)	24,987	-

Statements of Cash Flows

FOR THE YEAR ENDED 31 AUGUST 2018

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
NET CHANGES IN CASH AND CASH EQUIVALENTS	(2,175,583)	(2,515,570)	(12,944)	(1,433,899)
Effect of changes in foreign currency translation reserves	339,847	481,355	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	11,723,107	13,757,322	135,299	1,569,198
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 16)	9,887,371	11,723,107	122,355	135,299

Note:

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

	Group	
	2018 RM	2017 RM
Total cost of property, plant and equipment acquired	3,395,033	8,734,873
Less: Purchase consideration satisfied by hire purchase arrangements	(1,627,750)	(473,303)
Cash payments	1,767,283	8,261,570

Note (a):

Reconciliation of liabilities arising from financing activities

Group	Hire purchase liabilities RM	Term loans RM	Bank borrowings RM	Total RM
At beginning of financial year	1,843,965	14,750,222	788,168	17,382,355
<i>Cash flows:</i>				
Purchase of properties, plant and equipments	1,627,750	-	-	1,627,750
Repayments of hire purchases	(1,550,787)	-	-	(1,550,787)
Repayments of term loans	-	(2,974,063)	-	(2,974,063)
Drawdown of bank borrowings	-	-	346,690	346,690
Repayment of bank borrowings	-	-	(259,373)	(259,373)
Interest paid	(138,230)	(674,299)	(68,215)	(880,744)
	1,782,698	11,101,860	807,270	13,691,828
<i>Non-cash changes:</i>				
Interest expenses	138,230	664,413	65,899	868,542
At end of financial year	1,920,928	11,766,273	873,169	14,560,370

Company	Amount owing to subsidiary companies RM
At beginning of financial year	5,839,579
<i>Cash flows:</i>	
Advances from subsidiary companies	24,987
	5,864,566
<i>Non-cash changes:</i>	
Interest expenses	195,395
At end of financial year	6,059,961

The accompanying notes form an integral part of the financial statements

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

1. GENERAL INFORMATION

BSL Corporation Berhad (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 addresses of the principal place of business and registered office of the Company are disclosed in page 6.

The holding company is Esteem Role Sdn. Bhd. which is incorporated in Malaysia.

The principal activity of the Company is an investment holding company. There is no significant change in the Company’s principal activity during the financial year. The principal activities of the subsidiaries are disclosed in Note 6.

2. BASIS OF PREPARATION

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”) issued by the Malaysian Accounting Standards Board (“MASB”), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

The financial statements are presented in Ringgit Malaysia (“RM”), which is also the functional currency of the Group and the Company.

The financial statements have been prepared on the historical cost basis, except for other measurement bases applied, including fair value, stated in the significant accounting policies set out in Note 3.

(a) Application of new or revised standards

In the current year, the Group and the Company have applied a number of new standards, amendments and Issues Committee (“IC”) Interpretations that become effective mandatorily for the financial periods beginning on or after 1 September 2017.

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

(b) Standards issued that are not yet effective

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

		<i>Effective date</i>
MFRS 9	Financial Instruments	1 January 2018
MFRS 15	Revenue from Contracts with Customers	1 January 2018
Amendments to MFRS 1 and MFRS 128	Annual Improvements to MFRS Standards 2014 - 2016 Cycle	1 January 2018
Amendments to MFRS 15	Clarifications to MFRS 15	1 January 2018
Amendments to MFRS 2	Classification and Measurement of Share-based Payment Transactions	1 January 2018
Amendments to MFRS 4	Applying MFRS 9, Financial Instruments with MFRS 4 Insurance Contracts	1 January 2018
Amendments to MFRS 140	Transfer of Investment Property	1 January 2018
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration	1 January 2018
MFRS 16	Leases	1 January 2019
Amendments to MFRS 9	Prepayments Features with Negative Compensation	1 January 2019
Amendments to MFRS 128	Long-term Interests in Associates and Joint Ventures	1 January 2019
Amendments to MFRS 119	Plan Amendment, Curtailment or Settlement	1 January 2019
Amendments MFRS 3, MFRS 11, MFRS 112 and MFRS 123	Annual Improvements to MFRS Standards 2015 - 2017 Cycle	1 January 2019
IC Interpretation 23	Uncertainty over Income Tax Treatments	1 January 2019

2. BASIS OF PREPARATION (CONT'D)

(b) Standards issued that are not yet effective (Cont'd)

The Group and the Company have not applied the following new standards, amendments and IC Interpretations that have been issued by MASB but are not yet effective (Cont'd):

		<i>Effective date</i>
Amendments to MFRSs	Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020
MFRS 17	Insurance Contracts	1 January 2021
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be announced by the MASB

The Group and the Company will adopt the above MFRSs, Amendments to MFRSs and IC Interpretations on their respective effective dates. Most of the above new standards, amendments and interpretations are not applicable to the Group and the Company. Management has made an assessment on the following new standards, amendments and interpretations that may be applicable to the Group and the Company, and the results are as follows:

MFRS 9 Financial Instruments

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

The Group and the Company have assessed the effects of adopting MFRS 9 on their financial assets and financial liabilities. Based on the then facts and circumstances, the adoption of MFRS 9 does not significantly impact the Group and the Company.

MFRS 15 Revenue from Contracts with Customers

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

The Group and the Company have assessed the effects of adopting MFRS 15. Based on the then facts and circumstances, the adoption of MFRS 15 does not significantly impact the Group and the Company.

MFRS 16 Leases

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

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

The Group and the Company are currently assessing the impact to the financial statements upon adopting MFRS 16 and will adopt this standard on its mandatory effective dates.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of consolidation

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

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

- (i) power over the entity;
- (ii) exposure, or rights, to variable returns from its involvement with the entity; and
- (iii) the ability to use its power over the entity to affect the amount of the returns.

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

The Company reassesses whether it controls an entity if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Consolidation of an investee shall begin from the date the Company obtains control of the investee and cease when the investor loses control of the investee.

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

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

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

Changes of interests in subsidiaries

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

Loss of control

When the Company loses control of a subsidiary:

- (i) It derecognises the assets and liabilities, non-controlling interests, and other amounts previously recognised in other comprehensive income relating to the former subsidiary.
- (ii) It recognises any gain or loss in profit or loss attributable to the Group, which is calculated as the difference between (i) the aggregate of the fair value of the consideration received, if any, from the transaction, event or circumstances that resulted in the loss of control; plus any investment retained in the former subsidiary at its fair value at the date when control is lost; and (ii) the net carrying amount of assets, liabilities, goodwill and any non-controlling interests attributable to the former subsidiary at the date when control is lost.
- (iii) It recognises any investment retained in the former subsidiary at its fair value when control is lost and subsequently accounts for it and for any amounts owed by or to the former subsidiary in accordance with relevant MFRS. That fair value shall be regarded as the fair value on initial recognition of a financial asset in accordance with MFRS 139 or, when appropriate, the cost on initial recognition of an investment in an associate or joint venture.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Business combination

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

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

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

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

On the date of acquisition, goodwill is measured as the excess of (a) over (b) below:

- a. The aggregate of: (i) the fair value of consideration transferred; (ii) the amount of any non-controlling interest in the acquiree; and (iii) in a business combination achieved in stages, the fair value of the Group's previously held equity interest in the investee.
- b. The net fair value of the identifiable assets acquired and the liabilities assumed.

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

(c) Investments in subsidiary companies

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

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

(d) Investments in associate and joint venture

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

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

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

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

An investment in an associate or joint venture is accounted for using the equity method from the date on which the Group obtains significant influence or joint control until the date the Group ceases to have a significant influence or joint control over the associate or joint venture.

Premium relating to an associate or a joint venture is included in the carrying value of the investment and it is not tested for impairment separately. Instead, the entire carrying amount of the investment is tested for impairment.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(d) Investments in associate and joint venture (Cont'd)**

Discount on acquisition is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of the associate's profit or loss in the period in which the investment is acquired.

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

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

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

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

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

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

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

(e) Property, plant and equipment**(i) Measurement basis**

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Effective on 30 August 2018, the Group revalues its leasehold land, freehold land and buildings based on valuation carried out by independent firm of professional valuers using the open market basis.

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

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

Valuations on leasehold land, freehold land and buildings are performed with sufficient regularity to ensure that the carrying amount does not differ materially from the fair value of the leasehold land, freehold land and buildings as at reporting date. Surplus arising from revaluation is dealt with through the asset revaluation reserve account, net of deferred tax, if any. Any deficit arising is set-off against the asset revaluation reserve to the extent of a previous increase for the same property. In all other cases, a decrease in carrying amount will be charged to profit or loss. For a revaluation increase subsequent to a revaluation deficit of the same asset, the surplus is recognised as income to the extent that it reverses the deficit previously recognised as an expense with the balance of increase credited to revaluation reserve.

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Property, plant and equipment (Cont'd)

(ii) *Depreciation*

Freehold land is not depreciated.

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

The principal annual rates used for this purpose are:

Leasehold land	1%
Buildings	2%
Plant and machinery	5% - 12%
Office equipment, computer equipment, furniture, fittings, renovation, factory upgrade and factory equipment	2% - 20%
Motor vehicles	10% - 20%

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

(f) Goodwill

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

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

(g) Impairment of non-financial assets

(i) Goodwill

Goodwill is tested for impairment annually, or more frequently if events or changes in circumstances indicate that the goodwill may be impaired.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units that are expected to benefit from synergies of the business combination.

An impairment loss is recognised when the carrying amount of the cash-generating unit, including the goodwill, exceeds the recoverable amount of the cash-generating unit. Recoverable amount of the cash-generating unit is the higher of the cash-generating unit's fair value less cost to sell and its value in use.

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

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

(ii) Property, plant and equipment, investments in subsidiaries, associate and joint venture

Property, plant and equipment, investments in subsidiaries, associate and joint venture are assessed at the end of each reporting date to determine whether there is any indication of impairment.

If such an indication exists, the asset's recoverable amount is estimated. The recoverable amount is the higher of an asset's fair value less cost to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from the assets. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit to which the asset belongs.

An impairment loss is recognised whenever the carrying amount of an asset or a cash-generating unit exceeds its recoverable amount. Impairment losses are charged to profit or loss except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Inventories

Inventories are valued at the lower of cost (determined principally on the 'first-in, first-out' basis) and net realisable value. The cost of raw materials comprises the original purchase price plus the costs incurred in bringing these inventories to their present location and condition. The cost of finished goods and work-in-progress include the costs of raw materials and production overheads.

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

(i) Financial instrument

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

(i) Initial recognition and measurement

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

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

(ii) Financial instrument categories and subsequent measurement

Financial assets

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

Loans and receivables

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

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

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

Available-for-sale financial assets

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

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

Any gains or losses arising from changes in fair value of a financial asset in this category are recognised in other comprehensive income, except for impairment losses, until the investment is derecognised, at which time the cumulative gain or loss previously reported in other comprehensive income is reclassified to the profit or loss.

All financial assets are subject to review for impairment.

Financial liabilities

Financial liabilities are classified as financial liabilities at amortised cost.

Financial liabilities are subsequently measured at amortised cost using the effective interest method.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Financial instrument (Cont'd)

(iii) Derecognition of financial assets and liabilities

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

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

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

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

(j) Construction contracts

The Group's construction contracts are all fixed price contracts where the financial outcome can be reliably estimated, contract revenue and contract costs are recognised as revenue and expenses respectively by using the stage of completion method. The stage of completion is determined by the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs.

When the financial outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Contract revenue comprises the initial amount of revenue agreed in the contract and variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and they are capable of being reliably measured.

When the total costs incurred on construction contracts plus recognised profits (less recognised losses) exceeds progress billings, the balance is classified as amount due from customers on contracts.

When progress billings exceed costs incurred on construction contracts plus recognised profits (less recognised losses), the balance is classified as amount due to customers on contracts.

(k) Impairment of financial assets

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

(i) Assets carried at amortised cost

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(k) Impairment of financial assets (Cont'd)

(ii) Assets carried at cost

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

Such impairment losses are not reversed in subsequent periods.

(iii) Available-for-sale financial assets

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

(l) Equity instruments

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

(i) Ordinary shares

Ordinary shares are classified as equity.

(ii) Transaction costs

The transaction costs of an equity transaction (e.g. issue of shares) are accounted for as a deduction from equity to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

(iii) Distributions

Distributions to holders of an equity instrument shall be debited directly to equity. The liability to pay a dividend shall be recognised when the dividend is appropriately authorised and is no longer at the discretion of the issuer.

(m) Share buy-back

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

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

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

(n) Contingent liabilities

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(o) Provisions

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

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

(p) Revenue recognition

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

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

Sales of goods are recognised upon delivery of products and when risks and rewards of ownership have passed. Revenue from construction contracts represents the proportionate contract value on construction contracts attributable to the percentage of contract work performed during the financial year. Dividend income is recognised when the shareholders' rights to receive payment is established.

Revenue from the sale of electricity generated from the renewable energy segment is recognised as and when the electricity is delivered to the buyer, based on the invoiced value of sales of electricity computed at a pre-determined rate. This revenue also includes an estimated value of the electricity delivered based on meter reading for electricity delivered but yet to be invoiced.

(q) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because of a specified debtor fails to make payment when due.

Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee. If the debtor fails to make payment relating to financial guarantee contract when it is due and the Group as issuer, is required to reimburse the holder for the associated loss, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the end of the reporting period and the amount initially recognised less cumulative amortisation.

(r) Leases

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

(i) *Finance lease*

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(r) Leases (Cont'd)

(ii) *Operating lease*

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

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

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

(s) Borrowing costs

Borrowing costs incurred on assets under development that take a substantial period of time to complete are capitalised into the carrying value of the assets. Capitalisation of borrowing costs commence when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred and ceases when the asset is completed or during extended periods when active development is interrupted.

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

(t) Employee benefits

(i) *Short term employee benefits*

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

(ii) *Post-employment benefits*

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

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

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

(u) Income tax

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

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(u) Income tax (Cont'd)

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

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

(v) Foreign currencies

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

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

(ii) *Transactions and balances in foreign currencies*

Transactions in currencies other than the functional currency ("foreign currencies") are translated to the functional currency at the rate of exchange ruling at the date of the transaction.

Monetary items denominated in foreign currencies at the reporting date are translated at foreign exchange rates ruling at that date.

Non-monetary items which are measured in terms of historical costs denominated in foreign currencies are translated at foreign exchange rates ruling at the date of the transaction.

Non-monetary items which are measured at fair values denominated in foreign currencies are translated to RM using the foreign exchange rates prevailing at the date when the fair values were determined.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in profit or loss for the period.

When a gain or loss on a non-monetary item is recognised directly in equity, any corresponding exchange gain or loss is recognised directly in equity. When a gain or loss on a non-monetary item is recognised in profit or loss, any corresponding exchange gain or loss is recognised in profit or loss.

(iii) *Translation of foreign operations*

For consolidation purposes, all assets and liabilities of foreign operations that have a functional currency other than RM (including goodwill and fair value adjustments arising from the acquisition of the foreign operations) are translated at the exchange rates ruling at the reporting date.

Income and expense items are translated at exchange rates approximating those ruling on transactions dates.

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

(w) Cash equivalents

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

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

(x) Segment Reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses, including revenue and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed by the chief operating decision makers to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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

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

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

Critical judgement

The following are judgements made by management in the process of applying the Group's accounting policies that have the most significant effect on the amounts recognised in the financial statements:

(i) Classification of joint venture

The Group acquired 22.5% equity interest in an investment holding company, Petapak Holdings Ltd. ("PHL"). Based on the contractual arrangement between the Group and other investor in PHL, the Group has substantive rights in deciding certain relevant activities of PHL as they require unanimous consent of both parties collectively. Accordingly, PHL is classified as a joint venture of the Group. See Note 8 for details.

(ii) Provision

As mentioned in Note 25, as a result of the demand made by the relevant authority against Crestronic (M) Sdn. Bhd., a wholly owned subsidiary company for the payment of unpaid sales tax and import duty, the Group made a provision of RM200,000. The provision was made based on directors' best judgment and estimates based on information currently available and the advice of a consultant. As the amount of the claim is still subject to appeal, the amount of the claim that may ultimately be payable may differ from the provision made and the difference may be material.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(i) Allowance for doubtful debts

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

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amounts of the Group's loans and receivables at the end of the reporting period are disclosed in Notes 6, 11, 13, 14, 15 and 16.

(ii) Depreciation of property, plant and equipment

The cost of property, plant and equipment except for freehold land, is depreciated on a straight-line basis over the assets' useful lives. The Group reviews the remaining useful lives of property, plant and equipment at the end of each reporting period and ensures consistency with previous estimates and patterns of consumptions of the economic benefits that embodies the items in these assets. Changes in useful lives of property, plant and equipment may result in revision of future depreciation charges. The carrying amount of the Group's property, plant and equipment at the end of the reporting period is disclosed in Note 5.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

(iii) Impairment of assets

Determining whether assets are impaired requires an estimation of the recoverable amounts of the assets. As of 31 August 2018, the Group and the Company recognised accumulated impairment losses in respect of the following:

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Property, plant and equipment	4,174,713	4,174,713	-	-
Investment in joint venture	4,689,586	-	-	-
Investment in associated company	462,091	462,091	-	-
Investment in subsidiary companies	-	-	7,142,999	6,552,999
Other investments	1,500,000	1,500,000	1,500,000	1,500,000

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

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

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

(iv) Impairment of goodwill in joint venture

Determining whether goodwill is impaired requires an estimation of the VIU of the cash-generating units to which goodwill has been allocated. The VIU calculation requires the directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value of those cash flows. The carrying amount of goodwill at the end of the reporting period, pertaining to the investment in joint venture, was RM Nil (2017: RM4,913,520) and impairment loss has been recognised in profit or loss during the current financial year as the directors are of the opinion that the recoverable amount of the cash-generating unit is lower than the carrying amount. Details of the cash-generating unit calculation are disclosed in Note 8.

(v) Impairment loss and write down of inventories

Inventories are stated at the lower of cost and net realisable value. The Group estimates the net realisable value of inventories based on an assessment of expected selling prices.

Inventories are reviewed on a regular basis and the Group will make a provision for excess or obsolete inventories based primarily on historical trends and management estimates of expected and future product demand and related pricing.

Demand levels, technological advances and pricing competition could change from time to time. If such factors result in an adverse effect on the Group's products, the Group might be required to reduce the value of their inventories and additional impairment losses for slow moving inventories may be required. The carrying amount of the Group's inventories is disclosed in Note 10.

(vi) Fair value of property, plant and equipment

The Group measures its leasehold land, freehold land and buildings at revaluated amounts with any change in revaluation amount recognised in the profit or loss. Significant judgement is required in the determination of revaluation amount which may be derived based on different valuation methods. The Group engages an independent professional valuer to determine the revaluation amount on an open market value basis using comparison method.

Information regarding the valuation techniques and inputs used in determining the revaluation is disclosed in Note 5.

5. PROPERTY, PLANT AND EQUIPMENT

Group 2018	Freehold land RM	Leasehold land RM	Buildings RM	Plant and machinery RM	Office equipment computer equipment, furniture, fittings, renovation, factory upgrade and factory equipment RM	Motor vehicles RM	Total RM
Cost/Valuation							
At 1 September 2017	8,200,000	3,633,020	27,676,866	82,482,725	8,065,525	4,552,164	134,610,300
Additions	-	-	-	1,938,509	1,205,886	250,638	3,395,033
Disposals	-	-	-	(78,242)	-	(171,612)	(249,854)
Revaluation surplus	26,800,000	489,680	11,079,001	-	-	-	38,368,681
Adjustment on revaluation	-	(222,700)	(3,755,867)	-	-	-	(3,978,567)
At 31 August 2018	35,000,000	3,900,000	35,000,000	84,342,992	9,271,411	4,631,190	172,145,593
Representing:							
Cost	-	-	-	84,342,992	9,271,411	4,631,190	98,245,593
Valuation	35,000,000	3,900,000	35,000,000	-	-	-	73,900,000
At 31 August 2018	35,000,000	3,900,000	35,000,000	84,342,992	9,271,411	4,631,190	172,145,593
Accumulated depreciation							
At 1 September 2017	-	184,458	3,224,200	63,147,839	5,567,507	3,201,999	75,326,003
Additions	-	38,242	531,667	3,045,983	497,562	399,759	4,513,213
Disposals	-	-	-	(78,242)	-	(171,612)	(249,854)
Adjustment on revaluation	-	(222,700)	(3,755,867)	-	-	-	(3,978,567)
At 31 August 2018	-	-	-	66,115,580	6,065,069	3,430,146	75,610,795
Accumulated impairment losses							
At 1 September 2017/31 August 2018	-	-	-	3,852,971	229,446	92,296	4,174,713
Net book value							
At 31 August 2018	35,000,000	3,900,000	35,000,000	14,374,441	2,976,896	1,108,748	92,360,085

Notes to the Financial Statements

FOR THE YEAR ENDED 31 AUGUST 2018

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group 2017	Freehold land RM	Leasehold land RM	Buildings RM	Plant and machinery RM	Office equipment computer equipment, furniture, fittings, renovation, factory upgrade and factory equipment RM	Motor vehicles RM	Total RM
Cost							
At 1 September 2016	8,200,000	3,633,020	27,876,866	74,258,289	8,027,929	4,567,331	126,563,435
Additions	-	-	-	8,372,546	222,137	140,190	8,734,873
Disposals	-	-	(200,000)	(148,110)	(184,541)	(155,357)	(688,008)
At 31 August 2017	8,200,000	3,633,020	27,676,866	82,482,725	8,065,525	4,552,164	134,610,300
Accumulated depreciation							
At 1 September 2016	-	146,216	2,697,067	60,014,868	5,316,306	2,886,921	71,061,378
Additions	-	38,242	563,800	3,259,322	435,742	470,434	4,767,540
Disposals	-	-	(36,667)	(126,351)	(184,541)	(155,356)	(502,915)
At 31 August 2017	-	184,458	3,224,200	63,147,839	5,567,507	3,201,999	75,326,003
Accumulated impairment losses							
At 1 September 2016/ 31 August 2017	-	-	-	3,852,971	229,446	92,296	4,174,713
Net book value							
At 31 August 2017	8,200,000	3,448,562	24,452,666	15,481,915	2,268,572	1,257,869	55,109,584

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Revaluation of freehold land, leasehold land and buildings

The freehold land, leasehold land and buildings have been revalued as at 31 August 2018 based on valuations performed by accredited independent valuer. The valuations are based on the comparison method whereby the value attributable to the properties is obtained by comparison to values realised for properties similar in nature, with particular reference to location, accessibility, land area, built-area, category of land use, terrain, land shape, nature of land and building type, building condition and improvements made. Adjustments are made for the differences between the properties being compared. If the freehold land, leasehold land and buildings were measured using the cost model, the carrying amounts would be:

	Group	
	2018 RM	2017 RM
Freehold land:		
- Cost/Net book value	8,200,000	8,200,000
Leasehold land:		
- Cost	3,633,020	3,633,020
- Accumulated depreciation	(222,700)	(184,458)
Net book value	3,410,320	3,448,562
Buildings:		
- Cost	27,676,866	27,676,866
- Accumulated depreciation	(3,755,867)	(3,224,200)
Net book value	23,920,999	24,452,666

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

	Group	
	2018 RM	2017 RM
Net book value:		
Plant and machinery	4,466,673	3,385,469
Motor vehicles	807,914	919,260
	5,274,587	4,304,729

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

	Group	
	2018 RM	2017 RM
Cost:		
Plant and machinery	46,975,543	42,064,954
Office equipment and furniture, fittings, renovation, factory upgrade and factory equipment	3,073,188	2,753,665
Motor vehicles	1,943,309	1,159,005
	51,992,040	45,977,624

As of 31 August 2018, the following property, plant and equipment are charged to licensed banks as security for term loans and other credit facilities, as mentioned in Notes 21 and 26, granted to the Group:

	Group	
	2018 RM	2017 RM
Net book value:		
Freehold land	35,000,000	8,200,000
Leasehold land	3,900,000	3,448,562
Buildings	35,000,000	23,392,132
Plant and machinery	6,739,634	7,156,341
	80,639,634	42,197,035

Notes to the Financial Statements

FOR THE YEAR ENDED 31 AUGUST 2018

6. INVESTMENT IN SUBSIDIARY COMPANIES

	Group	
	2018 RM	2017 RM
Unquoted shares at cost	51,558,597	51,558,546
Less: Accumulated impairment losses	(7,142,999)	(6,552,999)
	44,415,598	45,005,547

The details of the subsidiary companies are as follows:

Name of subsidiary companies	Effective equity interest		Country of incorporation	Principal activities
	2018 %	2017 %		
<i>Direct subsidiary companies</i>				
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.	-	100	Malaysia	Under members' voluntary winding up
BSL Eco Energy Sdn. Bhd.	51	51	Malaysia	Manufacturing, sales and marketing of solar inverter, and other products.
BSL Development Sdn. Bhd.	51	-	Malaysia	Property development and related trading activities.
<i>Indirect subsidiary companies</i>				
Crestronics Greentech Sdn. Bhd. ***	52	52	Malaysia	Research and development, trading and manufacturing of energy efficient products.
Matahari Suria Sdn Bhd****	100	100	Malaysia	Generation of renewable energy.
Suria Solar Tech Sdn. Bhd*#	51	51	Malaysia	Dormant.

