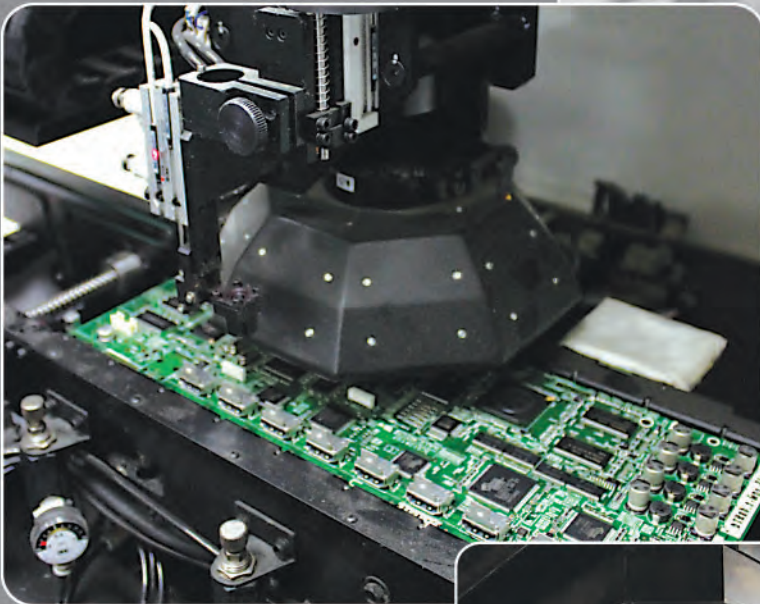


The Total Manufacturing Solution Provider



BSL
CORPORATION
BHD 651118-K



Annual Report 2010

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NOTICE OF SEVENTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Seventh Annual General Meeting of the Company will be held at Templer 1, First Floor, Perangsang Templer Golf Club, No.1, Templer Park Resort, 48000 Rawang, Selangor Darul Ehsan on Thursday, 24 February, 2011 at 10.00 a.m. to transact the following business:-

AGENDA

Ordinary Business

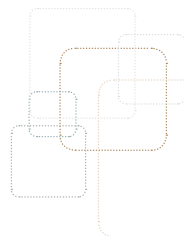
1. To receive the Audited Financial Statements for the financial year ended 31 August, 2010 together with the Reports of the Directors and Auditors thereon. **(Please refer to Explanatory Note 1)**
2. To elect the following Directors who retire pursuant to Article 78 of the Company's Articles of Association:-
 - (i) Teh Yoon Loy **(Resolution 1)**
 - (ii) Yukihiro Eguchi **(Resolution 2)**
 - (iii) Andy Woo Weng Kok **(Resolution 3)**
3. To approve Directors' Fees for the financial year ended 31 August, 2010. **(Resolution 4)**
4. To re-appoint Messrs Deloitte KassimChan as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 5)**

Special Business

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

5. **ORDINARY RESOLUTION**
- AUTHORITY TO ISSUE SHARES
"THAT pursuant to Section 132D of the Companies Act, 1965, the Articles of Association of the Company and the approval of any relevant governmental and/or regulatory authorities, where such approval is required, the Directors of the Company be and are hereby authorized and empowered to issue and allot shares in the Company at any time and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares issued pursuant to this resolution in any one financial year does not exceed 10% of the issued share capital of the Company for the time being and that the Directors be and are also empowered to obtain approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company unless revoked or varied by the Company at a general meeting." **(Resolution 6)**
6. **ORDINARY RESOLUTION**
- PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN ORDINARY SHARES ON BURSA MALAYSIA SECURITIES BERHAD UP TO 10% OF THE ISSUED AND PAID-UP SHARE CAPITAL ("PROPOSED SHARE BUY-BACK")
"THAT, subject to the Companies Act, 1965, the Articles of Association of the Company, the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") for the Main Market ("LR") and the approval of such relevant government and/or regulatory authorities where necessary, the Company be and is hereby authorized to purchase its own ordinary shares of RM0.50 each ("Shares") on the Main Market of Bursa Securities ("Proposed Share Buy-Back") at any time, upon such terms and conditions as the Directors shall in their discretion deem fit and expedient in the best interest of the Company provided that:- **(Resolution 7)**
 - (a) The aggregate number of Shares in the Company which may be purchased and/or held by the Company shall not exceed ten percent (10%) of the prevailing issued and paid-up share capital of the Company at the time of purchase subject to any amount as may be determined by Bursa Securities from time to time and compliance with the public shareholding spread requirements as stipulated in Paragraph 8.02(1) of the LR;
 - (b) The maximum funds to be allocated by the Company for the purpose of purchasing the Shares shall not exceed the Company's latest audited retained profits and/or share premium accounts;
 - (c) The authority conferred by this resolution will be effective immediately from the passing of this ordinary resolution until:-
 - (i) the conclusion of the next Annual General Meeting ("AGM") at which time shall lapse unless by ordinary resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions; or
 - (ii) the expiration of the period within which the next AGM after that date is required by law to be held; or