* Audited by a firm of auditors other than Mazars.

** Audited by Mazars CPA Limited, Hong Kong.

*** Held through Crestronics (M) Sdn. Bhd.

**** Held through Unique Forging & Components Sdn. Bhd.

Held through BSL Eco Energy Sdn. Bhd.

(i) Member's voluntary winding up of Advance Autotek Industries (M) Sdn. Bhd. ("AAI")

On 30 August 2018, AAI had at its Extraordinary General Meeting obtained approval from its sole shareholder to commence a Member's Voluntary Winding Up pursuant to Section 439(1)(b) of the Companies Act 2016. Accordingly, AAI was deconsolidated from the Group on 30 August 2018.

(ii) Investment in Suria Solar Tech Sdn. Bhd. ("SST")

During the financial year 2017, BSL Eco Energy Sdn. Bhd., a partly owned subsidiary company of the Company acquired 100 ordinary shares, which represent 100% of the entire issued and paid up share capital of SST for a total consideration of RM6,180. Accordingly, SST became a 51% owned subsidiary company of the Group.

The acquisition has no significant effect on the financial results and position of the Group as at 31 August 2017.

(iii) Investment in BSL Development Sdn. Bhd. ("BSLD")

During the financial year 2018, the Company acquired 51% equity interest BSLD for a cash consideration of RM51. Accordingly, BSLD became a 51% subsidiary of the Company.

6. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

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

	Proportion of ownership interests and voting right held by non-controlling interests		(Loss)/Profit allocated to non-controlling interests		Accumulated non-controlling interests	
	2018	2017	2018	2017	2018	2017
	%	%	RM	RM	RM	RM
BSL Eco Energy Sdn. Bhd.	49	49	(1,235,502)	458,630	(502,263)	733,240
Individually immaterial subsidiary companies with non-controlling interests					19,327	156,230
					(482,936)	889,470

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

	2018 RM	2017 RM
BSL Eco Energy Sdn. Bhd.		
Non-current assets	3,090,207	54,490
Current assets	9,412,420	14,415,912
Current liabilities	12,088,441	11,456,280
Equity attributable to owners of the Company	211,235	1,537,202
Non-controlling interests	202,951	1,476,920
Revenue	1,043,383	19,991,569
Other income	567,123	16
Other expenses	(4,210,442)	(17,537,891)
(Loss)/Profit for the year	(2,599,936)	2,453,694
(Loss)/Profit attributable to owners of the Company	(1,364,434)	1,995,064
(Loss)/Profit attributable to the non-controlling interests	(1,235,502)	458,630
(Loss)/Profit for the year	(2,599,936)	2,453,694
Total comprehensive (loss)/profit attributable to owners of the Company	(1,364,434)	1,995,064
Total comprehensive (loss)/profit attributable to the non-controlling interest	(1,235,502)	458,630
Total comprehensive (loss)/profit for the year	(2,599,936)	2,453,694
Net cash inflow/(outflow) from operating activities	672,604	(5,727,433)
Net cash outflow from investing activities	(25,479)	(22,337)
Net cash (outflow)/inflow from financing activities	(663,784)	6,086,132
Net cash (outflow)/inflow	(16,659)	336,362

Amount owing by subsidiary companies comprises of the following:

	Company	
	2018 RM	2017 RM
Gross outstanding	22,828,707	22,514,380
Less: Allowance for doubtful debts	(11,208,861)	(5,616,313)
	11,619,846	16,898,067

Included in amount owing by subsidiary company is the non-current asset amounting to RM1,499,645 (2017: RM Nil.) which bear interest at 8% (2017: Nil) per annum and is unsecured and receivable on demand.

The amount owing by subsidiary companies arose mainly from advances granted which bear interest at 6% (2017: 3.5% - 9%) per annum and are unsecured and receivable on demand.

Notes to the Financial Statements

FOR THE YEAR ENDED 31 AUGUST 2018

6. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

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

	Company	
	2018 RM	2017 RM
RM	11,619,846	11,073,159
Hong Kong Dollar ("HKD")	-	5,824,908
	11,619,846	16,898,067

The amount owing to subsidiary companies, which are denominated in Ringgit Malaysia, arose mainly from advances received and payments made on behalf, which bear interest at 6% (2017: Nil) per annum and is unsecured and repayment on demand.

7. INVESTMENT IN ASSOCIATED COMPANIES

	Group	
	2018 RM	2017 RM
Unquoted shares at cost	4,701,206	4,701,171
Share of post-acquisition losses	(4,239,115)	(4,239,080)
	462,091	462,091
Less: Accumulated impairment losses	(462,091)	(462,091)
	-	-

The details of the associated companies are as follows:

Name of company	Effective equity interest		Principal activities
	2018 %	2017 %	
Hongze Yiyang Steel Tubes Co., Ltd.*	25	25	Production, manufacturing, sales and distribution of seamless steel tubes and pipes.
BSL Bersepadu Sdn. Bhd. <i>(formerly known as Ultimate Angle Sdn. Bhd.)</i>	17	-	Investment holding.

* Audited by a firm of auditors other than Mazars.

The financial details of the individual associated company are not disclosed as they are deemed to be immaterial to the Group.

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

Hongze Yiyang Steel Tubes Co., Ltd.	2018 RM	2017 RM
Current assets	24,919,157	21,521,454
Non-current assets	11,990,603	15,835,519
Current liabilities	(39,609,039)	(40,978,075)
Net liabilities	(2,699,279)	(3,621,102)
Share of net assets of associated companies	-	-
Revenue	69,586,867	61,075,423
Other income	133,043	154,737
Other expenses	(68,592,558)	(62,476,651)
Profit/(Loss) before tax	1,127,352	(1,246,491)
Income tax expense	-	-
Profit/(Loss) after tax	1,127,352	(1,246,491)
Share of results of associated companies	-	-

8. INVESTMENT IN JOINT VENTURE

	Group	
	2018 RM	2017 RM
Unquoted shares at cost	4,502,444	4,502,444
Share of post-acquisition reserve	187,142	417,363
	4,689,586	4,919,807
Impairment loss recognised	(4,689,586)	-
	-	4,919,807

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

Name of company	Effective equity interest		Principal activities
	2018 %	2017 %	
Petapak Holdings Ltd. ("PHL")*	22.5	22.5	Investment holding company.

* Audited by Mazars CPA Limited, Hong Kong.

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

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

	Group	
	2018 RM	2017 RM
Current assets	9,512	94,548
Current liabilities	(85,737)	(66,604)
Net (liabilities)/assets	(76,225)	27,944
Share of net assets of joint venture	-	6,287
Revenue	6,702	22,651
Other income	4	-
Other expenses	(109,469)	(619,419)
Loss before tax	(102,763)	(596,768)
Tax expense	-	-
Loss after tax	(102,763)	(596,768)
Share of results of joint venture	(23,122)	(134,273)

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

	Group	
	2018 RM	2017 RM
Net assets of the joint venture	-	6,287
Goodwill	4,689,586	4,913,520
Carrying amount of the Group's interest in the joint venture	4,689,586	4,919,807
Impairment loss recognised	(4,689,586)	-
	-	4,919,807

8. INVESTMENT IN JOINT VENTURE (CONT'D)

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

Goodwill acquired in business combination is allocated to the cash generating unit ("CGU") that are expected to benefit from that business combination.

The recoverable amount of the CGU is determined based on a value in use calculation which uses cash flow projections based on financial budgets approved by the directors covering a five-year period, and a discount rate of Nil (2017: 15%) per annum.

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

The directors estimate discount rate of Nil (2017: 15%) per annum reflects the current market assessment of the time value of money and the risk specific to the CGU. In 2017, the directors believe that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the carrying amount to exceed the recoverable amount of the CGU.

9. OTHER INVESTMENTS

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Available-for-sale financial assets:				
Unquoted subordinated bonds - at cost	1,500,000	1,500,000	1,500,000	1,500,000
Less: Accumulated impairment losses	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)
	-	-	-	-
Quoted shares outside Malaysia - at fair value	3,162,887	3,603,552	-	-
	3,162,887	3,603,552	-	-
Total other investments	3,162,887	3,603,552	-	-

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

10. INVENTORIES

	Group	
	2018 RM	2017 RM
Raw materials	7,410,914	4,968,881
Work-in-progress	2,437,350	3,455,594
Finished goods	2,887,480	3,503,016
	12,735,744	11,927,491

Cost of inventories recognised as expenses of the Group amounting RM148,819,542 (2017: RM130,329,198).

The cost of inventories recognised as cost of sales in profit or loss includes RM129,477 (2017: RM311,255) in respect of reversal of inventories write-downs to its net realisable value.

The cost of inventories recognised as cost of sales in profit or loss includes RM134,068 (2017: RM Nil) in respect of inventories write-down to its net realisable value.

The amount of inventories carried at net realisable value is RM51,491 (2017: RM370,203).

Notes to the Financial Statements

FOR THE YEAR ENDED 31 AUGUST 2018

11. TRADE RECEIVABLES

	Group	
	2018 RM	2017 RM
Trade receivables	36,849,798	36,298,261
Less: Allowance for doubtful debts	(489,062)	(718,015)
	36,360,736	35,580,246

Included in trade receivables is the non-current asset amounting to RM1,860,934 (2017: RM Nil.) for sales of goods and construction contracts.

Trade receivables include accrued revenue from customer for a subsidiary of the Company which is Matahari Suria Sdn. Bhd. amounting to RM78,718 (2017: RM430,215).

Trade receivables comprise amounts receivable for sales of goods. The average credit period on sales of goods is 30 to 90 (2017: 30 to 90) days. The non-current asset account is unsecured, bears interest at 5.7% (2017: Nil) per annum. No interest is charged on the current asset account.

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

	Group	
	2018 RM	2017 RM
RM	35,953,053	35,980,089
United States Dollar ("USD")	714,138	318,172
EUR	182,607	-
	36,849,798	36,298,261

12. AMOUNT DUE (TO)/FROM CUSTOMERS ON CONTRACT

	2018 RM	2017 RM
Cost of contracts	1,590,453	7,710,604
Attributable profit recognised to-date	253,522	2,199,396
	1,843,975	9,910,000
Progress billings	(2,400,000)	(6,585,000)
	(556,025)	3,325,000

13. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Other receivables	765,245	1,436,616	33,503	-
Refundable deposits	555,479	553,479	-	-
GST recoverable	2,004,283	323,949	-	-
Prepayments	1,283,519	737,083	20,833	20,833
	4,608,526	3,051,127	54,336	20,833

The foreign currency exposure profile are as below:

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
RM	4,532,476	3,051,127	54,336	20,833
USD	62,493	-	-	-
EUR	10,361	-	-	-
HKD	3,196	-	-	-
	4,608,526	3,051,127	54,336	20,833

Notes to the Financial Statements

FOR THE YEAR ENDED 31 AUGUST 2018

14. AMOUNT OWING BY CORPORATE SHAREHOLDER

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

Amount owing by corporate shareholder is denominated in Ringgit Malaysia.

15. SHORT-TERM DEPOSITS WITH LICENSED BANKS

The short-term deposits of the Group bear interest at rates ranging from 2.55% to 3.10% (2017: 2.55% to 3.10%) per annum and have maturity periods ranging from 7 to 365 (2017: 31 to 365) days.

Included in the short-term deposits are deposits amounting to RM1,106,641 (2017: RM1,429,561) pledged to a licensed bank as collateral for term loans, bank overdrafts and other credit facilities granted to a subsidiary company as mentioned in Notes 21 and 26.

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

16. CASH AND CASH EQUIVALENTS

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Cash and bank balances	9,531,935	12,511,275	122,355	135,299
Short-term deposits with licensed banks (Note 15)	2,335,246	1,429,561	-	-
	11,867,181	13,940,836	122,355	135,299
Less: Short-term deposits pledged to a bank	(1,106,641)	(1,429,561)	-	-
Overdrafts	(873,169)	(788,168)	-	-
	9,887,371	11,723,107	122,355	135,299

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

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
RM	8,930,879	11,322,770	122,355	135,299
USD	580,001	1,165,824	-	-
HKD	21,055	22,681	-	-
	9,531,935	12,511,275	122,355	135,299

17. SHARE CAPITAL

	Group and Company	
	2018 RM	2017 RM
Issued and fully paid: 98,000,000 ordinary shares	49,000,000	49,000,000

The Minister of Domestic Trade, Co-operatives and Consumerism has appointed 31 January 2017 as the date on which the Companies Act 2016 ("CA 2016") comes into operation except for Section 241 and Division 8 of Part III. CA 2016 replaces the Companies Act 1965 upon its effective date.

Pursuant to CA 2016:

- The concept of authorised share capital is abolished.
- All shares issued before or upon the commencement of CA 2016 shall have no par or nominal value.
- Upon commencement of CA 2016, any amount standing to the credit of the Company's share premium account and capital redemption reserve shall become part of the Company's share capital.
- However, the Company may, within 24 months upon the commencement of CA 2016, use the amount standing to the credit of its share premium account and capital redemption reserve for specific purposes set out in the transitional provisions of CA 2016.

18. TREASURY SHARES

	Group and Company			
	Number of ordinary shares		Amount	
	2018	2017	2018 RM	2017 RM
At 1 September	1,359,113	1,284,113	456,270	422,661
Repurchased during the year	5,000	75,000	3,046	33,609
At 31 August	1,364,113	1,359,113	459,316	456,270

During the financial year, the Company purchased 5,000 (2017: 75,000) of its own shares through purchases on Bursa Malaysia Securities Berhad for RM3,046 (2017: RM33,609) which has been deducted from equity. The repurchased transactions were financed by internally generated funds and the average price paid for the shares was RM0.6092 (2017: RM0.4481) per share.

19. RESERVES

	Note	Group		Company	
		2018 RM	2017 RM	2018 RM	2017 RM
Non-distributable reserves:					
Share premium	(i)	1,767,230	1,767,230	1,767,230	1,767,230
Foreign currency translation reserve	(ii)	(1,044,899)	(1,192,460)	-	-
Fair value reserve	(iii)	(160,668)	(160,668)	-	-
Revaluation reserve	(iv)	34,252,198	-	-	-
		34,813,861	414,102	1,767,230	1,767,230
Distributable reserve:					
Retained earnings	(v)	27,039,459	28,155,584	(281,040)	5,821,517
		61,853,320	28,569,686	1,486,190	7,588,747

(i) Share premium

Share premium presents the excess of issue price over the par value of shares issued under the Companies Act 1965.

The Company has adopted the transitional provisions set out in Section 618(3) of the Companies Act 2016 where the sum standing to the credit of the share premium may be utilised within twenty four (24) months from the commencement date of 31 January 2017 in the manner as allowed under the Companies Act 2016. Therefore, the Group has not consolidated the share premium into share capital until the expiry of the transitional period.

(ii) Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency. It is also used to record the exchange differences arising from monetary items which form part of the Group's net investment in foreign operations, where the monetary item is denominated in either the functional currency of the reporting entity or the foreign operation.

(iii) Fair value reserve

The fair value reserve arose from fair value changes in available-for-sale financial assets.

(iv) Revaluation reserve

The revaluation reserve relates to the revaluation of property, plant and equipment.

(v) Retained earnings

Any dividend distributed by the Company out of its retained earnings under the single tier tax system is not taxable in Malaysia in the hand of the shareholders.

Notes to the Financial Statements

FOR THE YEAR ENDED 31 AUGUST 2018

20. HIRE PURCHASE LIABILITIES

	Group	
	2018 RM	2017 RM
Total outstanding	2,033,164	1,943,697
Less: Interest-in-suspense	(112,236)	(99,732)
Principal outstanding	1,920,928	1,843,965
Less: Portion due within the next 12 months (shown under current liabilities)	(1,118,346)	(1,210,973)
Non-current portion	802,582	632,992

The non-current portion are repayable as follows:

	Group	
	2018 RM	2017 RM
Financial year ending 31 August:		
2019	613,073	583,986
2020 and thereafter	189,509	49,006
	802,582	632,992

The term of the hire purchase liabilities is 3 years and interest rates implicit in the hire purchase arrangements range from 4.78% to 6.58% (2017: 4.91% to 6.58%) per annum. The interest rates are fixed at the inception of the hire purchase arrangement.

21. TERM LOANS

	Group	
	2018 RM	2017 RM
Total outstanding	11,766,273	14,750,222
Less: Portion due within the next 12 months (shown under current liabilities)	(3,362,089)	(3,050,906)
Portion due after the next 12 months	8,404,184	11,699,316

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

	Group	
	2018 RM	2017 RM
Financial year ending 31 August:		
2019	-	3,305,773
2020	2,240,578	2,241,238
2021	1,911,427	1,911,675
2022	1,950,598	1,950,396
Thereafter	2,301,581	2,290,234
	8,404,184	11,699,316

The Group has term loans facilities totalling RM35,300,533 (2017: RM35,300,533) obtained from licensed banks. The term loans of the Group bears interest at rates ranging from 4.00% to 5.38% (2017: 4.50% to 5.38%) per annum.

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

- (i) A ten (10) year loan of RM14,670,000 repayable by 120 equal monthly installments of RM122,250 each, commencing in October 2009. The outstanding balance as of 31 August 2018 was RM1,833,750 (2017: RM3,300,750); and
- (ii) A ten (10) year loan of RM9,700,000 repayable by 119 equal monthly installments of RM80,834 each plus a last installment of RM80,754. The first installment commenced on the first day of the first month immediately after full drawdown in June 2013. The outstanding balance as of 31 August 2018 was RM4,607,458 (2017: RM5,577,466).

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

21. TERM LOANS (CONT'D)

The details of the outstanding term loans at year end are as follows: (Cont'd)

- (iii) A ten (10) year loan of RM1,530,533 repayable by 120 equal monthly installments of RM15,975 each, commencing in November 2012. The outstanding balance as at 31 August 2018 was RM726,498 (2017: RM872,006).

The said term loan is secured by a first party legal charge over the leasehold land of a subsidiary company (Note 5), a pledge of fixed deposit (Note 15) and a corporate guarantee by the Company.

- (iv) A seven (7) year loan of RM5,000,000 repayable by 78 equal monthly installments of RM74,014 each, commencing in January 2018. The outstanding balance as at 31 August 2018 was RM4,598,567 (2017: RM5,000,000).

The said term loan is secured by fixed charges over certain property, plant and equipment of a subsidiary company (Note 5), a pledge of fixed deposit (Note 15) and a corporate guarantee by the Company.

22. DEFERRED TAX LIABILITIES

	Group	
	2018 RM	2017 RM
At 1 September	2,428,945	1,567,908
Recognised in profit or loss	(1,514,583)	861,037
Recognised in other comprehensive income ("OCI")	4,116,483	-
At 31 August	5,030,845	2,428,945

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

	Group	
	2018 RM	2017 RM
Tax effects of:		
- Excess of capital allowances over accumulated depreciation on property, plant and equipment	2,961,155	3,234,202
- Unabsorbed capital allowances	(923,257)	(690,308)
- Unused business losses	(298,815)	-
- Revaluation surplus on property, plant and equipment	4,116,483	-
- Others	(824,721)	(114,949)
	5,030,845	2,428,945

23. TRADE PAYABLES

Trade payables comprise amounts outstanding for trade purchases and ongoing costs. The credit period granted to the Group on purchases of goods ranges from 30 to 90 (2017: 30 to 90) days.

The currency exposure profile of trade payables are as follows:

	Group	
	2018 RM	2017 RM
RM	24,546,922	27,346,639
USD	281,264	685,406
	24,828,186	28,032,045

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24. OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Accrued expenses	3,759,691	2,938,163	152,934	89,850
Advance billings	28,326	40,140	-	-
Other payables	1,406,684	1,724,312	21,866	14,284
Interest payable	30,500	40,386	-	-
GST payable	631,731	58,529	-	-
	5,856,932	4,801,530	174,800	104,134

All the other payables and accruals are denominated in Ringgit Malaysia.

25. PROVISION

	Group	
	2018 RM	2017 RM
At 1 September/31 August (Note 38 (b))	200,000	200,000

26. BANK BORROWINGS

	Group	
	2018 RM	2017 RM
Bank overdrafts	873,169	788,168

In addition to the term loans facilities as mentioned in Note 21, the Group has bank overdrafts and other credit facilities which bear interest at the rate 7.50% (2017: 7.50% to 8.21%) per annum.

The bank overdrafts and other credit facilities are secured by:

- (i) Fixed and floating charges over certain property, plant and equipment of a subsidiary company (Note 5);
- (ii) Short-term deposits of a subsidiary company (Note 15); and
- (iii) Corporate guarantee by the Company.

27. REVENUE

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Dividend income	-	-	100,000	150,000
Sales of goods	156,890,852	139,911,274	-	-
Construction contract revenue	837,504	9,910,000	-	-
Sales of electricity	1,054,676	430,215	-	-
	158,783,032	146,251,489	100,000	150,000

28. INVESTMENT INCOME

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Interest income from short-term deposits with licensed banks	91,657	64,697	-	12,666

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29. STAFF COSTS

Staff costs include salaries, contributions to EPF, bonuses and all other staff related expenses. During the financial year, included in staff costs are contributions to EPF made by the Group amounting to RM1,597,645 (2017: RM1,423,686).

The remuneration of the key management personnel, who are also the Directors of the Group and of the Company, are as disclosed in Note 31. The estimated monetary value of benefit-in-kind received by the directors from the Group amounting to RM21,250 (2017: RM16,937).

30. FINANCE COSTS

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Interest expense on:				
Term loans	664,413	608,958	-	-
Bankers' acceptance	-	10,348	-	-
Hire purchase liabilities	138,230	155,841	-	-
Bank overdrafts	65,899	71,694	-	-
Financial asset at amortisation cost	1,675,520	-	-	-
Advances from subsidiary companies	-	-	195,395	-
	2,544,062	846,841	195,395	-

31. (LOSS)/PROFIT BEFORE TAX

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

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Auditors' remuneration				
- Statutory audit	187,783	191,656	50,000	49,000
- Non-statutory audit	5,000	7,000	5,000	7,000
Directors' remuneration*	1,204,537	1,014,718	332,800	249,450
Impairment of:				
- Investment in subsidiary company	-	-	590,000	-
Investment in joint venture	4,689,586	-	-	-
- Goodwill	-	10,804	-	-
Allowance for doubtful debts:				
- Trade receivables	-	718,015	-	-
- Subsidiary company	-	-	5,592,548	-
Write-down of inventories	134,068	-	-	-
Loss on fair value on other investment	-	160,668	-	-
Net loss on foreign exchange				
- Realised	20,614	-	-	-
- Unrealised	999,188	-	459,415	-

and crediting:

Reversal of allowance for doubtful debts	100,714	-	-	-
Reversal of write-down of inventories	129,477	311,255	-	-
Dividend income	-	-	100,000	150,000
Gain on disposal of property, plant and equipment	97,145	148,195	-	-
Gain on fair value of interest rate swap	-	87	-	-
Net gain on foreign exchange				
- Realised	-	218,778	-	-
- Unrealised	-	1,329,780	-	494,381
Interest income from short-term deposits	91,657	64,697	-	12,666
Interest receivable from subsidiary companies	-	-	738,050	380,843
Interest income on financial asset at amortisation cost	478,618	-	-	-

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31. (LOSS)/PROFIT BEFORE TAX (CONT'D)

* Directors' remuneration consists of the following:

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Executive Directors:				
Company				
- Fees	172,000	137,600	172,000	137,600
Subsidiary companies				
- Other emoluments	871,737	765,268	-	-
	1,043,737	902,868	172,000	137,600
Non-executive Directors:				
- Fees	156,300	107,350	156,300	107,350
- Other emoluments	4,500	4,500	4,500	4,500
	1,204,537	1,014,718	332,800	249,450

32. TAX EXPENSE/(CREDIT)

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Current tax expense:				
- Current year	2,113,058	2,075,844	-	44,883
- Prior years	(232,368)	(119,866)	(6,156)	81,319
	1,880,690	1,955,978	(6,156)	126,202
Deferred tax:				
- Current year	(263,602)	423,911	-	-
- Prior years	(1,250,983)	437,124	-	-
	(1,514,585)	861,035	-	-
Total tax expense/(credit)	366,105	2,817,013	(6,156)	126,202

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

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
(Loss)/Profit before tax and share of results of associated companies and joint venture:	(2,099,318)	6,618,160	(6,108,713)	531,511
Taxation at applicable tax rate of 24%	(503,836)	1,588,358	(1,466,091)	127,563
Tax effects arising from:				
- Expenses which are not deductible	2,299,455	936,888	1,667,223	47,762
- Income which are not taxable	(230,164)	(223,565)	(201,132)	(130,442)
- Deferred tax assets not recognised	284,001	225,078	-	-
- Utilisation of deferred tax assets previously not recognised	-	(27,004)	-	-
- (Over)/Underprovision in prior years	(1,483,351)	317,258	(6,156)	81,319
	366,105	2,817,013	(6,156)	126,202

32. TAX EXPENSE/(CREDIT) (CONT'D)

As of 31 August 2018, the tax exempt income of the Group and of the Company are as follow:

	Note	Group	
		2018 RM	2017 RM
Reinvestment allowances	(i)	17,534,630	17,534,630
Tax exempt income	(ii)	342,192	342,192
		<u>17,876,822</u>	<u>17,876,822</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 income, which is subject to approval by the tax authorities, is available for distribution of tax exempt dividends to the shareholders of the said subsidiary company.

As explained in Note 3, the tax effects of deductible temporary differences, unused tax losses and unused tax credits which would give rise to net deferred tax assets are generally recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised for set-off.

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

	Group	
	2018 RM	2017 RM
Unused tax losses	6,411,302	6,138,052
Unabsorbed capital allowances	10,503,214	10,684,423
Other temporary differences	(28,798)	(1,120,093)
	<u>16,885,718</u>	<u>15,720,382</u>

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

33. BASIC (LOSS)/EARNINGS PER ORDINARY SHARE

	Group	
	2018 RM	2017 RM
(Loss)/Profit attributable to equity holders of the Company	(1,116,125)	3,202,010
Weighted average number of ordinary shares in issue	96,638,387	96,678,387
Basic (loss)/earnings per ordinary share (sen)	(1.15)	3.31

The basic (loss)/earnings per ordinary share is calculated by dividing the profit attributable to equity holders of Company of RM1,116,125 (2017: RM3,202,010) by weighted average number of ordinary shares in issue during the financial year of 96,638,387 (2017: 96,678,387) shares.

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34. HOLDING COMPANY AND RELATED PARTY TRANSACTIONS

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

Related parties comprise:

- (a) Entity in which a director of the Company and a subsidiary company has substantial interest;
- (b) Entity related to an associated company; and
- (c) Non-controlling interests in a subsidiary company.

Related Party Transactions

Other than those disclosed elsewhere in the financial statements, the significant related party transactions are disclosed follows:

	Group	
	2018 RM	2017 RM
Purchases from non-controlling interests of the Group		
- Hightech Factory Automation (M) Sdn. Bhd.	-	6,563
Sales of goods to non-controlling interests of the Group		
- Hightech Factory Automation (M) Sdn. Bhd.	535	49,975
Expenses paid to companies in which certain Directors of a subsidiary company are also Directors		
- Ceiba Capital Sdn Bhd	80,391	54,000
- RG Excel Sdn Bhd	10,272	72,677
- Seido Solutions Sdn Bhd	16,483	-
Total	107,146	126,677
Gross dividends receivable from subsidiary companies		
- Ban Seng Lee Industries Sdn Bhd	100,000	150,000
Interest receivable from subsidiary companies		
- Crestronics (M) Sdn. Bhd.	471,600	338,765
- Unique Forging & Components Sdn. Bhd.	-	7,520
- BSL Eco Energy Sdn. Bhd.	86,587	34,558
- BSL (HK) Limited.	179,863	-
Total	738,050	380,843

35. 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;
- (v) Renewable energy; and
- (vi) Others (those subsidiary companies are currently dormant and semi-active respectively).

Notes to the Financial Statements

FOR THE YEAR ENDED 31 AUGUST 2018

35. SEGMENT REPORTING (CONT'D)

Inter-segment sales are charged at cost plus a percentage of profit mark-up. Revenue from one major customer contributed approximately RM35,590,997 (2017: RM36,418,599) of the Group's total revenue.

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 3. Segment profit represents the profit earned by each segment without allocation of central administration costs and Directors' salaries, profits of associates, investment revenue, finance costs and income tax expense. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

Group 2018	Investment holding RM	Precision stamping and tooling RM	PCB and module assembly RM	Fabrication and forging RM	Renewable energy RM	Others RM	Eliminations RM	Consolidated RM
<i>Revenue</i>								
External sales	-	140,545,345	15,406,513	-	2,098,059	733,115	-	158,783,032
Inter-segment sales	100,000	-	91,391	-	-	1,193	(192,584)	-
Total revenue	100,000	140,545,345	15,497,904	-	2,098,059	734,308	(192,584)	158,783,032
<i>Results</i>								
Segment results	(5,913,318)	8,067,398	(1,248,712)	276,390	640,714	(5,688,514)	4,219,129	353,087
Profit/(Loss) from operations	(5,913,318)	8,067,398	(1,248,712)	276,390	640,714	(5,688,514)	4,219,129	353,087
Finance costs	(195,395)	(556,507)	(603,694)	(167,803)	(3,190,479)	(221,108)	2,390,924	(2,544,062)
Share of results of joint venture	-	-	-	-	-	-	(23,157)	(23,157)
Investment income	-	48,212	-	17,615	19,257	6,573	-	91,657
Profit/(Loss) before tax	(6,108,713)	7,559,103	(1,852,406)	126,202	(2,530,508)	(5,903,049)	6,586,896	(2,122,475)
Tax income/(expense)	6,156	(1,144,521)	-	(59,594)	377,366	(59,594)	454,488	(366,105)
Profit/(Loss) for the year	(6,102,557)	6,414,582	(1,852,406)	66,608	(2,153,142)	(5,903,049)	7,041,384	(2,488,580)
<i>Other information</i>								
Capital additions	-	3,295,724	90,583	-	8,726	-	-	3,395,033
Depreciation of property, plant and equipment	-	3,488,511	483,499	100,842	539,042	4,612	(103,293)	4,513,213
<u>Consolidated statement of financial position</u>								
<i>Assets</i>								
Segment assets	56,212,135	147,721,131	9,749,562	9,457,473	21,921,839	625,707	(84,568,187)	161,119,660
Unallocated corporate assets	49,500	-	-	32,832	255,000	4,250	(211,794)	129,788
Consolidated total assets								161,249,448
<i>Liabilities</i>								
Segment liabilities	6,234,761	33,032,734	18,706,384	3,807,134	20,993,835	11,776,662	(48,549,997)	46,001,513
Unallocated corporate liabilities	-	6,013,156	-	117,523	(339,325)	-	(454,487)	5,336,867
Consolidated total liabilities								51,338,380

Notes to the Financial Statements

FOR THE YEAR ENDED 31 AUGUST 2018

35. SEGMENT REPORTING (CONT'D)

Group 2017	Investment holding RM	Precision stamping and tooling RM	PCB and module assembly RM	Fabrication and forging RM	Renewable energy RM	Others RM	Eliminations RM	Consolidated RM
<i>Revenue</i>								
External sales	-	117,925,191	13,438,807	3,244,345	10,921,784	721,362	-	146,251,489
Inter-segment sales	150,000	-	439,987	-	9,500,000	2,893	(10,092,880)	-
Total revenue	150,000	117,925,191	13,878,794	3,244,345	20,421,784	724,255	(10,092,880)	146,251,489
<i>Results</i>								
Segment results	518,845	6,268,116	(168,197)	207,001	3,594,322	(20,736)	(2,999,047)	7,400,304
Profit/(Loss) from operations	518,845	6,268,116	(168,197)	207,001	3,594,322	(20,736)	(2,999,047)	7,400,304
Finance costs	-	(690,585)	(338,765)	(98,649)	(592,619)	(31,794)	905,571	(846,841)
Share of results of joint venture	-	-	-	-	-	-	(134,273)	(134,273)
Investment income	12,666	26,943	-	18,346	-	6,742	-	64,697
Profit/(Loss) before tax	531,511	5,604,474	(506,962)	126,698	3,001,703	(45,788)	(2,227,749)	6,483,887
Tax income/(expense)	(126,202)	(1,779,486)	-	(124,152)	(771,976)	240	(15,437)	(2,817,013)
Profit/(Loss) for the year	405,309	3,824,988	(506,962)	2,546	2,229,727	(45,548)	(2,243,186)	3,666,874
<i>Other information</i>								
Capital additions	-	843,334	222,998	-	9,734,395	-	(2,065,854)	8,734,873
Depreciation of property, plant and equipment	-	3,752,961	618,502	100,842	359,485	4,612	(68,862)	4,767,540
<u>Consolidated statement of financial position</u>								
<i>Assets</i>								
Segment assets	62,059,746	109,833,018	9,782,523	8,633,719	26,727,676	7,048,523	(92,603,628)	131,481,577
Unallocated corporate assets	16,444	-	-	-	-	39,402	(55,846)	-
Consolidated total assets								131,481,577
<i>Liabilities</i>								
Segment liabilities	5,943,713	38,699,202	16,886,939	3,481,196	22,824,229	11,918,674	(49,338,023)	50,415,930
Unallocated corporate liabilities	-	2,653,198	-	25,640	227,976	-	155,947	3,062,761
Consolidated total liabilities								53,478,691

Geographical segments

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

36. OPERATING LEASE COMMITMENT

The Group as lessee

The Group leases premises from third parties under operating leases. These leases are non-cancellable and typically run for a period ranging from 1 to 2 years, with the option to renew. None of the leases include contingent rentals. There are no restrictions placed upon the Company by entering into these leases.

36. OPERATING LEASE COMMITMENT (CONT'D)

The future minimum lease payments payable under the non-cancellable operating leases contracted for as at the reporting date not recognised as liabilities, are as follows:

	Group	
	2018 RM	2017 RM
As lessee		
Not later than one year	127,400	211,800
Later than one year but not later than 5 years	340,800	383,000
Later than five year	1,221,200	1,306,400
	1,689,400	1,901,200

37. CAPITAL COMMITMENT

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

	Group	
	2018 RM	2017 RM
Approved and contracted for:		
Purchase of plant and machinery and motor vehicles	163,000	272,920

38. CONTINGENT LIABILITIES

(a) As of 31 August, the Company has the following contingent liabilities:

	Company	
	2018 RM	2017 RM
Unsecured corporate guarantees given to:		
Licensed banks for credit facilities granted to subsidiary companies	14,560,370	17,382,355

(b) On 19 December 2014, Crestronics (M) Sdn Bhd ("CMSB"), a wholly owned subsidiary company of the Company, received bills of demand from the relevant authority demanding payment of sales tax and import duty amounting to RM11,100,000 for the period December 2011 to July 2014 of which CMSB disputed. The directors have been in discussion with the relevant authority and have provided all necessary documentation to support their view. The directors of the Company have obtained advice from a consultant, and based on the advice received, the directors are of the view that CMSB should only be liable for up to RM200,000 and a provision for this had been made in the financial statements (Note 25). The remaining balance of the claim of RM10,900,000 represents a contingent liability which is subject to appeal to the authority.

On 30 December 2014, CMSB appealed to the relevant authority. Subsequently, on 15 September 2015, the authority rejected the appeal with no specific reason mentioned.

On 5 November 2015, CMSB appealed to the relevant authority again. However, on 28 June 2017, CMSB received a letter from the relevant authority that the appeal against the bills of demand has been rejected and further appeal will not be considered. Thereafter, the directors engaged another consultant to look into this matter and will appeal to Minister of Finance.

On 30 January 2018, CMSB has submitted remission application to the Ministry of Finance. Subsequently, on 10 April 2018, Ministry of Finance rejected the application with no specific reason mentioned.

On 5 July 2018, CMSB, through its appointed solicitor filed in an application for judicial review to the High Court. During the leave hearing for judicial review held on 19 September 2018, the High Court granted leave and an interim stay for the enforcement of bills of demand until the disposal of the inter-partes stay hearing. The High Court has fixed for the Minister of Finance to file its affidavit in reply by 21 December 2018 whereas CMSB is required to file its further affidavit in reply by 11 January 2019. The High Court also fixed for case management on 28 January 2019. Based on the available facts and information as of the date of this report, the solicitor is of the opinion that CMSB has arguable grounds and basis to contend that there is no legal and factual basis for the Minister of Finance to reject CMSB's remission application. Consequently, no further provision has been provided. In the event that the appeal is not successful, CMSB is liable for the remaining balance of the claim of RM10,900,000.

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39. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
<i>Financial assets</i>				
Loans and receivables, at amortised cost:				
Trade receivables	36,360,736	35,580,246	-	-
Other receivables and deposits	1,320,724	1,990,095	33,503	-
Amount owing by subsidiary companies	-	-	11,619,846	16,898,067
Amount owing by corporate shareholders	24,501	23,934	-	-
Short-term deposits with licensed banks	2,335,246	1,429,561	-	-
Cash and bank balances	9,531,935	12,511,275	122,355	135,299
	49,573,142	51,535,111	11,775,704	17,033,366
Available for sales, at fair value:				
Other investments	3,162,887	3,603,552	-	-
Total	52,736,029	55,138,663	11,775,704	17,033,366
<i>Financial liabilities</i>				
At amortised cost:				
Trade payables	24,828,186	28,032,045	-	-
Other payables and accruals	5,396,875	4,902,861	174,800	104,134
Amount owing to subsidiary companies	-	-	6,059,961	5,839,579
Hire purchase liabilities	1,920,928	1,843,965	-	-
Bank borrowings	873,169	788,168	-	-
Term loans	11,766,273	14,750,222	-	-
	44,785,431	50,317,261	6,234,761	5,943,713

(b) Fair value of financial instruments

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

The carrying amounts of the Group's financial assets and liabilities as reported in the statement of financial position as of 31 August 2018 approximate their fair values because of the short maturity terms of these instruments except as follows:

Group	2018		2017	
	Carrying Amount RM	Fair Value RM	Carrying Amount RM	Fair Value RM
<i>Financial Liabilities</i>				
Hire purchase liabilities	1,920,928	2,007,092	1,843,965	1,921,871
Term loans	11,766,273	13,898,154	14,750,222	17,214,325
Total	13,687,201	15,905,246	16,594,187	19,136,196

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

The fair value of the Group's financial assets and financial liabilities are determined as follow:

- the fair value of financial assets with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market bid prices; and
- the fair value of other financial assets and financial liabilities is determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

39. FINANCIAL INSTRUMENTS (CONT'D)

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

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

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

Fair value measurements recognised in the statement of financial position

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

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
31 August 2018				
<i>Financial assets</i>				
Other investments	3,162,887	-	-	3,162,887
31 August 2017				
<i>Financial assets</i>				
Other investments	3,603,552	-	-	3,603,552

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

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

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

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

(i) Credit risk

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

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

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

The Group has no major concentration of credit risk except for amounts due from Seven (2017: Seven) trade receivables which constitute approximately RM29,239,205 (2017: RM28,866,510) or 80% (2017: 81%) of gross trade receivables at the end of the reporting period.

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

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

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(i) Credit risk (Cont'd)

The analysis of trade receivables are as follows:

	2018 RM	2017 RM
Not past due and not impaired	35,476,991	34,733,376
Past due but not impaired:		
Past due 0-30 days	147,134	385,710
Past due 31-60 days	45,194	209,921
Past due 61-90 days	183,916	61,098
Past due 91-120 days	261,541	40,855
Past due more than 121 days	245,960	149,286
Past due and impaired	489,062	718,015
Total trade receivables	36,849,798	36,298,261

Movement in allowance for doubtful debts:

	2018 RM	2017 RM
At 1 September	718,015	1,069,897
Addition	-	718,015
Reversal	(100,714)	-
Written off	(128,239)	(1,069,897)
At 31 August	489,062	718,015

Ageing of impaired trade receivables:

	2018 RM	2017 RM
Past due more than 90 days	489,062	718,015

The Company is also exposed to credit risk in relation to corporate guarantees in respect of bank facilities granted to the subsidiary companies. The Company monitors the results of the subsidiary companies and their repayment on an on-going basis. The maximum exposure to credit risk is amounting to RM14,560,370 (2017: RM17,382,355).

(ii) Interest rate risk

The Group is exposed to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates. Interest rate risk arises only from the Group's term loans, hire purchase liabilities, bank borrowings and short-term deposits with licensed banks.

Interest rate sensitivity

If interest rates had been 50 (2017: 50) basis points higher/lower and all other variables were held constant, the Group's loss/profit for the year ended 31 August 2018 would decrease/increase by RM67,269 (2017: RM79,764). This is mainly attributable to the Group's exposure to interest rates on its variable rate for short-term deposits and borrowings.

(iii) Foreign currency exchange risk

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

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

The sensitivity rate used by the Group when reporting foreign currency risk internally to key management personnel is 10% (2017: 10%) and represents management's assessment of the reasonably possible change in foreign exchange rates.

If the United States Dollar (2017: United States Dollar) were to change by 10% up or down against the Ringgit Malaysia, the Group's loss/profit for the year will increase/decrease by RM101,942 (2017: RM79,859).

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(iv) Liquidity and cash flow risk

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

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

The management has determined the differentials and estimated the fair value of the intra group financial guarantees to be immaterial and the requirements to reimburse is remote.

Analysis of financial instruments by remaining contractual maturities

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

Group 2018	Weighted average effective interest rate %	Less than 1 year RM	1 to 5 years RM	More than 5 years RM	Total RM
Trade payables	-	24,828,186	-	-	24,828,186
Other payables and accruals	-	5,396,875	-	-	5,396,875
Bank borrowings	8	873,169	-	-	873,169
Hire purchase liabilities	6	1,200,100	835,784	-	2,035,884
Term loans	3	3,859,573	8,544,880	740,142	13,144,595
		36,157,903	9,380,664	740,142	46,278,709
Company 2018					
Other payables and accruals	-	174,800	-	-	174,800
Amount owing to subsidiary companies	-	6,059,961	-	-	6,059,961
		6,234,761	-	-	6,234,761
Group 2017					
Trade payables	-	28,032,045	-	-	28,032,045
Other payables and accruals	-	4,902,861	-	-	4,902,861
Bank borrowings	8	788,168	-	-	788,168
Hire purchase liabilities	6	1,289,762	653,935	-	1,943,697
Term loans	3	3,634,379	10,677,639	2,443,942	16,755,960
		38,647,215	11,331,574	2,443,942	52,422,731
Company 2017					
Other payables and accruals	-	104,134	-	-	104,134
Amount owing to subsidiary companies	-	5,839,579	-	-	5,839,579
		5,943,713	-	-	5,943,713

Notes to the Financial Statements

FOR THE YEAR ENDED 31 AUGUST 2018

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

The contractual undiscounted repayment obligations arising from financial guarantee given to banks in respect of corporate guarantees and undertaking provided by the Company to certain subsidiary companies amounted to RM16,756,722 (2017: RM17,382,355). There is no indication that the subsidiary companies will default on repayment. In the event of a default by the subsidiary companies, the financial guarantees could be called on demand.

41. CAPITAL MANAGEMENT

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

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

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

The Group's total debt-to-equity ratios at 31 August 2018 were as follow:

	2018 RM	2017 RM
Debt:		
Term loans	11,766,273	14,750,222
Hire purchase liabilities	1,920,928	1,843,965
Bank borrowings	873,169	788,168
	14,560,370	17,382,355
Equity	109,911,068	78,002,886
Debt to equity ratio (%)	13%	22%

The Company has no gearing as at 31 August 2017 and 2018.

42. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

These financial statements were authorised for issue on 18 December 2018 by the Board of Directors.

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, Ngiam Tong Kwan and Ngiam Tee Wee, being two of the directors of BSL Corporation Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 47 to 92 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 August 2018 and financial performance and cash flows of the Group and of the Company for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards, and the requirements of the Companies Act 2016 in Malaysia.

Signed on behalf of the board of directors in accordance with a directors' resolution.