NOTICE OF SEVENTH ANNUAL GENERAL MEETING



- (iii) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting;
whichever occurs first; and
- (d) Upon the purchase by the Company of its own Shares, the Board of Directors of the Company ("Board") be and is hereby authorized to:-
 - (i) cancel all or part of the Shares purchased pursuant to the Proposed Share Buy-Back ("Purchased Shares"); and/or
 - (ii) retain all or part of the Purchased Shares as treasury shares; and/or
 - (iii) distribute the treasury shares as share dividends to the Company's shareholders for the time being; and/or
 - (iv) resell the treasury shares on Bursa Securities.

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

7. SPECIAL RESOLUTION

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

"THAT the amendments to the Company's Articles of Association as set out in Appendix I be and is hereby approved and adopted.

(Resolution 8)

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

By Order of the Board

NG YEN HOONG (LS 008016)

LIM POH YEN (MAICSA 7009745)

Company Secretaries

Kuala Lumpur

31 January, 2011

NOTES:-

1. Notes on Appointment of Proxy

- (a) A member (other than an Authorised Nominee as defined under the Securities Industry (Central Depositories Act 1991) entitled to attend and vote at the Meeting is entitled to appoint a maximum of two Proxies to attend and vote on his (her) behalf. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
- (b) Where a member appoints two (2) Proxies, the appointment shall be invalid unless he (she) specifies the proportions of his (her) holdings to be represented by each Proxy.
- (c) The Proxy Form shall be signed by the appointor of his (her) attorney duly authorized in writing or, if the member is a corporation, must be executed under its common seal or by its duly authorized attorney or officer.
- (d) The instrument appointing a Proxy must be deposited at the registered office at Level 18, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, not less than 48 hours before the time for the meeting or at any adjournment thereof.

EXPLANATORY NOTES:-

- (i) Item 1 of Agenda – This item is meant for discussion only as the provision of Section 169(1) of the Companies Act, 1965 does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda is not put forward for voting.
- (ii) Resolution 6 – Authority to Issue Shares
The Proposed Resolution 6 is proposed for the purpose of granting a renewed general mandate ("General Mandate") and empowering the Directors to issue shares in the Company up to an amount not exceeding in total ten per centum (10%) of the Issued Share Capital of the Company for such purposes as the Directors consider would be in the interest of the Company.
The General Mandate will provide flexibility to the Company for allotment of shares for any possible fund raising activities, including but not limited to further placing of shares, for the purpose of funding future investments(s), acquisition(s) and/or working capital.
As at the date of this notice, the Company did not allot and issue any shares pursuant to the mandate granted to the Directors at the Sixth Annual General Meeting held on 25 February, 2010 as there were no requirement for such funding raising activities.
The mandate will commence from the date of this Annual General Meeting and, unless revoked or varied by the Company at a general meeting, will expire at the next annual general meeting.
- (iii) Resolution 7 – Proposed Share Buy-Back
Shareholders are advised to refer to the Statement to Shareholders dated 31 January, 2011 circulated together with the 2010 Annual Report, when considering Resolution 7.
- (iv) Resolution 8 – Proposed Amendments to the Articles of Association of the Company
The Proposed Resolution 8, if passed, will authorize the Company to amend its Articles of Association. The Proposed Amendments are made for the purpose of allowing the payment of cash dividends via eDividends as well as to facilitate some administrative issues. Please refer to Appendix I on pages 93 to 94 of the 2010 Annual Report for full details of the Proposed Amendments.