NGIAM TONG KWAN

Director

NGIAM TEE WEE

Director

Kuala Lumpur

Date: 18 December 2018

STATUTORY DECLARATION

PURSUANT TO SECTION 251(1)(B) OF THE COMPANIES ACT 2016

I, Ngiam Tee Wee (I/C No.: 680302-10-5097), being the director primarily responsible for the financial management of BSL Corporation Berhad, do solemnly and sincerely declare that, to the best of my knowledge and belief, the accompanying financial statements set out on pages 47 to 92 are correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly
declared by the abovenamed
Ngiam Tee Wee
at Kuala Lumpur
in the Federal Territory
on this 18 December 2018

NGIAM TEE WEE

Before me:

(Commissioner of Oaths)

LIST OF PROPERTIES

	Name of registered owner / beneficial owner	Location / Geran No.	Description / Existing use	Land / built-up area (sqm)	Approximate age of building (years)	Date of acquisition / revaluation	Audited NBV as at 31 Aug 2018 (RM)
1	Ban Seng Lee Industries Sdn. Bhd.	<p>a. Lot 4220, Persimpangan Jalan Batu Arang, Lebuhraya PLUS, 48000 Rawang, Selangor.</p> <p>Geran No.50480, Lot No.4220, Mukim Rawang, Daerah Gombak, Selangor Darul Ehsan</p>	Freehold land built upon with 2-storey office building annexed to single-storey detached factory and ancillary building.	19,551/11,941	21	26 Aug 2009 / 31 Aug 2018	70,000,000
		<p>b. Lot 4212, Persimpangan Jalan Batu Arang, Lebuhraya PLUS, 48000 Rawang.</p> <p>Geran No.27631, Lot 4212, Mukim Rawang, Daerah Gombak, Selangor Darul Ehsan</p>	Freehold land built upon with 2-storey factory building annexed to single-storey warehouse and ancillary buildings.	24,995/11,148	6	20 Sep 2010 / 31 Aug 2018	
2	Unique Forging & Components Sdn. Bhd.	HSD 62560, Lot No. PT1985, Mukim Bandar Kundang, Daerah Gombak, Selangor Darul Ehsan.	Vacant leasehold land	1.214 hectares	-	31 Oct 2012 / 31 Aug 2018	3,900,000

ANALYSIS OF SHAREHOLDINGS

AS AT 3 DECEMBER 2018

Issued Share Capital	: RM49,000,000 (Including 1,364,113 treasury shares held)
Class of shares	: Ordinary Shares
Voting Rights	: One vote per ordinary share held

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Holders	%	No. of Shares	%
1 - 99	8	0.715	234	0.000
100 - 1,000	484	43.291	118,710	0.122
1,001 - 10,000	339	30.322	1,888,812	1.954
10,001 - 100,000	219	19.588	7,751,087	8.020
100,001 - 4,831,793 (*)	67	5.992	36,897,044	38.181
4,831,794 and above (**)	1	0.089	49,980,000	51.719
TOTAL :	1,118	100.000	96,635,887	100.000

(*) Less than 5% of issued shares

(**) 5% and above of issued shares

LIST OF SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

Names	Direct Shareholdings		Indirect Shareholdings	
	No. of Shares	%	No. of Shares	%
Esteem Role Sdn. Bhd.	49,980,000	51.72	-	-
Ngiam Tong Kwan	2,556,315	2.65	49,980,000 (*)	51.72
Nyeam Tong Eng @ Ngiam Tong Yang	269,361	0.28	49,980,000 (*)	51.72
Teh Eng Hock	944,361	0.98	49,980,000 (*)	51.72

(*) Deemed interest through their substantial shareholdings in Esteem Role Sdn. Bhd. pursuant to Section 8(4) of the Companies Act, 2016.

LIST OF DIRECTORS' SHAREHOLDINGS

Names	Direct Shareholdings		Indirect Shareholdings	
	No. of Shares	%	No. of Shares	%
Ngiam Tong Kwan	2,556,315	2.65	53,977,670 (*)	55.86
Ngiam Tee Wee	2,285,100	2.36	-	-
Ngiam Tee Yang	100,000	0.10	-	-
Datuk Dr. Syed Muhamad Bin Syed Abdul Kadir	100,000	0.10	-	-
Teh Yoon Loy	711,347	0.74	-	-
To' Puan Rozana Bte Tan Sri Redzuan	-	-	-	-
Ng Wai Pin	-	-	17,000 (**)	0.02

(*) Deemed interest through his substantial shareholding in Esteem Role Sdn. Bhd. pursuant to Section 8(4) of the Companies Act, 2016, and by virtue of the shareholdings held by his spouse and child in the Company.

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

LIST OF TOP 30 SHAREHOLDERS

No.	Name	Shareholdings	%
1	ESTEEM ROLE SDN. BHD.	49,980,000	51.719
2	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TEH PEN SIM (M14)	3,880,670	4.015
3	NGIAM TONG KWAN	2,556,315	2.645
4	NGIAM TEE WEE	2,285,100	2.364
5	CIMSEC NOMINEES (ASING) SDN. BHD. EXEMPT AN FOR CGS-CIMB SECURITIES (SINGAPORE) PTE.LTD. (RETAIL CLIENTS)	2,261,500	2.34
6	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR ANDREW CLEMENT GOMEZ	1,573,000	1.627
7	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR GOH HOON GHEE (M14)	1,347,900	1.394
8	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR CHAN PAIK KUN (7004806)	1,241,000	1.284
9	KIM POH HOLDINGS SDN. BHD.	1,000,000	1.034
10	YAP SEE SEE	900,000	0.931
11	CHANG YOKE MOOI	890,437	0.921
12	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR P.PREM ANAND PILLAI	889,600	0.920
13	RHB NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR WOO YAM SANG	868,000	0.898
14	TAN SEE CHONG	834,900	0.863
15	CHANG YOKE LAN	800,000	0.827
16	CHEANG WAN YING	800,000	0.827
17	KONG CHUN WAH	766,800	0.793
18	CHANG MOOI YOONG	750,100	0.776
19	KOH AH MEE @ HOH AH MEE	689,800	0.713
20	TEH ENG HOCK	675,000	0.698
21	TEH YOON LOY	675,000	0.698
22	S'NG KING KIOK	613,700	0.635
23	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR YAP CHEN NGAN (7004819)	580,000	0.600
24	CHAN SHAO YANG	572,000	0.591
25	WOO YAM SANG	546,400	0.565
26	GOH TOH LIM	505,000	0.522
27	LUM HOONG WAI	440,600	0.455
28	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR YEE FOONG SENG (REM646)	424,000	0.438
29	TAN KIM TIANG	423,000	0.437
30	LEE SOON HOOK	370,000	0.382

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

Registered in name of directors

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

APPENDIX I

PROPOSED ALTERATION OF THE EXISTING MEMORANDUM AND ARTICLES OF ASSOCIATION BY REPLACING WITH A NEW CONSTITUTION

**COMPANIES ACT 2016
MALAYSIA**

PUBLIC COMPANY LIMITED BY SHARES

CONSTITUTION

OF

BSL CORPORATION BERHAD

Incorporated on 29 April 2004

Constitution of
BSL CORPORATION BERHAD

Name of Company

1. The name of the Company is BSL Corporation Berhad.

*Company
name*

Registered Office

2. The registered office of the Company is situated in Malaysia.

*Registered
office*

DEFINITIONS AND INTERPRETATION

Definitions

3. In this Constitution:

Definitions

- “Act” Means the Companies Act 2016, as amended, substituted or re-enacted from time to time.
- “Annual General Meeting” Means a meeting of the Company required to be held pursuant to Section 340 of the Act.
- “Auditors” Means the auditors of the Company.
- “Board” or “Board of Directors” Means the board of directors for the time being of the Company.
- “Board Meeting” Means a meeting of the Directors of the Company.
- “Bursa Securities” Means Bursa Malaysia Securities Berhad.
- “Central Depositories Act” Means the Securities Industry (Central Depositories) Act 1991 and regulations made thereunder, as amended or re-enacted from time to time.
- “Company” Means BSL Corporation Berhad.
- “Company’s Documents” Including, but not limited to any of the following documents that may be issued by the Company from time to time:
- (a) In respect of a Member and person entitled to a Security in consequence of an Event of Transmission:
 - (i) Notices relating to General Meetings, instrument appointing a proxy (including electronic proxy appointment and voting manner), annual reports, audited financial statements, circular to shareholders, notices to holders of Securities, prospectus, information memorandum, notice of resolution, statement and other documents relating thereto;
 - (ii) All other documents as required under the Act, the Listing Requirements, applicable laws, guidelines, practice directives etc;
 - (iii) Other publication concerning the Company; and/or
 - (iv) All written communications.
 - (b) In respect of a Director:
 - (i) Notices relating to meetings of Board and Board committees and other documents relating thereto;
 - (ii) Notices relating to General Meetings, annual reports, audited financial statements, circular to shareholders, and other documents relating thereto;
 - (iii) All other documents as required under the Act, the Listing Requirements, applicable laws, guidelines, practice directives etc;
 - (iv) Other publication concerning the Company; and/or
 - (v) All written communications.
 - (c) In respect of the Auditors:
 - (i) Notices relating to General Meetings, audited financial statements, and other documents relating thereto;
 - (ii) All other documents as required under the Act, the Listing Requirements, applicable laws, guidelines, practice directives etc; and/or
 - (iii) All written communications.
 - (d) In respect of a holder of Debt Securities:
 - (i) Notices relating to meeting of Debt Securities holders, audited financial statements, notices to Debt Securities holders and other documents relating thereto;
 - (ii) All other documents as required under the trust deed governing an issue of Debt Securities, Act, the Listing Requirements, applicable laws, guidelines, practice directives etc; and/or
 - (iii) All written communications.

“Constitution”	The constitution of the Company as constituted by this document, or as altered from time to time by a special resolution.
“Debt Securities”	Means debentures, loan stocks or other similar instruments representing or evidencing indebtedness, whether secured or unsecured, and whether convertible or not.
“Deposited Security”	Means a security standing to the credit of a Securities Account and includes a security in a Securities Account that is in suspense.
“Depositor”	Means a holder of a Securities Account.
“Depository”	Means Bursa Malaysia Depository Sdn Bhd.
“Directors”	Means the directors for the time being of the Company (inclusive of alternate or nominee directors).
“Event of Transmission”	Means the death, bankruptcy or insolvency of a Member or debenture holder which would result in the Member or debenture holder being unable to remain as the registered holder of a share or debenture or such other transmission by operation of law.
“General Meeting”	Means a meeting of Members of the Company.
“Joint Holder”	In respect of a Security (other than Deposited Security), means two (2) or more persons are jointly entitled to any Security in the Company.
“Jumbo Certificate”	In relation to a Deposited Security, means a certificate comprising not less than fifty thousand (50,000) units of Securities of the Company or such denominations as may be directed by the Depository which is registered in the name of the Depository or its nominee company, as nominee for Depositors.
“Listed Deposited Security”	Means a Deposited Security quoted on the official list of Bursa Securities.
“Listing Requirements”	Means Main Market Listing Requirements of Bursa Securities, including any amendment that may be made from time to time.
“Member”	Means: <ul style="list-style-type: none"> (a) a person whose name is entered in the Register of Members as the holder for the time being of one or more shares in the Company; and/or (b) a Depositor whose name appears in the Record of Depositors as the holder for the time being of one or more shares in the Company. <p>Shares include ordinary shares, preference shares or other type of shares that may be issued and allotted by the Company from time to time.</p>
“Office”	Means the registered office of the Company.
“Officer”	Means any Director, Secretary or employee of the Company.
“Record of Depositors”	Means a record provided by the Depository to the Company under Chapter 24.0 of the Rules.
“Register of Members”	Means the record of members of the Company kept and maintained pursuant to Section 50 of the Act.
“Registrar”	Means the Registrar of Companies designated under Section 20A(1) of the Companies Commission of Malaysia Act 2001.
“Representative of Member”	Includes any of the following persons: <ul style="list-style-type: none"> (a) Representative appointed by a corporation which is a Member; or (b) Attorney appointed by the Member by a power of attorney.
“Rules”	Means the Rules of Depository, including any amendment that may be made from time to time.
“Seal”	Means the common seal of the Company.
“Secretary”	Means a secretary of the Company appointed under Section 236 of the Act.
“Security” or “Securities”	Has the meaning given in Section 2(1) of the Capital Markets and Services Act 2007.
“Securities Account”	Means an account established by the Depository for a Depositor for the recording of deposit of Securities and for dealing in such Securities by the Depositor.
“Shareholder”	Means a holder of one or more share(s) in the Company.
“Unlisted Deposited Security”	Means a Deposited Security other than Listed Deposited Security.

Interpretation

4. (1) Expressions referring to writing include, unless the contrary intention appear, references to printing, lithography, photography and other modes of representing or reproducing words in a visible form. *Interpretation*
- (2) Words importing the singular number only shall include the plural number, and vice versa.
- (3) Words importing the masculine gender only shall include the feminine gender.
- (4) Words importing persons shall include corporations.
- (5) Unless the context requires otherwise, other words and expressions contained in this Constitution shall bear the same meaning as in the Act when this Constitution becomes effective and binding on the Company.

TYPE AND PURPOSE OF COMPANY

Type of Company

5. (1) The Company is a public company limited by shares. *Public company*
- (2) The liability of the Members is limited to the amount, if any, unpaid on shares held by the Members. *Members' liability*

Purpose of Company

6. (1) The principal objects for which the Company is established are: *Objects*
- (a) To acquire and hold for investment shares, stocks, debentures, debenture stock, bonds, obligations and securities issued or guaranteed by any company or private undertaking or any syndicate of persons constituted or carrying on business in Malaysia or elsewhere and debentures, debenture stock, bonds, obligations and securities issued or guaranteed by any Government, sovereign ruler, commissions, public body or authority supreme, Municipal, local or otherwise and to acquire any such shares, stock, debentures, debenture stock, bonds, obligations or securities by original subscription tender, purchase, transfer, exchange or otherwise and to hold and from time to time vary or dispose of the same, but so that such shares and stocks etc as aforesaid and any shares and stocks etc acquired in substitution therefor shall be acquired for the purpose of investment only and so that surpluses or deficiencies arising on or from any such variation or disposal shall be dealt with as capital surpluses not available for the payment of dividend or as capital deficiencies and so that the carrying on by the company of any trade or business or dealing therein shall not be deemed to be hereby authorised.
- (b) To carry on business of providing managerial and other executive supervisory and consultant services for and undertake the business of management of, its subsidiaries or any company and/or companies in which the company is directly and/or indirectly interested upon such terms as may be thought fit and to advise on matters relating to the administration and organization of industry and business and to advise upon the means and methods for extending developing and improving all types of businesses or industries to any company and/or companies in Malaysia or outside Malaysia; and
- (c) To purchase or otherwise acquire for investment lands, houses, buildings, plantations, estates and other property of any tenure and any interest therein and any rights connected with such land and any moveable property of any description or any interest therein and to create tenancies freehold and leasehold ground rents and to develop and turn to account any land acquired by the Company or in which it is interested and in particular by laying out and preparing the same for building purposes, constructing, altering, pulling down, fitting up, decorating, demolishing, maintaining and improving buildings and conveniences and by planting, paving, farming, cultivating, draining, letting on building leases or agreements and by advancing money to and entering into contracts and agreements of all kinds with builders, tenants and others.
- (2) Without derogating from the generality of this Clause, the Company shall have the full capacity to carry on or undertake any business or activity that is in the best interest of the Company with full rights, powers and privileges for such purpose in accordance with Section 21 of the Act, subject always to the requirements of any applicable laws and regulations. *Legal capacity and powers of the Company*

SECURITIES

Classes of Shares

7. (1) The capital of the Company shall consist of ordinary shares. *Ordinary shares*
- (2) A holder of ordinary share(s) shall have the following voting rights: *Rights of ordinary shares*
- (a) Right to vote on a show of hands to one (1) vote on any resolution of the Company; and
- (b) Right to vote on a poll to one (1) vote for every share held on any resolution of the Company.

Variation of Rights

8. (1) If at any time the share capital is divided into different classes of shares, the rights attached to each class of shares (unless otherwise provided by the terms of issue of the shares of that class) may only, whether or not the Company is being wound up, be varied: *Variation of rights*
- (a) with the consent in writing of the holders holding not less than seventy-five percent (75%) of the total voting rights of the holders of that class of shares; or
- (b) by a special resolution passed by a separate meeting of the holders of that class of shares sanctioning the variation.
- (2) The provisions of this Constitution relating to General Meetings apply with the necessary modifications to every separate meeting of the holders of the shares of the class referred to in Clause 8(1), except that: *Quorum for Class Meeting*
- (a) for a meeting other than an adjourned meeting, a quorum is constituted by two (2) persons present holding at least one-third (1/3) of the number of issued shares of such class, excluding any shares of that class held as treasury shares; *Class Meeting*
- (b) if that class of shares only has one holder, a quorum is constituted by one (1) person present holding shares of such class; and
- (c) for an adjourned meeting, a quorum is constituted by one (1) person present holding share(s) of such class. *Adjourned Class Meeting*
- (3) The rights attached to an existing class of preference shares shall be deemed to be varied by the issue of new preference shares that rank equally with the existing class of preference shares unless such issuance was authorised by: *Variation of rights of existing preference shares*
- (a) the terms of the issue of the existing preference shares; or
- (b) this Constitution of the Company as in force at the time when the existing preference shares were issued.

Records of Members

9. (1) The records of Members of the Company comprise the following: *Records of Members*
- (a) Record of Depositors; and/or
 - (b) Register of Members.
- (2) In relation to Deposited Securities, a Depositor whose name appears in the Record of Depositors maintained by the Depository in accordance with Section 34 of the Central Depositories Act in respect of the Securities of the Company which have been deposited with the Depository shall be deemed to be a shareholder, debenture holder or option holder of the Company, as the case may be, and shall, subject to the provisions of the Central Depositories Act and any regulations made under that Act, be entitled to the number of securities stated in the Record of Depositors. *Record of Depositors*
- (3) In relation to non-Deposited Securities, the Company shall: *Register of Members*
- (a) maintain a Register of Members at its Office or such other place as may be determined by the Directors from time to time; and
 - (b) record the particulars of the Members as prescribed under Section 50 of the Act in the Register of Members.
- (4) The Company shall use the address of a Member in the Record of Depositors or Register of Members (as applicable) for the purpose of delivering Company's Documents and such address may be any one or more of the following: *Address*
- (a) a residential address;
 - (b) a postal address;
 - (c) a registered office (if the Member is a corporation);
 - (d) a business address;
 - (e) an email address;
 - (f) a facsimile number; and/or
 - (g) contact details as provided by the Depositor to the Depository.
- (5) (a) In relation to Deposited Securities, a Depositor must notify the Depository from time to time of any change of his particulars or such information as required under the Rules. *Notification of change of particulars of Record of Depositors*
- (b) In relation to non-Deposited Securities, each Member must notify the Company as soon as practicable (in any event no later than fourteen (14) days) of any change of his particulars to enable the Company to record such change in the Register of Members and notify the Registrar within the aforesaid timeline as stipulated in the Act. *Notification of change of particulars of Register of Members*

Certificates of Shares or Debentures

10. (1) The Company may, as required by the Depository, issue a Jumbo Certificate in the name of the Depository or its nominee company, as nominee for Depositors, for the Deposited Securities issued by the Company from time to time.
- (2) In relation to non-Deposited Securities:
- (a) every person whose name is entered as member in the Register of Members or holder in the register of debenture holders shall be entitled without payment to receive a certificate in respect of the shares or debentures issued under the Seal in accordance with the Act. *Issuance of share / debenture certificate*
 - (b) in respect of shares or debentures held jointly by several persons, the Company is not bound to issue more than one (1) certificate for such shares or debentures, and delivery of a certificate for shares or debentures to one (1) of several Joint Holders is sufficient delivery to all such holders. *Issuance of share / debenture certificate to Joint Holders*
 - (c) if a certificate of shares or debentures is worn out, defaced, lost or destroyed, it may be re-issued on payment of a fee not exceeding RM50.00 on the application by the Shareholder or debenture holder. The Directors may, at its absolute discretion and as they think fit, impose such terms and requirements (if any) as to evidence and indemnity and payment of out-of-pocket expenses of the Company incidental to the investigation, and in the case of defacement or wearing out, on delivery of the old certificate. *Loss or destruction of share / debenture certificate*

Beneficial Ownership of Shares

11. (1) Except as required by law, the Central Depositories Act, the Rules or pursuant to any order of the Court, no person is to be recognised by the Company as holding any share upon any trust. *Trust*
- (2) Except as required by law, this Constitution, the Central Depositories Act, the Rules or pursuant to any order of the Court, the Company is not bound by or compelled in any way to recognise or enter into the Register of Members or Record of Depositors: *Not compelled to recognise trust*
- (a) any equitable, contingent, future or partial interest in any share or unit of a share; or
 - (b) any other rights in respect of any share or unit of share,
- other than the registered holder's rights to the entirety of the share or unit of share.
- (3) Clause 11(2) applies even when the Company has notice of any interest or right (including notice of any trust expressed, implied or constructive in this regard) referred to in Clauses 11(2)(a) or (b). *Notice of interest or right*

DEALING IN SECURITIES

Issue of Securities

12. (1) Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares but subject always to the Act, the Listing Requirements and this Constitution, the Directors have the right to:
- Allotment of shares or grant of rights*
- (a) issue and allot shares in the Company; and
- (b) grant rights to subscribe for shares or options over unissued shares in the Company.
- (2) Subject to the Act, the Listing Requirements, this Constitution and the relevant Shareholders' approval being obtained, the Directors may issue any shares (including rights or options over subscription of such shares):
- Pre-emptive rights shall not apply*
- (a) with such preferred, deferred, or other special rights or such restrictions, whether with regard to dividend, voting, return of capital, or otherwise, as the Directors may determine;
- (b) to any person, whether a Member or not, in such numbers or proportions as the Directors may determine; and
- (c) for such consideration as the Directors may determine.
- (3) (a) Subject to the Act, the Listing Requirements and any direction to the contrary that may be given by the Company in General Meeting, all new shares or other convertible securities shall, before issue, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of General Meetings in proportion as nearly as the circumstances admit, to the amount of the existing shares or securities to which they are entitled.
- Issue of new shares or securities to Members*
- (b) The offer shall be made by notice specifying the number of shares or securities offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares or securities offered, the Directors may dispose of those shares or securities in such manner as they think most beneficial to the Company.
- (c) The Directors may likewise also dispose of any new share or security which (by reason of the ratio which the new shares or securities bear to shares or securities held by persons entitled to an offer of new shares or securities) cannot, in the opinion of the Directors, be conveniently offered under this Constitution.
- (4) Subject to Paragraph 6.06 of the Listing Requirements and notwithstanding the existence of a resolution pursuant to Sections 75(1) and 76(1) of the Act, the Company must not issue any shares or convertible securities if the total number of those shares or convertible securities, when aggregated with the total number of any such shares or convertible securities issued during the preceding twelve (12) months, exceeds ten percent (10%) of the total number of issued shares (excluding treasury shares) of the Company except where the shares or convertible securities are issued with the prior shareholder approval in a General Meeting of the precise terms and conditions of the issue.
- General mandate for issue of securities*
- (5) (a) The Company may pay commission (including brokerage) subject to the following:
- Permitted commission*
- (i) the commission shall not exceed the rate of ten percent (10%) of the price at which the shares in respect whereof the same is paid are issued; or
- (ii) the commission shall not exceed an amount equal to ten percent (10%) of that price, whichever is lesser;
- (b) The rate of commission shall be disclosed in the manner prescribed in the Act; and
- (c) The said commission may be satisfied by payment in cash or shares (fully or partly paid shares) or partly in one way and partly in the other. For the purpose of Clause 12(5), commission includes brokerage and the rates referred to in Clause 12(5)(a) shall not apply to brokerage.
- (6) Subject to Section 130 of the Act, where any shares of the Company are issued for the purpose of raising money to defray the expenses of the construction of any works or buildings or the provision of any plant which cannot be made profitable for a long period, the Company may pay interest or returns on the amount of such share capital as is for the time being paid up and charge the interest or returns paid to share capital as part of the cost of construction of the works, buildings or the provision of any plant.
- Power of Company to pay interest out of capital in certain cases*

Transfer and Transmission of Securities under the Central Depository System

13. Clauses 14 and 15 shall apply to Deposited Securities.
- Application*

Transfer of Securities

14. The transfer of any Deposited Security or class of Deposited Security of the Company, shall be by way of book entry by the Depository in accordance with the Rules and, notwithstanding Sections 105, 106 or 110 of the Act, but subject to Section 148(2) of the Act and any exemption that may be made from compliance with Section 148(1) of the Act, the Company shall be precluded from registering and effecting any transfer of the Deposited Securities.
- Transfer of securities*

Transmission of Securities

15. Where:
- Transmission of securities*
- (a) the Securities of the Company are listed on another stock exchange; and
- (b) the Company is exempted from compliance with Section 14 of the Central Depositories Act or Section 29 of the Securities Industry (Central Depositories) (Amendment) Act 1998, as the case may be, under the Rules in respect of such Securities,

the Company shall, upon request of a Securities holder, permit a transmission of Securities held by such Securities holder from the register of holders maintained by the registrar of the Company in the jurisdiction of the other stock exchange, to the register of holders maintained by the registrar of the Company in Malaysia and vice versa provided that there shall be no change in the ownership of such Securities.