STATEMENT ACCOMPANYING NOTICE OF THE SEVENTH ANNUAL GENERAL MEETING

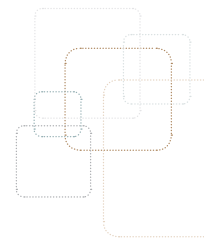
(Pursuant to Paragraph 8.27(2) of the Listing Requirements of Bursa Malaysia Securities Berhad)

DIRECTORS STANDING FOR RE-ELECTION

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

- (i) Teh Yoon Loy
- (ii) Yukihiro Eguchi
- (iii) Andy Woo Weng Kok

The details of the above Directors are set out in their respective profiles on pages 06 and 08. The details of their interest in the securities of the Company are set out on page 91 of the 2010 Annual Report.



BOARD OF DIRECTOR

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

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

AUDIT COMMITTEE

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

Ng Wai Pin
Member / Independent Non-Executive Director

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

COMPANY SECRETARIES

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

WEBSITE

www.bslcorp.com.my

REGISTERED OFFICE

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

Tel : 03 2264 8888
Fax : 03 2282 2733

REGISTRARS

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

Tel : 03 2264 3883
Fax : 03 2282 1886

AUDITORS

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

Tel : 03 7723 6500
Fax : 03 7726 3986

PRINCIPAL BANKERS

Citibank Berhad
OCBC Bank (Malaysia) Berhad

STOCK EXCHANGE LISTING

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

PROFILE OF DIRECTORS

01



02



01

NGIAM TONG KWAN

Executive Chairman

Aged 61, Malaysian. Appointed to the Board on 28 April 2005, he started his career as an apprentice tool maker in 1966 at Perusahaan Winco Sdn. Bhd. Five (5) years later, he was promoted to Production Supervisor where he not only supervised employees in the production department but was also involved in production and material planning. He was later promoted to Sales Manager. In 1978, he decided to venture out on his own and set up Ban Seng Lee Industries Sdn. Bhd., guiding it through steady growth over the years. He is also the director and co-founder of Unique, Crestronics and Kotamech.

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

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

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

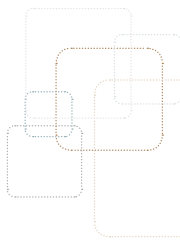
02

TEH YOON LOY

Executive Director

Aged 53, Malaysian. Appointed to the Board on 28 April 2005, he graduated with a Degree in Business Administration from Louisiana State University, USA, and after his graduation in 1982, he started his career as a credit and marketing officer with Sincere Leasing Sdn Bhd. He joined BSLI as a finance manager in 1984 and in 1989 he was appointed a Director of Unique. He is currently the Managing Director of Unique, responsible for business development and overall performance of Unique.

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



03



03

NGIAM TEE WEE

Chief Executive Officer / Executive Director

Aged 42, Malaysian. Appointed to the Board on 28 April 2005, he graduated with a Bachelor of Land Surveying Degree from University of Melbourne, Australia, and started his career in 1993 as Factory Manager of Unique, a subsidiary of BSL. In 1995, he was transferred to BSLI as an Operations Manager. In 1998, one year after he completed his ISO 9000 Lead Assessor training, he led BSLI to ISO 9002 certification. He was promoted to General Manager in 2000 where his responsibilities included overseeing daily operations, sales and marketing, R&D and engineering. He is currently the Managing Director of Ban Seng Lee Industries Sdn Bhd and CEO of BSL.

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

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

He is the adopted son of the Executive Chairman, Ngiam Tong Kwan and the natural brother of Ngiam Tee Yang, Executive Director and brother-in-law of Andy Woo Weng Kok, Executive Director.

04



04

NGIAM TEE YANG

Deputy Chairman / Executive Director

Aged 45, Malaysian. Appointed to the Board on 28 April 2005, he graduated with a Bachelor of Engineering Degree from National University of Singapore in 1989 and later obtained his Graduate Diploma in Sales & Marketing Management from Temasek Polytechnic, Singapore in 1993. He started work as a Management Trainee in Miyoshi Precision (S) Pte Ltd, a Japanese precision metal stamping company in Singapore. He was attached to different departments holding various positions such as Assistant Manager of purchasing department and Sales Manager.

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

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

PROFILE OF DIRECTORS

05



06



05

YUKIHIRO EGUCHI

Executive Director

Aged 48, Japanese. Appointed to the Board on 28 April 2005, Mr Eguchi joined his family-owned company Bright Trading Corporation in Tokyo after graduated from Nippon Institute Technology attachment Komaba high school (Formerly Nippon Institute Technology attachment Tokyo Technical High School) in 1981, as an Automotive Mechanical Engineer. In 1986, he joined an American audio-video company, SounDesign Corporation, Tokyo Branch as an Engineer. During this time, he travelled frequently to Korea, and was stationed in Taiwan from 1988 to 1991.

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

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

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

06

ANDY WOO WENG KOK

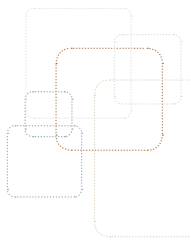
Executive Director

Aged 34, Malaysian. Appointed to the Board on 7 December 2007, he graduated with a Bachelor of Science in Electrical Engineering Degree in 1998 & Bachelor of Science in Computer Engineering Degree in 1999 from Wichita State University, Kansas, USA and started working after graduation in 2000 as a Management Trainee in Western Resources, a Power & Gas Company in Kansas, USA.

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

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

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



07



07

DATUK DR. SYED MUHAMAD BIN SYED ABDUL KADIR

Independent Non-Executive Director

Aged 63, Malaysian. Appointed to Board on 28 December 2006, Datuk Dr. Syed Muhamad graduated with a Bachelor of Arts (Hons.) from University of Malaya in 1971. He obtained a Masters of Business Administration from the University of Massachusetts, USA, in 1977 and proceeded to obtain a PhD (Business Management) from Virginia Polytechnic Institute and State University, USA, in 1986. In 2005, he obtained a Bachelor of Jurisprudence (Hons.) from the University of Malaya. He obtained the Certificate in Legal Practice in 2008 from the Malaysian Professional Legal Board. He was admitted as an Advocate and Solicitor of the High Court of Malaya in July 2009, and obtained the Master of Law (Corporate Law) from Universiti Teknologi MARA in December 2009.

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

For 1993 to 1997, he joined the Board of Directors, Asian Development Bank, Manila, Philippines, first as Alternate Executive Director and later as Executive Director. Datuk Dr. Syed Muhamad then joined the Ministry of Finance as Secretary (Tax Division) and subsequently became the Deputy Secretary General (Operations) of Ministry of Finance. Prior to his retirement, Datuk Dr. Syed Muhamad was Secretary General, Ministry of Human Resources.

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

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

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

PROFILE OF DIRECTORS

08



08

**TO' PUAN ROZANA BINTI
TAN SRI REDZUAN**

Independent Non-Executive Director

Aged 46, Malaysian. Appointed to the Board on 28 December 2006, she is a member of the Chartered Association of Certified Accountants (ACCA) and Malaysian Institute of Accountants (MIA).

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

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

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

09



09

NG WAI PIN

Independent Non-Executive Director

Aged 45, Malaysian. Appointed to the Board on 28 December 2006, he graduated with a LLB Degree from University of Auckland in 1988 and was a barrister and solicitor attached to a leading legal firm in New Zealand for a number of years.

He later joined Shook Lin & Bok, a legal firm in Kuala Lumpur and was admitted as an Advocate and Solicitor of the High Court of Malaya in 1993. He currently runs a company in Australia, a director of a few private companies and also sits on the board of Euro Holdings Berhad and is a Senior Independent Director of Frontken Corporation Berhad, both listed on Bursa Malaysia Securities Berhad.

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

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

Note :

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

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

CHAIRMAN'S AND CEO'S STATEMENT



DEAR SHAREHOLDERS,

On behalf of the Board of Directors of BSL Corporation Berhad, we present this year's Annual Report and Financial Statements for the financial year ended 31 August 2010.

FINANCIAL REVIEW

For the financial year under review, the Group turnover increased by RM23.8 million or 17.1% to RM163.7 million compared to RM139.8 million in the previous year.

The Group achieved better operational results this financial year, recording a profit before tax for the financial year ended 31 August 2010 of RM9.2 million, compared to the loss before tax of RM1.2 million reported in the previous financial year. The favourable profit figure was mainly attributed to the improved performances of all the Companies due to better market condition.

This overall satisfactory performance of the Group had resulted in an earning per share of 8.5 sen from a loss of 1.7 sen in financial year 2009.

OPERATIONAL REVIEW

The stamping division continued its improvement in revenue by recording an increased of 9.25% compared to year 2009. This was largely driven by the improved sales of components for LCD TVs, followed by the audio/video and agriculture sectors. However, margins for operating profit deteriorated due to increased competitions, rising raw material prices and cost incurred from relocation of manufacturing facilities to a bigger plant in Rawang. The stamping division invested approximately RM7 million for additional machines in order to increase capacity and for the production of back covers for LCD TVs. We continued to seek improvements and to stabilise our operations at the new factory.