Transfer and Transmission of Shares or Debentures

16. Clauses 17 to 23 shall apply to non-Deposited Securities. *Application*
- ### Transfer of Shares or Debentures
17. (1) Subject to this Constitution and other written laws, any Shareholder or debenture holder may transfer all or any of his shares or debentures by instrument of transfer as prescribed under the Act. *Instrument of transfer*
- (2) The instrument of transfer must be executed by or on behalf of the transferor and the transferee. *Execution of instrument of transfer*
- (3) The transferor shall remain as the holder of such shares or debentures until the transfer is registered and the name of the transferee is entered in the Register of Members or register of debenture holders in respect of the shares or debentures respectively. *Effect the transfer of shares or debentures*
18. (1) To enable the Company to register the name of the transferee, the following items in relation to the transfer of shares or debentures must be delivered by the transferor to the Office of the Company: *Items for transfer of shares or debentures*
- (a) the instrument of transfer duly executed and stamped;
- (b) the certificate of the shares or debentures which the instrument of transfer relates; and
- (c) any other evidence as the Directors may reasonably require showing the right of the transferor to make the transfer.
- (2) Upon receipt of the items referred to in Clause 18(1), the Company shall, upon the approval of the Board and unless otherwise resolved, register the name of the transferee in the Register of Members or register of debenture holders (as applicable). *Approval of registration*
19. (1) The Directors may decline or delay to register the transfer of shares within thirty (30) days from the receipt of the instrument of transfer if: *Refusal of registration*
- (a) the shares are not fully paid shares;
- (b) the Directors passed a resolution with full justification to refuse or delay the registration of transfer;
- (c) the Company has a lien on the shares; and/or
- (d) the Shareholder fails to pay the Company an amount due in respect of those shares, whether by way of consideration for the issue of the shares or in respect of the sums payable by the Shareholder in accordance with this Constitution.
- (2) Where applicable, the Company shall send a notice of the resolution referred to in Clause 19(1)(b) to the transferor and transferee, within seven (7) days of the resolution being passed by the Directors. *Notification to transferor and transferee*
20. On giving at least fourteen (14) days' notice to the Registrar to close the Register of Members or register of debenture holders, the Company may close the Register of Members or register for any class of members or register of debenture holders (collectively, the "Registers") for the purpose of updating the Registers. The registration of transfer may be suspended at such time and for such period as the Directors may from time to time determine, provided that no part of the relevant Register(s) be closed for more than thirty (30) days in aggregate in any calendar year. *Closing the Register of Members or Register of Debenture Holders*

Transmission on Death

21. In case of the death of a Member or debenture holder, the only persons recognised by the Company as having any title to the interest of the deceased Member or debenture holder in the shares or debentures respectively shall be: *Transmission on death*
- (1) the survivor(s), where the deceased Member or debenture holder was a Joint Holder; and
- (2) the legal personal representatives of the deceased Member or debenture holder, where the deceased Member or debenture holder was a sole holder,
- but nothing herein contained shall release the estate of a deceased Joint Holder from any liability in respect of any share which had been jointly held by him with other persons.

Transmission by Operation of Law

22. (1) Any person becoming entitled to a share or debenture in consequence of an Event of Transmission may, upon such evidence being produced as is properly required by the Directors, and subject as hereinafter provided, elect either to register himself as the holder of the share or debenture or to have some other person nominated by him registered as the transferee of the shares or debentures. *Registration of transmission*
- (2) If the entitled person elects to register himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. *Elects to register himself as holder*
- (3) If he elects to have another person registered, he shall execute an instrument of transfer of the share or debenture in favour of that person. *Elects to register other person as the holder*
- (4) All limitations, restrictions and clauses of this Constitution relating to the right to transfer and the registration of transfers of shares or debentures shall be applicable to any such notice or transfer as if the Event of Transmission had not occurred and the notice or transfer were a transfer signed by that Shareholder or debenture holder. *Limitations, restrictions and clauses relating to transfer of shares or debentures shall apply to transmission*

23. (1) Upon an Event of Transmission and the receipt by the Company of the relevant notification as required under the Act together with such documentary evidence as required by the Directors from the person who is entitled to the title to the relevant shares or debentures, the Company shall register the person as a shareholder or debenture holder of the Company within sixty (60) days from its receipt of the notification (together with the required documentary evidence). *Entitled to the same rights as the registered holder*
- (2) The registration of transmission of shares or debentures under Clause 23(1) shall entitle the registered holder to the same dividends and other advantages, and to the same rights (whether in relation to meetings of the Company, or to voting or otherwise), as the registered holder would have been entitled to if the registered holder had not suffered an Event of Transmission.
- (3) Where two (2) or more persons are jointly entitled to any shares or debentures in consequence of the death of the registered holder, they shall, for the purpose of this Constitution, be deemed to be Joint Holders of the shares or debentures. *Joint Holder*

Lien on Shares

24. (1) The Company has a first and paramount lien on every share for: *Lien on shares*
- (a) any amount due or unpaid in respect of the share which has been called or is payable at a fixed date and/or time;
- (b) all amounts that the Company may be called on by law to pay in respect of the share; and/or
- (c) any reasonable interest in respect of the unpaid amounts on the share and reasonable expenses incurred by the Company in respect of receiving unpaid amounts on the share.
- (2) The Company's lien, if any, on a share extends to all dividends payable in respect of the share which may be retained and applied towards the satisfaction of any or all amounts due to the Company in respect of which the lien exists. *Dividends payable may be used for satisfaction of the amount due*
- (3) The Company's lien on shares and dividends from time to time declared in respect of such shares, shall be restricted to: *Company's lien on shares and dividends*
- (a) unpaid calls and instalments upon the specific shares in respect of which such moneys are due and unpaid,
- (b) if the shares were acquired under an employee share option scheme, amounts which are owed to the Company for acquiring them; and
- (c) such amounts as the Company may be called upon by law to pay, and has paid, in respect of the shares of the Member or deceased Member.
- In each case, the lien extends to reasonable interest and expenses incurred because the amount is not paid.
- (4) The Directors may at any time declare a share to be wholly or partly exempt from Clauses 24(1) or (2), or both. *Exemption*
25. No person is entitled to exercise any rights or privileges as a Member until the Member has paid all calls, instalments of calls and other moneys (including interest and expenses) for the time being payable in respect of which the lien exists. *Rights or privileges of a Member*
26. The registration of a transfer of a share approved by the Directors shall operate as a waiver of the Company's lien over the share. *Registration of transfer*
27. (1) Subject to Clause 27(2), the Company may sell, in any manner as the Directors think fit and appropriate, any shares over which the Company has a lien. *Sale of shares under lien*
- (2) A share on which the Company has a lien shall not be sold unless: *Enforcing sale of shares under lien*
- (a) a sum in respect of which the lien exists is presently payable; and
- (b) the Company has, not less than fourteen (14) days before the date of the sale, given to the registered holder for the time being of the share or the person entitled to the share by reason of the death or bankruptcy of the registered holder of the share, a notice in writing stating and demanding payment of such part of the amount in respect of which the privilege or lien exists and is presently payable.
28. (1) To give effect to any sale of shares under Clause 27, the Directors may authorise a person to transfer the shares sold to the purchaser of the shares. *Give effect to any sale of shares*
- (2) The Company shall register the purchaser as the holder of the shares comprised in any such transfer and the Directors shall not be bound to see to the application of the purchase money. *Register the purchaser as the holder*
- (3) The title of the purchaser to the shares shall not be affected by any irregularity or invalidity in the proceedings relating to the sale of the shares. *Title of the purchaser*
29. The proceeds of a sale of shares under Clause 27 shall be received and applied by the Company in payment first of the expenses of the sale, then of such part of the amount in respect of which the lien exists as is presently payable and the residue (if any) shall (subject to any similar lien for sums not presently payable that exists over the shares before the sale) be paid to the person entitled to the shares as at the date of the sale. *Proceeds of sale of shares*

Calls on shares

30. (1) The Directors may from time to time make calls upon the Shareholders in respect of any money unpaid on the shares of the Shareholders and not by the conditions of the allotment of the shares made payable at fixed date, provided that:
- (a) no call shall exceed one-fourth ($\frac{1}{4}$) of the issue price of the share or be payable at less than thirty (30) days from the date fixed for the payment of the last preceding call; and
- (b) each Shareholder shall, upon receiving at least fourteen (14) days' notice specifying the date, time and place of payment, pay to the Company (at the time or times and place specified in the notice) amount called on the Shareholder's shares.
- (2) The Joint Holders of a share shall be jointly and severally liable to pay all calls in respect of their shares.
- (3) A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by instalments.
- (4) A call may be revoked or postponed as the Directors may determine.
31. (1) If a sum called in respect of a share is not paid before or on the day appointed for payment of the sum, the person from whom the sum is due shall pay interest on that sum from the appointed day for payment to the time of actual payment at a rate not exceeding eight percent (8%) per annum as the Board may determine.
- (2) The Board may waive payment of any such interest in whole or in part.
32. (1) Any sum which, by the terms of issue of a share, becomes payable on allotment or at any fixed date shall be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.
- (2) In the case of non-payment of such sum, all the relevant provisions of this Constitution as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
33. (1) The Company may accept from any Shareholder the whole or a part of the amount unpaid on a share although no part of that amount has been called up.
- (2) The Company may make arrangements on the issue of shares for varying the amounts and times of payment of calls as between Shareholders.
- (3) Upon all or any part of the money advanced by Shareholder (for all or any part of the money uncalled or unpaid upon the shares held by such Shareholder) received by the Directors from the Shareholder become payable, the Directors may authorise the Company to pay interest or return at a rate not exceeding eight percent (8%) per annum as may be agreed upon between the Directors and the Shareholder paying the sum in advance (unless the Company in a General Meeting otherwise directs).
- (4) However, the Company may not pay dividends in proportion to the amount paid up on each share where a larger amount is paid up on some shares than on others.

Forfeiture of Shares

34. (1) If a Shareholder fails to pay any call or instalment of a call on or before the day appointed for the payment of the call or instalment, the Directors may serve a notice on the Shareholder requiring payment of the amount unpaid, together with interest at such rate not exceeding eight percent (8%) per annum as the Directors shall determine.
- (2) The notice shall specify a date (not earlier than the expiration of fourteen (14) days from the date of service of the notice) on or before which the payment is required to be made and the notice shall state that, in the event of non-payment on or before the specified date, the shares in respect of which the call was made will be liable to be forfeited.
35. (1) If the requirements set out in the notice served under Clause 34 are not complied with, the shares in respect of which such notice has been given shall be forfeited by a resolution of the Directors to that effect, unless the required payment is made before such resolution.
- (2) A forfeiture of shares as referred to in Clause 35(1) above shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.
36. A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Directors think fit and, at any time before a sale or disposition of the forfeited shares, the forfeiture may be cancelled on such terms as the Directors think fit.
37. If any share is forfeited and sold, any residue after the satisfaction of the unpaid calls and accrued interest and expenses, shall be paid to the person whose shares have been forfeited, or his executors, administrators or assignees or as he directs.

38. A person whose shares have been forfeited shall cease to be a Member in respect of the forfeited shares. Notwithstanding that, such person shall remain liable to pay to the Company all money that, at the date of forfeiture, was payable by the person to the Company in respect of the shares (together with interest or compensation at the rate of eight percent (8%) per annum from the date of forfeiture on the money for the time being unpaid if the Directors think fit to enforce payment of the interest or compensation). Liability of the person shall cease if and when the Company receives payment in full of all the money (including interest or compensation) so payable in respect of the shares. *Cessation of Member in respect of forfeited shares*
39. A statutory declaration in writing by a Director or Secretary that a share in the Company has been duly forfeited on the date stated in the declaration shall be conclusive evidence of the facts stated in the declaration against all persons claiming to be entitled to the share. *Statutory declaration*
40. (1) The Company may receive the consideration (if any) given for a forfeited share on any sale or disposition of the shares and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of. *Consideration of the forfeited shares*
- (2) Upon the execution of the transfer of the share, the transferee shall be registered as the holder of the share and the Company shall not be bound to see to the application of the purchase money (if any). *Transfer of forfeited shares*
- (3) The title of the transferee to the share is not affected by any irregularity or invalidity in the proceedings in connection with the forfeiture, sale or disposal of the share. *Title of the transferee*
41. The provision of this Constitution as to forfeiture of shares shall apply in the case of non-payment of any sum that, by the terms of issue of a share, become payable to the Company at a fixed date as if that sum of the shares had been payable by virtue of a call duly made and notified. *Provision of forfeited shares*

Conversion of shares into stock

42. The Company may by ordinary resolution passed at a General Meeting convert any paid-up shares into stock and reconvert any stock into paid-up shares in accordance with Sections 84(1)(b) and 86 of the Act. *Conversion of shares into stock and vice versa*
43. (1) The stockholders may transfer their stock or any part thereof in the same manner as the transfer of shares from which the stock arose may, before the conversion, have been transferred or be transferred in the closest manner as the circumstances allow. *Stock is transferable*
- (2) The Directors may from time to time fix the minimum amount of stock transferable and restrict or forbid the transfer of fractions of that minimum. *Directors' powers*
44. (1) The stockholders shall, according to the amount of the stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company and other matters as if they held the shares from which the stock arose. *Rights of stockholders*
- (2) However, no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by any such part of stock which would not, if existing shares have conferred that privilege or advantage. *Participation in dividends and profits*
45. For the purpose of Clauses 42 to 44, any reference in this Constitution as are applicable to paid-up shares shall apply to stock, and the words "share" and "shareholder" therein shall include "stock" and "stockholder" respectively. *Reference*

Alteration of Capital

46. (1) The Company may from time to time by ordinary resolution and subject to other applicable laws or requirements:
- (a) consolidate and divide all or any of its share capital, the proportion between the amount paid and the amount, if any, unpaid on each subdivided share shall be the same as it was in the case of the share from which the subdivided share is derived; or *Consolidation of shares*
- (b) subdivide its shares or any of them into shares, whichever is in the subdivision; the proportion between the amount paid and the amount, if any, unpaid on each subdivided share shall be the same as it was in the case of the share from which the subdivided share is derived. *Subdivision of shares*
- (2) The Company may from time to time by special resolution and subject to other applicable requirements:
- (a) cancel shares which, at the date of the passing of the resolution in that regard, have not been taken or agreed to be taken by any person or which have been forfeited and diminish the amount of its share capital by the amount of the shares so cancelled or in such other manner allowed by law; or *Cancellation of shares*
- (b) reduce its share capital in such manner permitted by law, and (where applicable) subject to the relevant required approvals being obtained. *Reduction of share capital*
- (3) The Company shall have the power, subject to and in accordance with the provisions of the Act, the Listing Requirements and any rules, regulations and guidelines in respect thereof for the time being in force, to purchase its own shares and thereafter to deal with the shares purchased in accordance with the provisions of the Act, the Listing Requirements and any rules, regulations and guidelines thereunder or issued by Bursa Securities and any other relevant authorities in respect thereof. *Purchase of own shares*

PASSING OF RESOLUTIONS OF MEMBERS

Passing of Resolutions of Members

47. The Company may pass a resolution of the Members or of a class of Members at a meeting of the Members. *Passing a Members' Resolution*



MEETINGS OF MEMBERS

Convening General Meetings

48. (1) The Company shall hold an Annual General Meeting in every calendar year pursuant to Section 340 of the Act to transact the following ordinary business: *Annual general meeting*
- (a) The laying of audited financial statements and the reports of the Directors and Auditors; *Ordinary business*
 - (b) The declaration of dividend (if any);
 - (c) The election or re-election and the fixing of the fees and benefits of the Directors;
 - (d) The appointment and the fixing of the fees and benefits of the Directors; and
 - (e) The appointment or re-appointment and the fixing of the remuneration of the Auditors.
- (2) All businesses (except for those set out under Clause 48(1)) shall be special that is transacted at an Annual General Meeting and also that is transacted at other General Meeting. *Special business*
49. Subject to Clause 48, all meetings of Members shall be called General Meetings. *General Meetings*
50. The Board: *Board to convene General Meeting*
- (1) may, whenever it thinks fit, convene a meeting of the Members; and
 - (2) shall convene a General Meeting on the request of the Members pursuant to Section 311 of the Act.
51. A General Meeting may be requisitioned by: *Members to requisite a General Meeting*
- (a) any Member(s) holding at least ten percent (10%) of the issued and paid up share capital of the Company pursuant to Sections 310(b) and 311(3)(a) of the Act; or
 - (b) any of the Members representing more than one half of the total voting rights of all of the Members who requisitioned the General Meeting pursuant to Section 313(1) of the Act.

Notice of General Meetings

52. (1) A notice of a General Meeting must specify the following: *Contents of Notice of General Meeting*
- (a) the place, date and time of the General Meeting;
 - (b) the general nature of the business of the General Meeting; and
 - (c) the text of any proposed resolution and other information as the Directors think fit.
- (2) If the General Meeting is to be held in two (2) or more places, the notice of the General Meeting shall specify the technology or method that will be used to facilitate the General Meeting. *General Meeting held at two (2) or more venues*
- (3) The main venue of the General Meeting shall be in Malaysia and the chairperson shall be present at that main venue of the General Meeting. *Main venue*
53. (1) The notices convening General Meetings shall specify the place, day and hour of the General Meeting, and shall be given to all Shareholders at least fourteen (14) days before the General Meeting or at least twenty-one (21) days before the General Meeting where any special resolution is to be proposed or where it is an Annual General Meeting. Any notice of a General Meeting called to consider special business shall be accompanied by a statement regarding the effect of any proposed resolution in respect of such special business. At least fourteen (14) days' notice or twenty-one (21) days' notice in the case where any special resolution is proposed or where it is the Annual General Meeting, of every such meeting must be given by advertisement in at least one (1) nationally circulated Bahasa Malaysia or English daily newspaper and in writing to each stock exchange upon which the Company is listed. *Notice of General Meetings*
- (2) The notice of General Meeting shall exclude the date of issuing the notice and the date of the General Meeting.
- (3) An Annual General Meeting may be called by a notice shorter than the period referred to in Clause 53(1) if so agreed by all the Members entitled to attend and vote at the General Meeting.
- (4) The technology to be used for the purpose of this Clause must allow the Members who participate in the physical and/or virtual General Meeting to communicate simultaneously with the chairperson, Directors, other Members and advisers (if any) taking part in the main venue of the General Meeting and such technology may include telephone, television, video conferencing, or any other telecommunication or digital methods which permits instantaneous communication. *Technology to be used for physical and/or virtual General Meeting*
- (5) Subject to the Act, the Listing Requirements and other applicable laws and regulations, the physical and/or virtual General Meeting shall be deemed to constitute a General Meeting and all provisions of this Constitution relating to General Meetings shall apply to any physical and/or virtual General Meeting provided the following conditions are met: *Conditions for physical and/or virtual General Meeting*
- (a) All the Members for the time being entitled to receive notice of the General Meeting shall be entitled to receive notice of the physical and/or virtual General Meeting. Notice of any such meeting shall be given by an appropriate form of technology (or in such other manner) as determined by the Board of Directors and permitted by this Constitution; and
 - (b) The Members who attend the General Meeting remotely may participate, speak and vote at the physical and/or virtual General Meeting provided that the remote locations should leverage on technology to facilitate voting, including voting in absentia and remote shareholders' participation at the physical and/or virtual General Meeting.
- (6) A General Meeting, other than an Annual General Meeting and a General Meeting for passing of a special resolution, may be called by a notice shorter than the period referred to in Clause 53(1) if so agreed by a majority in the number of the Members who collectively hold not less than ninety-five percent (95%) of the total number of shares giving the rights to attend and vote at the General Meeting, excluding any shares in the Company held as treasury shares. *Shorter notice*

54. Notice of every General Meeting shall be given in the manner authorised by Clause 127 to:
- (1) every Member (including any person who is entitled to a share in consequence of the death or bankruptcy of a Member who, but for his death or bankruptcy, would be entitled to receive notice of the meeting and the Company has been notified of the person's entitlement in writing); *Persons entitled to receive notice of General Meeting*
 - (2) every Director; and
 - (3) the Auditors.
55. (1) In relation to Deposited Securities, the Company shall request the Depository in accordance with the Rules, to issue a Record of Depositors to whom notices of General Meetings shall be given by the Company. *Record of Depositors*
- (2) The Company shall also request the Depository in accordance with the Rules, to issue a Record of Depositors, as at the latest date which is reasonably practicable which shall in any event be not less than three (3) market days before the General Meeting ("General Meeting Record of Depositors").
- (3) Subject to the Securities Industry (Central Depositories) (Foreign Ownership) Regulations 1996 (where applicable), a Depositor shall not be regarded as a Member entitled to attend any General Meeting and to speak and vote thereat unless his name appears in the General Meeting Record of Depositors.