The PCB assembly division saw a much-improved revenue in FYE 2010. Revenue increased by 36% compared to FYE2009. Crestronics enjoyed better demand from clients involved in audio and from a new client in the LCD TV business. The improved revenue, aided by further operational rationalisation helped the PCBA division to reduced her losses substantially from RM4.86 million in 2009 to RM116,829 in 2010.

CHAIRMAN'S AND CEO'S STATEMENT (CONT'D)

Similarly, the forging division also reported improvement in revenue of 22% in 2010 compared to 2009. Profit after tax improved from a loss of RM1.98 million to a profit of RM421,301. The improvement in revenue was in tandem with better demand from clients post financial crisis of 2009. Furthermore, this division carried out much improvement activities, concentrating especially in the efficiency of manpower and machines utilisation.

Not surprisingly, the automotive division reported the biggest improvement in financial results in 2010. This was attributed to the recovery of the automotive sector in Malaysia. This division was able to continuously secure products from the numerous new models launched by car assembly companies in 2010.

Our associate company in China involved in seamless pipes/tubes production recovered well in 2010. Even though this division was still not profitable, it recovered in the second half of the year to record a lower loss of RM463,221 in 2010. We expect the Company to be profitable for the year 2011.

In 2010 the Group made significant progress in operational improvement and in revenue. Both activities contributed to a much better turnover and reversed previous year's loss to a profit in 2010. We also began negotiation with one of our audio client to begin full assembly of audio product. This project is expected to contribute in the new financial year 2011 and will help propel the group to become an Electronic Manufacturing Service (EMS) provider. The Group will rely on her combined strength especially in metal stamping and PCB assembly to provide the competitive edge as an EMS company.

CORPORATE DEVELOPMENTS

In September 2010, Ban Seng Lee Industries Sdn Bhd (wholly-owned subsidiary) acquired a piece of freehold industrial land in Rawang, Selangor for Group future expansion in the assembly and metal stamping.

DIVIDEND

The Board do not recommend any dividend payment in respect of the financial year ended 31 August 2010.

CORPORATE GOVERNANCE

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

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

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

CURRENT YEAR OUTLOOK

Economic conditions and external demand improved in 2010. The recovery in global economy will provide a further impetus for growth in 2011. In view of the above, consumer confidence is likely to be sustained in 2011.

However, 2011 economic conditions will remain challenging with the escalating raw material prices and the strengthening of Ringgit Malaysia against US Dollars in which export sales are mainly denominated. Our clients which are export oriented Multi National Companies (MNC) will not favour a strong Ringgit Malaysia.

Nevertheless, our Group will continue with its prudent management policy and risk management strategy which had proven effective against uncertainty and volatility in the market.

The Board is optimistic that the Group will be able to achieve another year of success in the financial year ending 31 August 2011.

APPRECIATION

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

Thank you.