Quorum for General Meetings

56. (1) No business is to be transacted at any General Meeting unless a quorum of Members is present at the time when the meeting proceeds to business. *Quorum*
- (2) Two (2) Members personally present at a meeting or by proxy or by Representative of Member shall constitute a quorum. *More than one (1) Member*
- (3) For the purpose of constituting a quorum:
- (a) one (1) or more representatives appointed by a corporation shall be counted as one (1) Member; *Corporate representative*
 - (b) one (1) or more proxies appointed by a person shall be counted as one (1) Member; or *Proxy*
 - (c) the presence of one (1) or more Joint Holders shall be counted as one (1) Member. *Joint Holders*

No Quorum

57. If a quorum is not present within half an hour after the time appointed for a General Meeting: *Quorum is not present*
- (1) where the General Meeting was convened upon the requisition of Members, the meeting shall be dissolved; or *Requisition of Member*
 - (2) in any other case: *Other case*
 - (a) if no determination is made by the Directors, the General Meeting shall stand adjourned to the same day in the next week at the same time and place or if that day falls on a public holiday then to the next business day following that public holiday; or *Adjournment of General Meeting*
 - (b) the General Meeting shall stand adjourned to another day and at another time and place as the Directors may determine; and
- if at the adjourned General Meeting, a quorum is not present within half an hour from the time appointed for the meeting, then any Member present shall form a quorum. *Adjourned General Meeting*

Chairperson of General Meetings

58. The chairperson of a General Meeting is:
- (1) where the Board has appointed a chairperson or deputy chairperson amongst the Directors, the Chairperson of the Board; or *Chairperson of the Board*
 - (2) where: *Members to appoint Chairperson of General Meeting*
 - (a) the Chairperson of the Board is unable or unwilling to act as the chairperson of the General Meeting;
 - (b) the Chairperson is not present within fifteen (15) minutes after the time appointed for the holding of the General Meeting; or
 - (c) the Board has not appointed a chairperson amongst the Directors,
- the Members present shall elect one of their Members present to be the chairperson of the General Meeting.
- (3) For avoidance of doubt, a proxy or Representative of Member may be elected as the chairperson of the General Meeting by a resolution passed at the meeting.

Adjournment of General Meetings

59. (1) The chairperson shall adjourn a General Meeting, at which a quorum is present, from time to time and from place to place if the Members present with a majority of votes that may be cast at that meeting agree or direct the chairperson to do so. *Members' consent is required*
- (2) No business shall be transacted at any adjourned General Meeting other than the business left unfinished at the General Meeting from which the adjournment took place (referred to as the "Original General Meeting"). *Only transact the business left unfinished at the General Meeting*
- (3) There is no need to give any notice of an adjourned General Meeting or of the business to be transacted at an adjourned General Meeting unless the adjourned General Meeting is to be held thirty (30) days or more after the date of the Original General Meeting or otherwise as the chairperson directs. *Notice of adjourned General Meeting*

Voting by Show of Hands

60. (1) Subject to the Listing Requirements, at a General Meeting, a resolution put to the vote of the General Meeting shall be decided on a show of hands unless a poll is demanded before or on the declaration of the result of the show of hands. *By show of hands*
- (2) On a vote on a resolution at a General Meeting on a show of hands, a declaration by the chairperson that a resolution has been passed unanimously, or with a particular majority, or is lost, and an entry to that effect in the minutes of the proceeding shall be conclusive evidence of that fact without proof of the number or proportion of the votes recorded in favour of or against the resolution. *Declaration by the chairperson*

Voting by Poll

61. (1) A poll may be demanded: *Demand a poll*
- (a) by the chairperson;
- (b) by at least three (3) Members present in person or by proxy;
- (c) by any Member or Members present in person or by proxy and representing not less than ten percent (10%) of the total voting rights of all the Members having the right to vote at the General Meeting; or
- (d) by a Member or Members holding shares in the Company conferring a right to vote at the General Meeting being shares on which an aggregate sum has been paid up equal to not less than ten percent (10%) of the total paid up shares conferring that right.
- For purposes of this Clause, references to "Member" shall include Representative of Member.
- (2) The demand for a poll may be subsequently withdrawn. *Withdrawal of a demand for poll*
- (3) Subject to Clause 61(4), if a poll is duly demanded, it shall be taken in such manner and either at once or after an interval or adjournment or otherwise as the chairperson directs. *When a poll is to be held*
- (4) No poll shall be demanded on the election of a chairperson of a General Meeting or on a question of adjournment of a General Meeting. *No poll on election of chairperson or adjournment*
- (5) When a poll is properly demanded, the earlier vote by a show of hands shall be superseded by the result of the poll and the result of the poll shall be the resolution of the General Meeting at which the poll was demanded. *Result of the poll*

Casting Vote

62. In the case of an equality of votes, whether on a show of hands or on a poll, the chairperson of the General Meeting at which the show of hands takes place or at which the poll is carried out is entitled to a second or casting vote. *Chairperson shall have a casting vote*

Voting Entitlement

63. Subject to any rights or restrictions for the time being attached to any class or classes of shares:
- (1) at meetings or class meetings of Members, each Member entitled to vote may vote in person or by a proxy or by Representative of Member; *Voting by Member*
- (2) on a vote by way of show of hands, every Member who is present in person or by proxy or Representative of Member has one (1) vote; *Voting by a show of hands*
- (3) on a vote by way of poll, every Member who is present in person or by proxy or by Representative of Member shall have one (1) vote for each share or stock the Member holds; and *Voting by poll*
- (4) in the case of Joint Holders, the joint holders shall be considered as one (1) Member. *Voting by Joint Holders*
64. For the purposes of Clause 63(2): *Votes by proxy*
- (1) where a Member entitled to vote on a resolution has appointed a proxy, the proxy shall be entitled to vote on a show of hands, provided that he is the only proxy appointed by the Member; *May vote by show of hands if one proxy is appointed*
- (2) where a Member entitled to vote on a resolution has appointed more than one (1) proxy,
- (a) the proxies shall only be entitled to vote on a poll; and
- (b) the appointment shall not be valid unless he specifies the proportions of his holdings to be represented by each proxy; and *May only vote on a poll if more than one (1) proxy appointed*
- (3) in respect of Clause 64(1), where the shares of the Company are quoted on a stock exchange and if a Member entitled to vote on a resolution has appointed more than one (1) proxy, the entitlement of those proxies to vote on a show of hands shall be in accordance with the listing requirements of the stock exchange. *Exception*
65. For the purposes of Clause 63(4), if the Joint Holders purport to exercise the power to vote in the same way, the power is treated as exercised in that way. If the Joint Holders do not purport to exercise the power in the same way, the power is treated as not exercised. *Votes of Joint Holders of shares*
66. For the purposes of Clause 63, when a corporate Member appoints more than one (1) representative, if its representatives purport to exercise the power to vote in the same way, the power is treated as exercised in that way. If the representatives do not purport to exercise the power in the same way, the power is treated as not exercised. *Votes of corporate representative of shares*

Voting Restrictions

67. If a Member is of unsound mind or is a person whose person or estate is liable to be dealt with in any way under the law relating to mental health, the relevant committee or trustee or such other person as properly appointed under the applicable law to manage his estate may exercise any rights of the Member in relation to a meeting of the Company's Members as if the committee, trustee or other person were the Member. *Member is of unsound mind*
68. No member is entitled to attend and vote at any General Meeting unless all calls or other sums presently payable by the Member in respect of shares in the Company have been paid. *Calls unpaid*

Objection to Votes

69. (1) An objection may be raised to the qualification of a voter only at the General Meeting or adjourned General Meeting at which the vote objected to is given or tendered. *Objection to qualification of a voter*
- (2) Any such objection made in due time shall be referred to the chairperson of the General Meeting, whose decision is final and conclusive. *Any objection shall be referred to the chairperson*
- (3) A vote not disallowed pursuant to an objection at the General Meeting is valid for all purposes. *Vote not disallowed*

PROXIES / REPRESENTATIVES OF MEMBERS

General

70. (1) A Member of the Company may appoint a proxy and/or Representative of Member to exercise his rights to attend, participate, speak and vote for the Member at a General Meeting. A proxy may but need not be a Member of the Company. *Proxy / Representative of Member*
- (2) Subject to the Act and this Constitution, a proxy or Representative of Member is only entitled to vote: *Entitlement to vote*
- (a) if the Member is entitled to vote;
- (b) if the Member is not personally present at the General Meeting;
- (c) if the Member has complied with the requirements set out in this Constitution to properly appoint a proxy or Representative of Member and to give notice of such appointment to the Company;
- (d) if the Member has conferred a right to vote on the proxy or Representative of Member; and
- (e) the appointment of proxy or Representative of Member was not revoked by the Member by a notice of revocation forty-eight (48) hours before the time of holding of the General Meeting or adjourned General Meeting or such other time that may be determined by the Directors and the said revocation must be deposited at the Office or such other place in Malaysia as is specified in the notice convening the General Meeting.
- (3) A proxy or Representative of Member may vote, whether on a show of hands or on a poll, on any question at any General Meeting and to the extent permitted under the instrument of proxy or certificate of appointment of corporate representative or power of attorney. *May vote by a show of hands or on a poll*

Proxies

71. (1) An instrument appointing a proxy: *Manner of execution of instrument appointing a proxy*
- (a) must be in writing and executed by or on behalf of the appointing Member in substantially the form and in the manner as specified in "Appendix A" annexed hereto or in such other permitted form (including the electronic proxy appointment and voting manner) as the Board of Directors may determine from time to time;
- (b) will not be invalid merely because it omits any particulars of the proxy and the appointing Member; and
- (c) will be deemed to have appointed the Chairperson of the General Meeting as the proxy of the appointing Member where no other person has been named to act as proxy.
- (2) An instrument appointing a proxy may: *Form of instrument of proxy*
- (a) specify the manner in which the proxy is to vote in respect of a particular resolution and, where an instrument of proxy so provides, the proxy is not entitled to vote in the resolution except as specified in the instrument;
- (b) specify the proportion or number of votes that the proxy may exercise; and/or
- (c) be a specific appointment for a particular meeting.
- (3) An instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notorially certified copy of that power or authority : *Confer authority to demand a poll*
- (a) shall be deemed to confer authority to demand or join in demanding a poll;
- (b) shall be deposited at the Office or at such other place in Malaysia as is specified in the notice convening the General Meeting or adjourned General Meeting, at which the person named in the instrument proposes to vote: *Time limit to deposit instrument appointing a proxy*
- (i) not less than forty-eight (48) hours before the time for holding the General Meeting or adjourned General Meeting; or
- (ii) in the case of a poll, not less than twenty-four (24) hours before the time appointed for the taking of the poll; and
- (c) may be accepted if it is: *Execution by electronic or digital signature or authentication of an appointment by electronic means*
- (i) transmitted to the Company by any technology purporting to include a signature and/or an electronic or digital signature by the Member; or
- (ii) authenticated in any document given to the Company by electronic means which shows the validity of the appointment of a proxy.

- (4) In Clause 71(3), documents relating to proxies include:
- (a) the appointment of a proxy in relation to a General Meeting;
 - (b) any document necessary to show the validity of, or otherwise relating to, the appointment of a proxy; and
 - (c) notice of the revocation of the authority of a proxy.
- (5) For the purposes of Clause 71(3), delivery may be effected by:
- (a) physical delivery of the document;
 - (b) delivery by facsimile transmission;
 - (c) delivery by email transmission; or
 - (d) lodging electronic document,
- to the place, facsimile number, electronic address or the designated website link or address (where applicable) as specified in the notice of General Meeting.
- (6) The proceedings at a General Meeting shall not be invalidated where an appointment of proxy in respect of that General Meeting is sent in electronic form, but cannot be read by the Company due to technical problems or other reasons.
- (7) If a Member is entitled to cast two (2) or more votes at a General Meeting, the Member:
- (a) may appoint up to two (2) proxies; and
 - (b) must specify the proportion or number of the Member's votes each proxy may execute.
- (8) (a) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- (b) An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.
- (9) Where a member of the Company is an authorised nominee as defined in the Central Depositories Act, it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
- (10) When two (2) or more valid but differing appointments of a proxy are received by the Company in respect of the same share for use at the same General Meeting, the one which is last received (regardless of its date or of the date of its execution or submission) shall be treated as replacing and revoking the other as regards that share. If the Company is unable to determine which appointment was last received, none of them shall be treated as valid in respect of that share.
- (11) For the avoidance of doubt, the appointment of a proxy shall not preclude a Member from attending and voting in person at a General Meeting.
72. (1) Subject to Clause 72(2), a vote given in accordance with the terms of an instrument of proxy is valid despite:
- (a) the previous death or unsound mind of the appointing Member;
 - (b) the revocation of the instrument or of the authority under which the instrument was executed; or
 - (c) the transfer of the share in respect of which the instrument or power is given.
- (2) Clause 72(1) does not apply if an instrument in writing of such:
- (a) death, unsound mind or transfer has been received by the Company before the commencement of the General Meeting or adjourned General Meeting at which the instrument is used; or
 - (b) revocation by the Member was not received by the Company forty-eight (48) hours before the time of holding of the General Meeting or adjourned General Meeting or such other time that may be determined by the Directors, and
- the said notification must be deposited at the Office or such other place in Malaysia as is specified in the notice convening the General Meeting.

Documents relating to proxies

Manner of delivery

Member with two (2) or more votes

Appointment of multiple proxies

Appointment of proxy by authorised nominee

Differing Appointment of Proxy

Validity of a vote

Attorneys

73. (1) A person purporting to be the attorney of a Member shall be required to produce the original Power of Attorney to the Company.
- (2) A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdictions in which it is executed.

Power of attorney

Corporate Representatives

74. (1) A corporate Member may appoint an individual as its corporate representative to exercise all or any of the powers the corporate Member may exercise.
- (2) The appointment may be a standing appointment until notice of revocation is received by the Company.
- (3) The instrument of appointment may set out restrictions on the powers of the corporate representative.
- (4) A corporate Member may appoint more than one (1) corporate representative. However, it shall observe the voting entitlement set out in Clause 66.

Appointment of corporate representative

DIRECTORS

Number of Directors

75. (1) The Company may from time to time by an ordinary resolution passed at a General Meeting fix the number of Directors (excluding Alternate Director) but the number so fixed shall not be less than two (2) nor more than twenty (20). *May fix the number of Directors*
- (2) The shareholding qualification for Directors may be fixed by the Company in general meeting and until so fixed no shareholding qualification for Director shall be required. *Shareholding qualification for Directors*

Retirement of Directors

76. (1) An election of Directors shall take place each year. *Election*
- (2) At the first Annual General Meeting of the Company, all the Directors shall retire from office at the conclusion of the Annual General Meeting. *Retirement at Annual General Meeting*
- (3) At the Annual General Meeting in every subsequent year, one-third (1/3) of the Directors for the time being, or, if their number is not three (3) or a multiple of three (3), then the number nearest to one-third (1/3), shall retire from office at the conclusion of the Annual General Meeting in every year provided always that all Directors shall retire from office once at least in each three (3) years, but shall be eligible for re-election. *Retirement at Annual General Meeting in every subsequent year*
- (4) The Directors to retire in every year shall be the Directors who have been longest in office since the Directors' last election, but as between persons who became Directors on the same day, the Directors to retire shall be determined by lot, unless they otherwise agreed among themselves. *Directors to retire*
- (5) A retiring Director shall be eligible for re-election at the Annual General Meeting. *Eligible for re-election*
- (6) The Company may appoint any person who is not disqualified under the Act to fill in vacancy at the Annual General Meeting at which a Director so retires, and if no appointment was made to fill the vacancy, the retiring Director shall, if he offers himself for re-election, be deemed to have been re-elected, unless:
- (a) at that meeting, the Company expressly resolved not to fill the vacated office; or
- (b) a resolution for the re-election of the Directors is put to the meeting and lost. *Fill in vacancy at the Annual General Meeting*

Appointment of Directors

77. The Directors shall have power from time to time to appoint any person: *Appointment by Directors*
- (1) to be a Director to fill a casual vacancy; and
- (2) to be an addition to the existing Directors,
- subject to the total number of Directors shall not exceed the maximum number fixed in Clause 75(1).
78. Any Director so appointed under Clause 77 shall hold office only until the next Annual General Meeting, and shall then be eligible for re-election. *Hold office until next Annual General Meeting*
79. The Members may, at any time and from time to time by an ordinary resolution, appoint any person: *Appointment by Members*
- (1) to be a Director to fill a casual vacancy; and
- (2) to be an addition to the existing Directors,
- subject to the total number of Directors shall not exceed the maximum number fixed in Clause 75(1).
80. Subject to Clause 75(1), no person, not being a retiring Director, shall be eligible for election to the office of Director at any General Meeting unless a Member intending to propose him for election has, at least eleven (11) clear days before the meeting, left at the Office of the Company a notice in writing duly signed by the nominee, giving his consent to the nomination and signifying his candidature for the office, or the intention of such member to propose him for election, provided that in the case of a person recommended by the Directors for election, nine (9) clear days' notice only shall be necessary, and notice of each and every candidature for election to the Board shall be served on the Members at least seven (7) days before the meeting at which the election is to take place. *Notice of intention to appoint Director*

Proceedings in case of Vacancies

81. The remaining Director may continue to act notwithstanding any vacancy in their body, but if and so long as their number is reduced below the minimum number fixed by or pursuant to this Constitution, the remaining Director may, except in an emergency, act only for the purpose of increasing the number of Directors to such minimum number, or to summon a General Meeting. *Proceedings in case of vacancies*

Defects in Appointment of Directors

82. The acts of a Director shall be valid notwithstanding any defect that is discovered after his appointment or in his qualifications. *Validity of acts of Directors*

Appointment of Managing and Executive Directors

83. (1) The Board of Directors may from time to time appoint one (1) or more of its body to the office of Managing Director (which term shall be deemed to include the chief executive or other such designation of the Company's chief executive officer) for such period and on such terms as they think fit and, subject to the terms of any agreement entered into in any particular case, may revoke any such appointment. *Managing and Executive Directors*
- (2) A Director (other than a Managing Director) holding any such other office or employment is herein referred to as an "Executive Director". *Executive Director*
- (3) Any such appointment of a Managing Director automatically terminates if the appointee ceases from cause to be a Director. *Cessation of office of Managing Director*
84. A Managing Director or an Executive Director shall, subject to the terms of any agreement entered into in any particular case, receive such remuneration (whether by way of salary, bonus, commission, or participation in profits, or partly in one way and partly in another and other benefits) as the Board of Directors may determine. *Remuneration*
85. (1) The Board of Directors may, upon such terms and conditions and with such restrictions as it may think fit, entrust to and confer upon a Managing Director or an Executive Director any of the powers exercisable by them. A Managing Director or an Executive Director shall be subject to the control of the Board of Directors. *Directors may confer powers to Managing Director or Executive Director*
- (2) Any powers so conferred may be collateral with, or be to the exclusion of, the powers of the Board of Directors.
- (3) The Board of Directors may at any time, and from time to time, revoke, withdraw, alter or vary all or any of the powers so conferred on a Managing Director or an Executive Director.

Appointment of Alternate Director

86. (1) Any Director (called in this Clause the "Appointer") may, with the approval of a majority of the other members of the Board of Directors, appoint one (1) or more persons to be his Alternate Director in the Appointer's place for any period as the Appointer thinks fit provided that:
- (a) such person is not a Director of the Company; and
- (b) such person does not act as an Alternate Director for more than one (1) Director of the Company.
- (2) An appointment or removal of an Alternate Director must be in writing under the Appointer's hand. The original notification of appointment or removal must be provided by the Appointer to the Board. *Appointment or removal must be in writing*
- (3) An Alternate Director may resign from office by notice in writing to the Appointer and the Board. *Resignation*
- (4) An Alternate Director must vacate office if the Appointer vacates office as a Director or removes the appointee from office. *Vacate office*
87. An Alternate Director is entitled to receive notice of Board Meetings and, if the Appointer is not present at such a meeting, is entitled to attend and vote in his stead. *Entitled to receive notice of Board Meetings*
88. (1) An Alternate Director may exercise any powers that the Appointer may exercise and the exercise of any such power by the Alternate Director shall be deemed to be the exercise of the power by the Appointer. *Exercise of power*
- (2) The exercise of any power by an Alternate Director shall be an agent of the Company and not as an agent of the Appointer.
89. An Alternate Director:
- (1) has no entitlement to receive remuneration from the Company and any fee paid by the Company to the Alternate Director shall be deducted from the Appointer's remuneration; and *Not entitled to receive remuneration*
- (2) is entitled to be reimbursed for all the travelling and other expenses properly incurred by him in attending the Board Meetings on behalf of the Appointer from the Company. *May be paid travelling and other expenses*

Appointment of Associate Director

90. (1) The Board may from time to time appoint any person to be an associate director and may from time to time revoke any such appointment. *Appointment or revocation*
- (2) The Board may fix, determine and vary the powers, duties and remuneration of any person appointed as an associate director. *Board to fix the terms*
- (3) A person appointed as an associate director does not have any right to attend or vote at any Board Meetings except by the invitation and with the consent of the Board. *May attend Board Meetings by invitation*

Removal of Director

91. Subject to the Act, the Company may by an ordinary resolution remove any Director and may by an ordinary resolution appoint another person in place of the removed Director provided that the total number of Directors should not at any time fall below the minimum or exceed the maximum set out in Clause 75(1) of this Constitution. *May remove and appoint a Director by ordinary resolution*

Vacation of Office of Director

92. The office of Director shall become vacant if the Director:
- (a) resigns from his office by giving a written notice to the Company at its Office;
 - (b) is removed from office in accordance with Clause 91 of this Constitution;
 - (c) becomes disqualified from being a Director under Section 198 or Section 199 of the Act;
 - (d) becomes of unsound mind or a person whose person or estate is liable to be dealt with in any way under the Mental Health Act 2001;
 - (e) dies or has passed away;
 - (f) has been convicted by a court of law of an offence under the securities laws; or
 - (g) otherwise vacates his office in accordance with this Constitution.
- Vacation of office*

Remuneration of Directors

93. (1) The Company may from time to time by an ordinary resolution passed at a General Meeting, approve the remuneration of the Directors, who hold non-executive office with the Company, for their services as non-executive Directors. *Non-executive Directors' remuneration*
- (2) Subject to Clause 84, the fees of the Directors and any benefits payable to the Directors shall be subject to annual shareholders' approval at a General Meeting. *Fee*
- (3) If the fee of each such non-executive Director is not specifically fixed by the Members, then the quantum of fees to be paid to each non-executive Director within the overall limits fixed by the Members, shall be decided by resolution of the Board. In default of any decision being made in this respect by the Board, the fees payable to the non-executive Directors shall be divided equally amongst themselves and such a Director holding office for only part of a year shall be entitled to a proportionate part of a full year's fees. The non-executive Directors shall be paid by a fixed sum and not by a commission on or percentage of profits or turnover.
- (4) The following expenses shall be determined by the Directors: *Expenses*
- (a) Traveling, hotel and other expenses properly incurred by the Directors in attending and returning from meetings of the Directors or any committee of the Directors or General Meetings of the Company or in connection with the business of the Company; and
 - (b) Other expenses properly incurred by the Directors arising from the requirements imposed by the authorities to enable the Directors to effectively discharge their duties.
- (5) Executive Directors of the Company shall be remunerated in the manner referred to in Clause 84 but such remuneration shall not include a commission on or percentage of turnover. *Executive Directors' remuneration*

Powers of Directors

94. (1) The business and affairs of the Company shall be managed by or under the direction and supervision of the Directors who may pay all expenses incurred in promoting and registering the Company. *Directors shall manage the business and affairs of the Company*
- (2) The Directors may exercise all the powers necessary for managing and for directing and supervising the management of the business and affairs of the Company except any power that the Act or by this Constitution requires the Company to exercise in General Meeting, but no regulation made by the Company in General Meeting shall invalidate any prior act of the Directors which would have been valid if that regulation had not been made. *Validity of acts of Directors*
- (3) Where an oral contract is made by a Director acting under authority, express or implied, the contract is to be reduced to writing within fourteen (14) days and may be subject to ratification by the Board (if required). If there is any non-compliance with the above requirement of reduction to writing and proper ratification by the Board, the Director entering into such oral contract shall assume personal responsibility for the same and shall indemnify the Company fully in all respects in relation to such contract. *Oral contract shall be reduced to writing and Board's ratification*
- (4) (a) The Directors may procure the establishment and maintenance of any non-contributory or contributory pension or superannuation fund or life assurance scheme for the benefit of, and pay, provide for or procure the grant of donations, gratuities, pensions, allowances, benefits or emoluments to any persons who are or shall have been at any time in the employment or service of the Company or any subsidiary company or to any persons who are or have been a Director or other officer of and holds or has held salaried employment in the Company or any subsidiary company, or the wives, widows, families or dependents of any such persons. *Establishment and maintenance of fund*
- (b) The Directors may also procure the establishment and subsidy of or subscription and support to any institutions, association, clubs, funds or trusts calculated to be for the benefit of any such persons as aforesaid or of its members and payment for or towards the insurance of any such persons as aforesaid, and subscriptions or guarantees of money for charitable or benevolent objects or for any exhibitions or for any public, general or useful object.

95. Without limiting the generality of Clause 94(1) and (2), the Directors may, subject to the Act and the Listing Requirements, exercise all the powers of the Company to do all or any of the following for any debt, liability, or obligation of the Company or of any third party:
- (1) borrow money; *Borrowing*
 - (2) mortgage or charge its undertaking, property, and uncalled capital, or any part of the undertaking, property and uncalled capital; *Mortgage*
 - (3) issue debentures and other Securities whether outright or as security; and/or *Issue debentures*
 - (4) (a) lend and advance money or give credit to any person or company; *Lend or advance money*
 - (b) guarantee and give guarantees or indemnities for the payment of money or the performance of contracts or obligations by any person or company;
 - (c) secure or undertake in any way the repayment of moneys lent or advanced to or the liabilities incurred by any person or company;
- and otherwise to assist any person or company.
96. All cheques, promissory notes, drafts, bills of exchange, and other negotiable instruments, and all receipts for money paid to the Company, must be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by any two (2) Directors or in such other manner as the Directors may from time to time determine. *Operation of cheques, promissory notes etc.*
97. (1) The Directors may from time to time by power of attorney appoint any corporation, firm, or person or body of persons, whether nominated directly or indirectly by the Directors, to be the attorney or attorneys of the Company for the purposes and with the powers, authorities, and discretions (not exceeding those vested in or exercisable by the Directors under this Constitution) and for a period and subject to any conditions as the Directors may think fit. *Power of attorney*
- (2) Any powers of attorney granted under Clause 97(1) may contain provisions for the protection and convenience of persons dealing with the attorney as the Directors think fit and may also authorise the attorney to delegate all or any of the powers, authorities, and discretions vested in the attorney.
98. Subject always to the Act and the Listing Requirements, a Director may hold any other office or place of profit under the Company (other than the office of auditor) in conjunction with his office of Director for such period and on such terms (as to remuneration and otherwise) as the Board of Directors may determine and no Director or intending Director shall be disqualified by his office from contracting with the Company either with regard to his tenure of any such other office or place of profit or as vendor, purchaser or otherwise nor shall any such contract, or any contract or arrangement entered into by or on behalf of the Company in which any Director is in any way interested, be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established. *Director may hold other office*

Delegation of Powers

99. Subject to the applicable laws and/or the Listing Requirements:
- (1) the Directors may delegate any of their powers to a committee or committees consisting of such their number as they think fit; *Directors may delegate powers to committee*
 - (2) any committee formed under Clause 99(1) shall exercise the powers delegated in accordance with any directions of the Directors and a power so exercised shall be deemed to have been exercised by the Directors; and *Committee shall exercise powers as per Board's direction*
 - (3) the Board shall, subject to the Listing Requirements and upon the committee's recommendation (where applicable), appoint a chairperson of the committee and determine the period for which he is to hold office. *Chairperson of committee*
100. The Company may pass a resolution of the committee either by way of a written resolution or at a meeting of the committee. *Passing a Committee's Resolution*
101. (1) The Company may pass a resolution of the committee by way of a written resolution by the committee's members recording the resolution and signing the record. *Passing of resolution by committee's members*
- (2) The record of decisions made by the committee is valid and effective as if it were a resolution duly passed at a meeting of the committee. *Record of decision*
 - (3) Any such resolution may consist of several documents in like form, each signed by one or more of the committee's members, and shall be as valid and effectual as if it were a resolution duly passed at a meeting of the committee. *Resolution may consist of several documents*
 - (4) Any such document may be accepted as sufficiently signed by a member of the committee if transmitted to the Company by any technology purporting to include a signature and/or an electronic or digital signature by the said member. *Agreement to written resolution by electronic means*

102. (1) A committee may, whenever it thinks fit, convene a meeting of the committee, and may adjourn the meeting as it thinks proper. *Convening of meeting of the committee*
- (2) The committee may hold a committee meeting at two (2) or more venues within or outside Malaysia using any technology that gives the committee members as a whole a reasonable opportunity to participate. *Committee meeting may hold at two or more venues*
- (3) The virtual meeting of the Directors set out in Clause 120 shall apply to the meeting of the committee. *Virtual meeting of committee*
- (4) Where a meeting of committee is held and:
 (a) a chairperson has not been appointed as provided by Clause 99(3);
 (b) the person so appointed is not present within fifteen (15) minutes after the time appointed for holding the meeting; or
 (c) the person so appointed is unable or unwilling to act as the chairperson of the meeting,
 the members present may, subject to the Listing Requirements, choose one of their number to be chairperson of the meeting. *Chairperson of meeting*
- (5) No business is to be transacted at any meeting unless a quorum of members is present at the time when the meeting proceeds to business. *Quorum*
- (6) Subject to the Listing Requirements, two (2) members personally present at a meeting shall constitute a quorum. *Quorum*
- (7) Questions arising at any meeting of the committee must be determined by a majority of votes of the members present, and in the case of an equality of votes, the chairperson has a second or casting vote, except where two (2) members form a quorum, the chairperson of a meeting at which only such a quorum is present, or at which only two (2) members are competent to vote on the question at issue shall not have a casting vote. *Votes*

Duties of Directors

103. A Director shall at all times exercise his powers in accordance with the Act, for a proper purpose and in good faith in the best interest of the Company. *Duties*
104. Where a Director acts by virtue of his position as an employee of the Company, or who was appointed by or as a board representative of Member, employer or debenture holder, that Director shall be taken to have acted in the best interest of the Company, and in the event of any conflict between his duty to act in the best interest of the Company and his duty to his nominator, he shall not subordinate his duty to act in the best interest of the Company to his nominator. *Duties of nominee Director*

Directors' Interest in Contracts

105. (a) A Director shall not vote in regard to any contract or proposed contract or arrangement in which he has, directly or indirectly, an interest. *Directors' interest in contracts*
- (b) Every Director shall observe the provisions of Sections 221 and 222 of the Act relating to the disclosure of the interest of the Directors in contracts or proposed contracts with the Company or of any office or property held by the Directors which might create duties or interest in conflict with their duties or interest as Directors and participation in discussion and voting. Such disclosure of material personal interest by the Directors shall be in the form of a notice. Such notice shall be in the form and manner prescribed under Section 221 of the Act.

PASSING OF RESOLUTIONS OF DIRECTORS

Passing of Resolutions of Directors

106. The Company may pass a resolution of the Directors either by way of a written resolution or at a meeting of the Directors. *Passing a Directors' Resolution*

DIRECTORS' WRITTEN RESOLUTION

Passing of resolution by the Directors

107. (1) The Directors may pass a resolution without a Board Meeting, if a majority of the Directors entitled to vote and sign on the resolution signed the resolution, signifying their agreement to the resolution set out in the document. *Passing of resolution by more than one Director*
- (2) Any such resolution may consist of several documents in like form, each signed by one (1) or more of the Directors, and shall be as valid and effectual as if it were a resolution duly passed at a Board Meeting. *Resolution may consist of several documents*

Agreement to written resolution by electronic means

108. (1) Any such document may be accepted as sufficiently signed by a Director if transmitted to the Company by any technology purporting to include a signature and/or an electronic or digital signature by the Director. *Agreement to written resolution by electronic means*



- (2) For the purposes of Clause 108(1), delivery may be effected by:
- (a) physical delivery of the document;
 - (b) delivery by facsimile transmission; or
 - (c) delivery by email transmission,
- to the place, facsimile number or electronic address as specified by the Director or Secretary of the Company.
- Manner of delivery*

MEETINGS OF DIRECTORS

Frequency of Board Meetings

109. The Board may meet together for the despatch of business, adjourn and otherwise regulate its meetings as it thinks fit.
- Frequency of Board Meetings*

Convening Board Meetings

110. A Director may at any time, and the Secretary shall on the requisition of a Director to do so, convene a Board Meeting by giving notice in accordance with Clause 111.
- Secretary or Director may convene a Board Meeting*

Notice of Board Meetings

111. (1) A notice of a Board Meeting must specify the following:
- (a) the place, date and time of the Board Meeting;
 - (b) the general nature of the business (including matters to be discussed) of the Board Meeting; and
 - (c) where the Directors think fit, the text of any proposed resolution and other information.
- (2) If the Board Meeting is to be held in two (2) or more places, the notice of the Board Meeting shall specify the technology that will be used to facilitate the Board Meeting.
- Contents of Notice of Board Meeting*
- (3) The main venue of the Board Meeting shall be the place where the chairperson is present at the Board Meeting.
- Board Meeting held at two (2) or more venues*
112. Reasonable notice in the circumstances must be given of all Board Meetings.
- Main venue*
113. Notice of every Board Meeting shall be given to all Directors in accordance with the manner specified in Clause 127.
- Notice period*
- Directors entitled to receive notice*

Quorum for Board Meetings

114. (1) No business is to be transacted at any Board Meeting unless a quorum of Directors is present at the time when the meeting proceeds to business.
- Quorum*
- (2) Two (2) Directors personally present at a meeting shall constitute a quorum.
- More than one Director*
- (3) In this clause, "Director" includes Alternate Director.
- Meaning of Director*

No Quorum

115. If a quorum is not present within half an hour after the time appointed for a Board Meeting:
- Quorum is not present*
- (1) the Board Meeting shall stand adjourned to another day and at another time and place as the Directors may determine; or
 - (2) if no determination is made by the Directors, the Board Meeting shall stand adjourned to the same day in the next week at the same time and place or if that day falls on a public holiday then to the next business day following that public holiday; and
 - (3) if at the adjourned Board Meeting, a quorum is not present within half an hour from the time appointed for the meeting, then any Director present shall form a quorum.
- Adjournment of Board Meeting*

Chairperson of Board Meetings

116. (1) The Directors shall appoint one of their number as Chairperson and may also appoint another of their number as Deputy Chairperson of the Company.
- Chairperson and Deputy Chairman*
- (2) The Directors shall determine the period for which such Chairperson or Deputy Chairperson is to hold office.
- Office period*
- (3) The Chairperson or Deputy Chairperson (in the absence of the Chairperson) shall be the Chairperson of the Board Meeting.
- Chairperson of Board Meetings*
- (4) Where a Board Meeting is held and:
- (a) a Chairperson or Deputy Chairperson has not been appointed as provided by Clause 116(1); or
 - (b) the person so appointed is not present within fifteen (15) minutes after the time appointed for the holding of the Board Meeting or is unable to act for all or part of the meeting;
- Chairperson of Board Meetings*
- the Directors present shall elect one of their number to be the chairperson of the Board Meeting.
- (5) For avoidance of doubt, an Alternate Director shall not be elected as the chairperson of the Board Meeting.

Adjournment of Board Meetings

117. (1) The chairperson shall adjourn a Board Meeting, at which a quorum is present, from time to time and from place to place if the Directors present with a majority of votes that may be cast at that meeting agree or direct the chairperson to do so. *Directors' consent is required*
- (2) No business is to be transacted at any adjourned Board Meeting other than the business left unfinished at the Board Meeting from which the adjournment took place (referred to as the "Original Board Meeting"). *Only transact the business left unfinished at the Board Meeting*
- (3) There is no need to give any notice of an adjourned Board Meeting or of the business to be transacted at an adjourned Board Meeting unless the adjourned Board Meeting is to be held more than thirty (30) days after the date of the Original Board Meeting. *Notice of adjourned Board Meeting*

Voting at Board Meetings

118. (1) Subject to this Constitution, questions arising at a Board Meeting shall be decided by a majority of votes of Directors present and voting and any such decision shall for all purposes be deemed a decision of the Directors. *Directors' decision*
- (2) Each Director is entitled to cast one (1) vote on each matter for determination. *Casting of vote*

Casting Vote

119. In the case of an equality of votes, the chairperson of the Board Meeting is entitled to a second or casting vote, except where two (2) Directors form a quorum, the chairperson of a meeting at which only such a quorum is present, or at which only two (2) Directors are competent to vote on the question at issue shall not have a casting vote. *Chairperson shall have a casting vote*

Virtual Meetings of Directors

120. (1) The Directors may hold a Board Meeting at two (2) or more venues within or outside Malaysia using any technology that gives the Directors as a whole a reasonable opportunity to participate. *Board Meeting may hold at two (2) or more venues*
- (2) The technology to be used for the purpose of this Clause must be such that each Director taking part in the meeting must be able to communicate simultaneously with each of the other Directors taking part in the meeting and may include telephone, television, video conferencing, or any other audio and/or visual device which permits instantaneous communication. *Technology to be used for virtual meeting*
- (3) A virtual meeting shall be deemed to constitute a Board Meeting and all the provisions of this Constitution as to Board Meetings shall apply to any virtual meeting provided the following conditions are met: *Conditions for virtual meeting*
- (a) All the Directors for the time being entitled to receive notice of the Board Meeting (including any Alternate Director) shall be entitled to receive notice of a virtual meeting. Notice of any such meeting shall be given by an appropriate form of technology (or in such other manner) as permitted by this Constitution; and
- (b) A Director may not leave a virtual meeting by disconnecting from the technology used unless he has previously expressly notified the chairperson of the meeting of his intention to leave the meeting and a Director shall be conclusively presumed to have been present and to have formed part of the quorum at all times during such a meeting until such notified time of his leaving the meeting.
- (4) A minute of the proceedings of meetings including virtual meetings shall be sufficient evidence of such proceeding and of the observance of all necessary formalities if certified as a correct minute by the chairperson of the meeting or the next succeeding meeting. *Minutes*

SECRETARY

Appointment of Secretary

121. The Secretary shall in accordance with the Act be appointed by the Board for such terms, at such remuneration, and upon such terms and conditions as the Board may think fit. *Appointment*

Casual Vacancy of Secretary

122. (1) Any Secretary so appointed under Clause 121 may be removed by the Directors, in accordance with the terms and conditions of its appointment. *Removal*
- (2) The office of a Secretary may or will become vacant if the Secretary: *Vacation of office*
- (a) resigns from office by notice in writing to the Board, the Secretary shall cease to act as Secretary upon the expiry of thirty (30) days from the date of the notice to the Board or from the effective date as specified in his notice or the terms of appointment; or
- (b) is unable to communicate with the Directors at the last known residential address, the Secretary may, notify the Registrar of that fact and of his intention to resign from the office, and he shall cease to act as the Secretary on the expiry of thirty (30) days from the date of the notice to the Registrar.
- (3) The Board shall fill the vacancy of the Secretary within thirty (30) days after the occurrence of any event under Clause 122(1) or (2). *Fill the casual vacancy of Secretary*

INSURANCE AND INDEMNITY OF APPLICABLE PERSONS

Applicable Persons

123. The provisions of Clauses 124 to 126 shall apply to the following persons ("Applicable Persons"): *Applicable persons*
- (1) every person who is or has been an Officer;
- (2) Auditors; and
- (3) any other officers as defined in the Act.

Indemnity

124. The Company does not exempt an Applicable Person from a liability which by law would otherwise attach to him in respect of any negligence, default, breach of duty or breach of trust, of which he may be guilty in relation to the Company incurred in his capacity as an Applicable Person. *No indemnity*
125. (1) The Company may indemnify an Applicable Person out of the Company's assets for any costs incurred by him or the Company in respect of any proceedings: *Indemnity may be allowed*
- (a) that relates to his liability for any act or omission in his capacity as an Applicable Person; and
 - (b) in which judgment is given in favour of the Applicable Person or in which the Applicable Person is acquitted or in which the Applicable Person is granted relief under the Act, or where proceedings are discontinued or not pursued.
- (2) The Company may also indemnify an Applicable Person in respect of an application for relief under the Act.
- (3) The Company may indemnify an Applicable Person in respect of: *Exception*
- (a) any liability to any person, other than the Company, for any act or omission in his capacity as an Officer or Auditors; and
 - (b) costs incurred by that Applicable Person in defending or settling any claim or proceedings relating to any such liability except:
 - (i) any liability of the Director to pay:
 - (aa) a fine imposed in criminal proceedings; or
 - (bb) a sum payable to a regulatory authority by way of a penalty in respect of non-compliance with any requirement of a regulatory nature, however arising; or
 - (ii) any liability incurred by the Director:
 - (aa) in defending criminal proceedings in which he is convicted; or
 - (bb) in defending civil proceedings brought by the Company, or an associated company, in which judgment is given against him.
- (4) Where the costs and expenses incurred by an Applicable Person under Clause 125(1) and (2) are recovered by the Company under an insurance policy taken out or paid for by the Company pursuant to Clause 126, the extent of the indemnification of an Applicable Person shall be reduced accordingly.

Insurance

126. (1) The Company may, with the prior approval of the Board, purchase and maintain insurance, at the expense of the Company, for an Applicable Person, against: *Insurance*
- (a) civil liability, for any act or omission in his capacity as a Director or Officer or Auditors; and
 - (b) costs incurred by that Officer or Auditors in defending or settling any claim or proceeding relating to any such liability; or
 - (c) costs incurred by that Officer or Auditors in defending any proceedings that have been brought against that person in relation to any act or omission in that person's capacity as an Officer or Auditors:
 - (i) in which that person is acquitted;
 - (ii) in which that person is granted relief under the Act; or
 - (iii) where proceedings are discontinued or not pursued.
- (2) In the case of a Director, Clauses 125(2) and (3) and 126(1)(a) and (b) shall not apply to any civil and criminal liability in respect of a breach of the duties of the Directors as specified in Section 213 of the Act.

ADMINISTRATION

Notices, Documents and Other Publication

127. Any Company's Documents may be given by the Company to the persons mentioned below in the following manner: *Notice*
- (1) In respect of a Member and person entitled to a Security in consequence of an Event of Transmission ("Persons"): *Members*
- (a) The Company's Documents shall be in writing and shall be given to the aforesaid Persons either:
 - (i) in hard copy, which shall be sent to the Persons either personally or by post to his last known address; *Hard copy*
 - (ii) in electronic form, which shall be either:
 - (aa) transmitted to the last known electronic address provided by the Persons to the Company; *Electronic form*
 - (bb) transmitted to the last known contact details as recorded in the Register of Members or Record of Depositors provided by the Persons to the Company or Depository respectively;
 - (cc) by publishing on a website;
 - (dd) transmitted by the Company to the Persons using any appropriate electronic communication platform established by the Company or third parties, or
 - (iii) partly in hard copy and partly in electronic form. *Both of the above*

- (b) If a notice of General Meeting is published on the website, the Company must notify the Persons in writing in hard copy or electronic form stating the following: *Website*
- (i) it concerns a General Meeting;
 - (ii) the place, date and time of the General Meeting; and
 - (iii) the designated website link or address where a copy of the notice may be downloaded,
- and the notice must be published on the Company's website throughout the period starting from the date of notification until the conclusion of the General Meeting. *Period of publication on website*
- (c) If the Company publishes its documents (other than a notice of General Meeting) ("Company's Publication") on its Company's website or any other appropriate electronic communication platform, the Company must notify the Persons in writing in hard copy or electronic form stating the following: *Publication on Website*
- (i) brief description of the Company's Publication; and
 - (ii) the designated website link or address where a copy of the Company's Publication may be downloaded.
- (d) In the event of a delivery failure, the Company must immediately send the Company's Documents to the affected Members by other appropriate means as permitted under Clause 127(1)(a). *Delivery failure*
- (e) The Persons may request for a hard copy of the Company's Documents from the Company if they are sent by electronic means. *Request for hard copy*
128. In respect of a Director, the Company's Documents shall be in writing and shall be given to the Director either: *Directors*
- (a) in the manner(s) set out in Clause 127(1) (except for publishing on a website); or
 - (b) to the Director's last known service address.
- (3) In respect of the Auditors, the Company's Documents shall be in writing and shall be given to the Auditors either: *Auditors*
- (a) in the manner(s) set out in Clause 127(1) (except for publishing on a website); or
 - (b) to the Auditors' last known address.
- (4) In respect of a holder of Debt Securities, the Company's Documents shall be in writing and shall be given to the holder of Debt Securities:
- (a) in the manner(s) set out in Clause 127(1); or
 - (b) to the holder of Debt Securities' last known address provided by the said holder to the Company or Depository.
- (5) For the purpose of Clause 127(1), the Board of Directors may, at their discretion, determine the appropriate mode of communication with the persons mentioned above. *Directors' discretion*
128. Where the Company's Documents are: *Service of notice*
- (1) served by post, service of the notice shall be deemed to be effective by properly addressing, prepaying and posting a letter containing the notice, and to have been effected, in the case of a notice of the Persons, on the day after the date of its posting; *Post*
 - (2) sent by facsimile transmission, service of the notice shall be deemed to be effected at the time when the notice is transmitted, unless the Company receives notification that the transmission was not successful; *Facsimile transmission*
 - (3) sent by electronic transmission, service of the notice shall be deemed to be effected at the time when the notice is transmitted electronically, unless the Company receives notification that the transmission was not successful; *Electronic transmission*
 - (4) published on the Company's website or any appropriate electronic communication platform, service of the notice shall be deemed to be effected on the day on which the notice first appears on the Company's website to which the relevant person may have access or the day on which the notice of publication is deemed to have been served or delivered to such person under Clause 127, whichever is later; or *Website*
 - (5) served or delivered in person, service of the notice shall be deemed effected at the time the relevant Company's Documents are delivered, received or left at the address of such person. *Personal delivery*
129. The Company's Documents may be given by the Company to Joint Holders by giving the notice to the Joint Holder first named in the Register of Members. *Joint Holder*
130. Any Company's Documents delivered or sent to any Member in such manner as provided in Clause 127(1) shall, if such Member be then deceased, and whether or not the Company has notice of his death, be deemed to have been duly served on his legal personal representative or survivor.

Written Resolutions and Minutes

131. The Directors must cause: *Written resolutions and minutes*
- (1) all Directors' and committees' written resolutions;
 - (2) all proceedings and resolutions of Board Meetings and committee meetings; and
 - (3) all proceedings and resolutions of General Meetings,
- to be duly entered into the books kept for that purposes in accordance with the Act.
132. The records of resolutions passed by way of Directors' and committees' written resolutions or at the Board Meetings, committee meetings and General Meetings and signed in accordance with the Act and this Constitution are evidence of the proceedings, resolutions or declaration to which they relate, unless the contrary is proved.



Execution of Documents

133. (1) The Company shall adopt a Seal, known as the common seal, on which its name and registration number and the words "Common Seal" are engraved in legible romanised characters. *Seal*
- (2) The Directors shall provide for the safe custody of the Seal. *Custody*
- (3) The Seal shall only be used by the authority of the Board of Directors or of a committee of the Board of Directors authorised by the Directors on their behalf. *Authority of the Directors*
- (4) The Company may execute a document by affixing the Seal to the document where the affixing of the Seal is witnessed by: *Affixing the Seal*
- (a) two (2) Directors;
- (b) one (1) Director and one (1) Secretary; or
- (c) one (1) Director and another person appointed by the Directors for that purpose.
- (5) (a) Any Director or the Secretary or any person so appointed by the Directors shall have power to authenticate any documents affecting this Constitution and any resolutions passed by the Company or the Directors or any committee, and any books, records, documents and accounts relating to the business of the Company, and to certify copies thereof or extracts therefrom as true copies or extracts; and where any books, records, documents or accounts are elsewhere than at the Office the local manager or other officer of the Company having the custody thereof shall be deemed to be a person appointed by the Directors as aforesaid. *Authentication of documents*
- (b) A document purporting to be a copy of a resolution, or an extract from the minutes of a meeting of the Company or the written resolutions or minutes of a meeting of the Directors or any committee which is certified as aforesaid shall be conclusive evidence in favour of all persons dealing with the Company upon the faith thereof that such resolution has been duly passed or, as the case may be, that any minute or written resolution so extracted is a true and accurate record of the resolutions or proceedings at a duly constituted meeting to which it relates.
134. (1) The Company may have an official Seal, on which its name and registration number and the words "Common Seal" and the place where it is to be used are engraved in legible romanised characters. *Official seal for use abroad*
- (2) The Directors shall provide for the safe custody of the official Seal. *Custody*
- (3) The Directors may exercise all the powers of the Company in relation to any official Seal for use outside Malaysia and in relation to branch registers of debenture holders kept in any place outside Malaysia. *Authority of the Directors*
- (4) The Company may execute a document by affixing the official Seal to the document where the affixing of the official Seal is witnessed by: *Affixing the official Seal*
- (a) two (2) Directors;
- (b) one (1) Director and one (1) Secretary;
- (c) one (1) Director and another person appointed by the Directors for that purpose; or
- (d) two (2) persons appointed by the Directors for that purpose, and
- the person affixing official Seal shall certify in writing on the deed or document to which the official Seal is affixed the date and place it is affixed.
- (5) The Company may have an official Seal to seal: *Official seal for Securities*
- (a) Securities issued by the Company; or
- (b) documents creating or evidencing Securities so issued,
- on which its name and registration number and the words "Securities" are engraved in legible romanised characters.
- (6) The official Seal for Securities shall be executed in the manner provided in Clause 133(4).

FINANCIAL MATTERS

Financial Statements

135. (1) The Directors must cause proper accounting and other records to be kept in accordance with Section 245 of the Act and such records must be true and complete accounts of the affairs and transactions of the Company and give a true and fair view of the state of the Company's affairs and explain its transactions. *Accounting and other records*
- (2) The Directors shall from time to time, in accordance with the provisions of the Act and the Listing Requirements, cause to be prepared and approved, and to be circulated to the Members, Directors and Auditors and laid before the Company in Annual General Meeting such financial statements and consolidated financial statements (if any) and reports of Directors and Auditors. *Circulation and laying of financial statements*
- (3) No Member (who is not a Director) shall have any right of inspecting any accounting or other records of the Company except where such right is conferred by law. *Right of inspection*

Audit

136. (1) (a) The Board shall appoint the first Auditors of the Company at any time before the first Annual General Meeting, at such remuneration as the Board thinks fit. *First Auditors*
- (b) The Auditors appointed under Clause 136(1)(a) shall hold office until the conclusion of the first Annual General Meeting.
- (2) (a) For subsequent years, the Board may, subject to the Act, appoint the Auditors to fill casual vacancy in the office of the Auditors, at such remuneration as the Board thinks fit. *Appointment of Auditors by Board*
- (b) The Auditors appointed under Clause 136(2)(a) shall hold office until the conclusion of the next Annual General Meeting.

- | | | |
|-----|--|--------------------------------------|
| (3) | For subsequent years, the Members may by an ordinary resolution: | <i>Change of Auditors by Members</i> |
| | (a) re-appoint the existing Auditors; | |
| | (b) appoint another person as the Company's Auditors; | |
| | (c) remove the Auditors; and/or | |
| | (d) if there is a vacancy in the office of the Auditors, appoint Auditors to fill the vacancy. | |
| | The remuneration of the Auditors appointed under Clause 136(3) shall be fixed by the Members by ordinary resolution or in such manner as the Members may determine. | |
| (4) | The Auditors shall hold office in accordance with the terms of their appointment, provided that: | <i>Term of office of Auditors</i> |
| | (a) they do not take office until the previous auditors have ceased to hold office unless they are the first Auditors; and | |
| | (b) they ceased to hold office at the conclusion of the Annual General Meeting next following their appointment, unless they are re-appointed. | |
| (5) | The powers and duties of the Auditors are as regulated under Sections 266 and 287 of the Act. | <i>Powers and duties</i> |
| (6) | The Auditors shall attend every Annual General Meeting where the financial statements and consolidated financial statements (where applicable) of the Company for a financial year ("Financial Statements") are to be laid, so as to respond according to their knowledge and ability to any question relevant to the audit of the Financial Statements. | <i>Attendance of Auditors</i> |
| (7) | The Auditors may cease to act as Auditors of the Company by: | |
| | (a) giving a notice of resignation in writing to the Company at the Office and their term of office shall end after twenty-one (21) days from the date of the notice to the Company or from the effective date as specified in their notice; or | <i>Resignation of Auditors</i> |
| | (b) giving a notice in writing to the Company at the Office indicating that they do not wish to seek re-appointment at the forthcoming Annual General Meeting. | <i>Retirement of Auditors</i> |

Dividends

- | | | |
|------|--|--|
| 137. | (1) A dividend may be declared by: | <i>Declaration of dividend</i> |
| | (a) the Directors; or | |
| | (b) the Members on the recommendation of the Board of Directors as it thinks appropriate. | |
| | (2) The payment of a dividend is to those holders of such class of shares as the Directors have determined in accordance with and subject to any conditions upon which the shares have been issued. | <i>Payment of dividend</i> |
| | (3) A dividend shall not exceed the amount recommended by the Directors. | <i>Directors to recommend amount</i> |
| 138. | The Directors may authorise a distribution of dividends in accordance with Section 132 of the Act, and any dividend so authorised must be out of profits of the Company available for distribution and provided the Company is solvent. The Directors may authorise a distribution at any time and for such amounts as the Directors shall consider appropriate so long as the Directors are satisfied that the Company will be solvent for a period of twelve (12) months after the distribution is made. | <i>Distribution only if Company is solvent</i> |
| 139. | (1) A dividend may be classified as: | |
| | (a) an interim dividend if it is declared and distributed by the Company to its Members prior to the determination of final profit position of the Company for the financial year; | <i>Interim dividend</i> |
| | (b) a final dividend if it is the last dividend distributed by the Company to its Members after the financial statements for the financial year have been prepared and approved by the Board; and | <i>Final dividend</i> |
| | (c) a special dividend if it is a non-recurring distribution of the Company's assets, where the amount is larger compared to normal dividend paid out by the Company or other circumstances that the Directors think fit. | <i>Special dividend</i> |
| | (2) The Directors may, at their discretion, declare dividend pursuant to either Clause 137(1)(a) or (1)(b). | <i>At Directors' discretion</i> |
| 140. | No dividend is to bear interest against the Company. | <i>No interest bearing</i> |
| 141. | (1) The Directors may, before recommending any dividend: | <i>Before recommending dividend</i> |
| | (a) set aside out of the profits of the Company such sums as they think proper as reserves; or | |
| | (b) carry forward any profits which they may think prudent not to divide, without placing the profits to reserve. | |
| | (2) The reserves set aside under Clause 141(1)(a): | <i>Reserves that set aside</i> |
| | (a) are, at the discretion of the Directors, to be applied for any purpose to which the profits of the Company may be properly applied; and | |
| | (b) may, pending any application under Clause 141(2)(a) and at the discretion of the Directors, be employed in the business of the Company or be invested in any investments (other than shares in the Company) as the Directors may from time to time think fit. | |



142. (1) Subject to the rights of persons (if any) entitled to shares with special rights or conditions as to dividend entitlement or to any provisions in this Constitution, all dividends must be declared and paid according to the amounts paid or credited as paid on the shares in respect of which the dividend is paid. *Dividends must be declared and paid according to the amounts paid*
- (2) An amount paid or credited as paid on a share in advance of a call shall not be taken for the purposes of this Clause to be paid or credited as paid on the share and shall not, whilst carrying interest, confer a right to participate in profits. *Amount paid on a share in advance of a call*
- (3) All dividends must be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid. *Dividend must be paid proportionately*
- (4) If any share is issued on terms providing that it ranks for dividend as from a particular date that share ranks for dividend accordingly. *Share ranks for dividend*
143. The Directors may deduct from any dividend payable to a Member all sums of money (if any) presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company. *Deduct dividend from calls*
144. (1) When declaring a dividend, the Directors or Members on the recommendation of the Directors may by ordinary resolution, direct payment of the dividend wholly or partly by the distribution of specific assets, including:
- (a) paid-up shares of the Company or any other corporation;
 - (b) debentures or debenture stock of the Company or any other corporation;
 - (c) assets of the Company which the Directors think appropriate; or
 - (d) any combination of any specific assets, and
- the Directors may do all acts and things considered necessary or expedient to give effect to such a resolution.
- (2) Where a difficulty arises with regard to such a distribution directed under Clause 144(1), the Directors may, subject to the Act and the Listing Requirements, do all or any of the following:
- (a) settle the distribution as they think expedient;
 - (b) fix the value for distribution of the specific assets or any part of the specific assets;
 - (c) determine that cash payments be made to any Member on the basis of the value so fixed by the Directors in order to adjust the rights of all parties; and/or
 - (d) vest any specific assets in trustees as the Directors think expedient.
145. (1) Any dividend, interest or other money payable in cash in respect of shares may be paid in such manner as may be determined by the Directors from time to time including: *Payment*
- (a) in respect of Listed Deposited Security, direct crediting the payment into the bank account of the Member as provided by the Member to the Depository from time to time; or
 - (b) in respect of Security other than Listed Deposited Security:
 - (i) by direct crediting the payment into the bank account of the Member as provided by the Member to the Company or Depository from time to time; or
 - (ii) by cheque sent through the post directed to :
 - (aa) the address of the Member as shown in the Register of Members, or in the case of Joint Holders, to the address shown in the Register of Members as the address of the Joint Holder first named in the Register of Members; or
 - (bb) such other address as the holder or Joint Holders in writing directs or direct.
- (2) Every direct transfer or cheque made under Clause 145(1) must be made payable to the order of the person to whom it is sent.
- (3) Any one (1) of two (2) or more Joint Holders may give effectual receipts for any dividends, interest or other money payable in respect of the shares held by them as Joint Holders.

Capitalisation of Profits

146. (1) The Directors may, before declaring or recommending any dividend, set aside out of the profits of the Company such sums as they think proper as reserves, to be applied, at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied. *Application of profits*
- (2) Pending any such application, the reserves may, at the discretion of the Directors, be used in the business of the Company or be invested in such investments as the Directors think fit. *Utilisation of reserves*
- (3) The Directors may carry forward such amount of the profits remaining as they consider ought not to be distributed as dividends without transferring those profits to reserves. *Dividends*

147. (1) Subject to Clause 147(2), the Company may, upon a recommendation of the Directors and in General Meeting, resolve that it is desirable to capitalise any sum, being the whole or a part of the amount for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution to Members, and that such sum be applied, in any of the manners mentioned in Clause 147(3), for the benefit of the Members in the proportions to which those Members would have been entitled in a distribution of that sum by way of dividend. *Members' approval*
- (2) The Directors may, subject to the Act and the Listing Requirements, capitalise any sum, being the whole or a part of the amount for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution to the Members. *Exemption*
- (3) The amount capitalised under Clause 147(1) is set free for distribution amongst the Members who would have been entitled to the amount had it been distributed by way of dividend and in the same proportions subject to the following conditions: *Capitalised amount*
- (a) the capitalised amount must not be paid in cash;
- (b) the capitalised amount must be applied in or towards either or both of the following:
- (i) paying up any amounts for the time being unpaid on any shares held by the Members;
- (ii) paying up in full unissued shares or debentures of the Company to be allotted, distributed and credited as fully paid up to and amongst such Members in the same proportions.
148. The Directors shall do all things necessary to give effect to the resolution and, in particular, to the extent necessary to adjust the rights of the Members among themselves, may: *To give effect to the resolution*
- (1) issue fractional certificates or make cash payments in cases where shares or debentures becoming distributable in fractions; and
- (2) authorise any person to enter, on behalf of all the Members entitled to the distribution into an agreement with the Company, providing:
- (a) for the allotment to the Members respectively, credited as fully paid up, of any further shares or debentures to which they may be entitled upon the capitalisation; or
- (b) for the payment up by the Company on the Members' behalf of the amounts or any part of the amounts remaining unpaid on their existing shares by the application of their respective proportions of the profits resolved to be capitalised, and
- any agreement made under such authority referred to in Clause 147(3)(b) is effective and binding on all the Members entitled to the distribution.

DISSOLUTION

Winding Up

149. Subject to the Act, the Company may be dissolved by a special resolution in a General Meeting. If such a resolution is passed, the Members shall also be required to appoint a liquidator or liquidators for the purpose of winding up the affairs and distributing the property of the Company. *Passing of special resolution*
150. (1) If the Company is wound up, the liquidator may, with the sanction of a special resolution of the Company: *Power of liquidator*
- (a) divide amongst the Members in kind the whole or any part of the property, if any, of the Company, whether they consist of property of the same kind or not;
- (b) set a value as the liquidator considers fair upon the property, if any referred to in Clause 150(1)(a);
- (c) determine how the division of property, if any is to be carried out as between the Members or different classes of Members; and
- (d) vest the whole or any part of the property, if any, of the Company in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit.
- (2) No Member is compelled to accept any shares or other Securities on which there is any liability.

SECRECY

151. Save as may be expressly provided by the Act, no Member shall be entitled to enter into or upon or inspect any premises or property of the Company nor to require discovery of any information in respect of any detail of the Company's business or any matter which is or may be in the nature of a trade secret, mystery of trade or secret process which may relate to the business and/or conduct of the business of the Company and which, in the opinion of the Directors, it would be inexpedient in the interests of the Member of the Company to communicate to the public.

EFFECTS OF THE LISTING REQUIREMENTS

Effects of the Listing Requirements

152. (1) Notwithstanding anything contained in this Constitution, if the Listing Requirements prohibit an act being done, the act shall not be done. *Effects of the Listing Requirements*
- (2) Nothing contained in this Constitution prevents an act being done that the Listing Requirements require to be done.
- (3) If the Listing Requirements require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be).
- (4) If the Listing Requirements require this Constitution to contain a provision and it does not contain such a provision, this Constitution is deemed to contain that provision.
- (5) If the Listing Requirements require this Constitution not to contain a provision and it contains such a provision, this Constitution is deemed not to contain that provision.
- (6) If any provision of this Constitution is or becomes inconsistent with the Listing Requirements, this Constitution is deemed not to contain that provision to the extent of the inconsistency.



PROXY FORM

CDS Account No.
No. of shares held

I/We Tel:
[Full name in block, NRIC/Passport/Company No.]

of

being member(s) of **BSL CORPORATION BERHAD**, hereby appoint:

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and / or* (*delete as appropriate)

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing him, the Chairperson of the Meeting, as my/our proxy to vote for me/us and on my/our behalf at the General Meeting of the Company to be held at (Venue) on (Date), (Day) at (Time) or any adjournment thereof, and to vote as indicated below:

Description of Resolution	Resolution	For	Against

Please indicate with an "X" in the space provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific direction, your proxy will vote or abstain as he thinks fit.

Signed this day of

.....
Signature*
Member

* Manner of execution:

- (a) If you are an individual member, please sign where indicated.
- (b) If you are a corporate member which has a common seal, this proxy form should be executed under seal in accordance with the constitution of your corporation.
- (c) If you are a corporate member which does not have a common seal, this proxy form should be affixed with the rubber stamp of your company (if any) and executed by:
 - (i) at least two (2) authorised officers, of whom one shall be a director; or
 - (ii) any director and/or authorised officers in accordance with the laws of the country under which your corporation is incorporated.

Notes:

1. For the purpose of determining who shall be entitled to attend this General Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors as at (date). Only a member whose name appears on this Record of Depositors shall be entitled to attend this General Meeting or appoint a proxy to attend, speak and vote on his/her/its behalf.
2. A member entitled to attend and vote at this General Meeting is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend, participate, speak and vote in his place. A proxy may but need not be a member of the Company.
3. A member of the Company who is entitled to attend and vote at a General Meeting of the Company may appoint not more than two (2) proxies to attend, participate, speak and vote instead of the member at the General Meeting.
4. If two (2) proxies are appointed, the entitlement of those proxies to vote on a show of hands shall be in accordance with the listing requirements of the stock exchange.
5. Where a member of the Company is an authorised nominee as defined in the Central Depositories Act, it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
6. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 ("Central Depositories Act") which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.
7. Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
8. The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the General Meeting or adjourned General Meeting at which the person named in the appointment proposes to vote:
 - (i) In hard copy form
In the case of an appointment made in hard copy form, this proxy form must be deposited at the registered office of the Company situated at (address).
 - (ii) By electronic means via facsimile
In the case of an appointment made by facsimile transmission, this proxy form must be received via facsimile at (facsimile no.).
 - (iii) By electronic means via email
In the case of an appointment made via email transmission, this proxy form must be received via email at (email address).
For options (ii) and (iii), the Company may request any member to deposit original executed proxy form to its registered office before or on the day of meeting for verification purpose.
 - (iv) Online
In the case of an appointment made via online lodgement facility, please login to the link website using the holding details as shown below:
(Holding details)
 - (v) By mobile device
In the case of an appointment made by mobile device, please follow the instruction provided below:
(Details)
9. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at the registered office of the Company situated at (address) not less than forty-eight (48) hours before the time appointed for holding the General Meeting or adjourned General Meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
10. Please ensure ALL the particulars as required in this proxy form are completed, signed and dated accordingly.
11. Last date and time for lodging this proxy form is (time), (date) and (day).
12. Please bring an **ORIGINAL** of the following identification papers (where applicable) and present it to the registration staff for verification:
 - a. Identity card (NRIC) (Malaysian), or
 - b. Police report (for loss of NRIC) / Temporary NRIC (Malaysian), or
 - c. Passport (Foreigner).
13. For a corporate member who has appointed a representative instead of a proxy to attend this meeting, please bring the **ORIGINAL** certificate of appointment executed in the manner as stated in this proxy form if this has not been lodged at the Company's registered office earlier.

FORM OF PROXY

Number of shares held:
If more than 1 proxy, please specify number of shares represented by each proxy
Name of proxy 1:
Name of proxy 2:

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

 (FULL NAME IN BLOCK LETTERS)

of

 (FULL ADDRESS)

being a member/members of **BSL CORPORATION BERHAD** hereby appoint
 (NRIC No.)

 (FULL NAME IN BLOCK LETTERS)

of
 or failing whom, (NRIC No.)

 (FULL NAME IN BLOCK LETTERS)

of

 (FULL ADDRESS)

or failing him/her, the Chairman of the meeting as my/our proxy(ies) to vote for me/us and on my/our behalf at the Fifteenth Annual General Meeting of the Company to be held at Meeting Room, Ground Floor, Hotel S.Damansara, No. 1, Jalan Cempaka SD 12/5, Bandar Sri Damansara, PJU 9, 52200 Kuala Lumpur on Monday, 28th day of January 2019 at 9.00 a.m. and at any adjournment thereof for/against the resolution(s) to be proposed thereat.

NO.	RESOLUTIONS	FOR	AGAINST
	Ordinary Resolution - Ordinary Business		
1.	Re-election of Ngiam Tee Wee who retires pursuant to Article 78 of the Company's Articles of Association as Director.		
2.	Re-election of Ng Wai Pin who retires pursuant to Article 78 of the Company's Articles of Association as Director.		
3.	Re-election of To' Puan Rozana Bte Tan Sri Redzuan who retires pursuant to Article 78 of the Company's Articles of Association as Director.		
4.	Payment of under provision of Directors' Fees for the financial year ended 31 August 2018.		
5.	Payment of Directors' Fees for the financial year ending 31 August 2019.		
6.	Payment of Directors' benefits from 25 January 2019 until the next Annual General Meeting of the Company.		
7.	Re-appointment of Messrs Mazars PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.		
	Ordinary Resolution - Special Business		
8.	Authority for Directors to allot and issue shares pursuant to Sections 75 & 76 of the Companies Act, 2016.		
9.	Approval for Datuk Dr. Syed Muhamad Bin Syed Abdul Kadir to continue to act as an Independent Non-Executive Director.		
10.	Approval for Ng Wai Pin to continue to act as an Independent Non-Executive Director.		
11.	Approval for To' Puan Rozana Bte Tan Sri Redzuan to continue to act as an Independent Non-Executive Director.		
	Special Resolution		
12.	Proposed Alteration of the Existing Memorandum and Articles of Association by replacing with a New Constitution.		

(Please indicate with an "X" in the space provided above on how you wish your vote to be cast. If no instruction as to voting is given, the proxy will vote or abstain from voting at his/her discretion.)

Dated this day of 2018/2019.

*Delete whichever is not applicable

.....
 Signature of member (s)/Common Seal
 Contact Number:

Notes:

- (i) A proxy may but need not be a member of the Company.
- (ii) A member entitled to attend and vote at the Meeting is entitled to appoint not more than two (2) proxies to attend and vote at the Meeting except where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, in which event it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
- (iii) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under Depositories Act which is exempted from compliance with the provisions of subsection 25A(1) of the Depositories Act.
- (iv) Where a member or the authorised nominee appoints two (2) proxies, or where an exempt authorised nominee appoints two (2) or more proxies, the appointments shall be invalid unless the proportion of shareholdings to be represented by each proxy is specified in the instrument appointing the proxies.
- (v) The Proxy Form shall be signed by the appointor or his (her) attorney duly authorised in writing or, if the member is a corporation, must be executed under its common seal or by its duly authorised attorney or officer.
- (vi) The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarily certified copy of the power or authority must be deposited at the office of the Company's Share Registrar situated at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, not less than 48 hours before the time for holding the meeting or at any adjournment thereof.
- (vii) Only members whose names appear in the Record of Depositors as at 17 January 2019 will be entitled to attend, vote and speak at the meeting or appoint proxy(ies) to attend, vote and speak on their behalf.

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STAMP

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

Fold Here



BSL COPORATION BERHAD (651118-K)

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



www.bsllcorp.com.my