NGIAM TONG KWAN

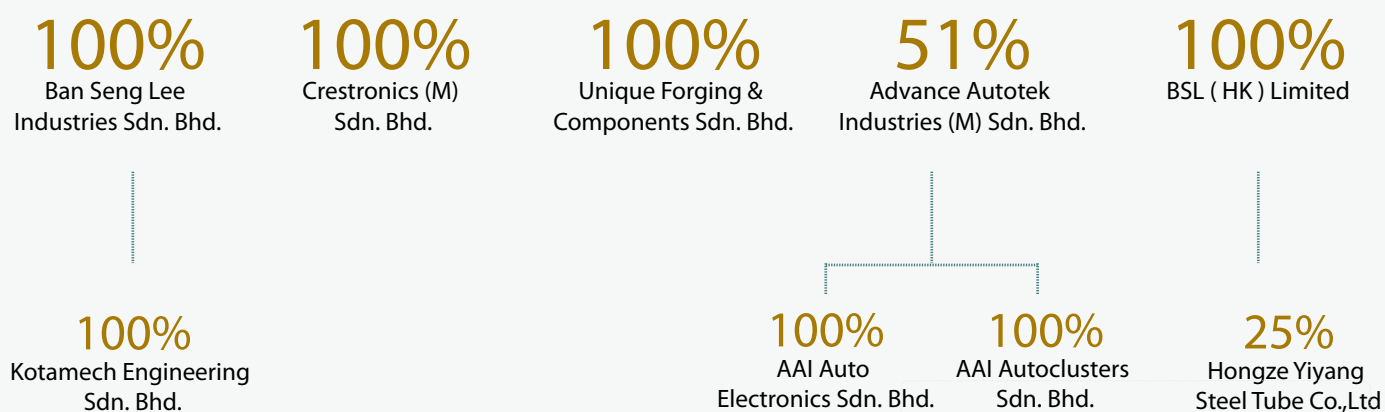
Executive Chairman

NGIAM TEE WEE

Chief Executive Officer

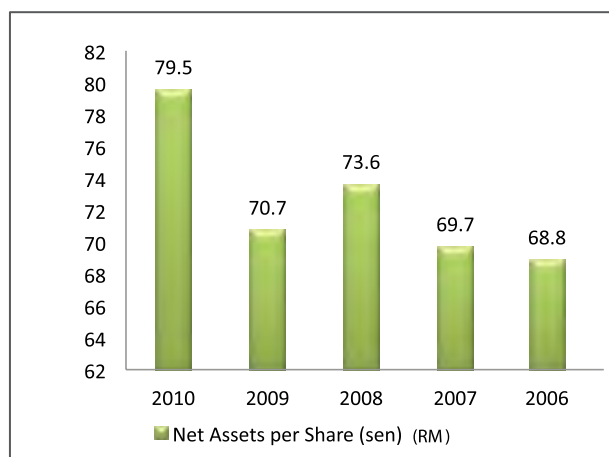
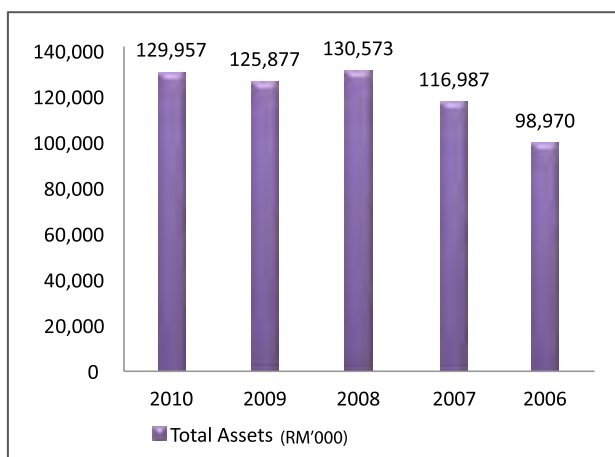
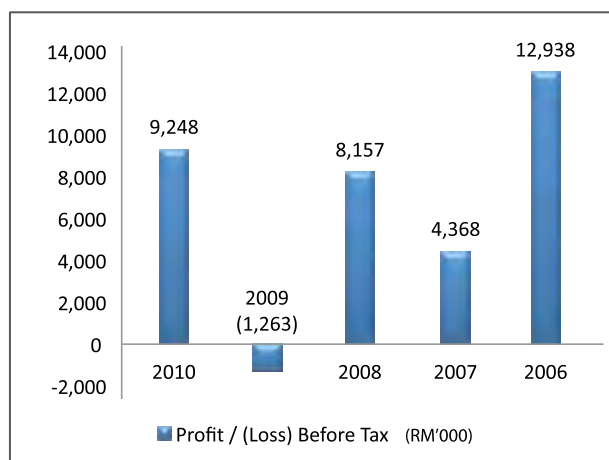
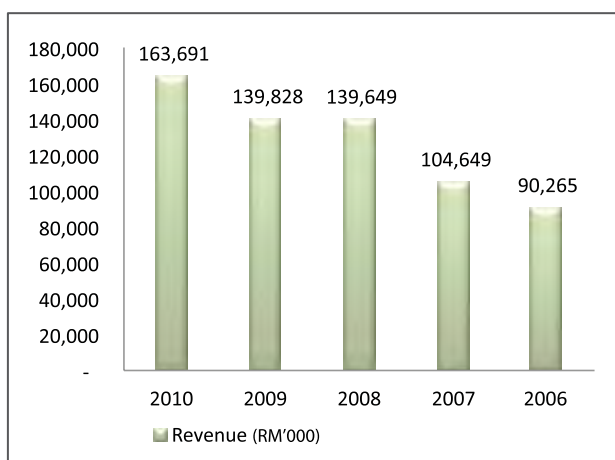
31 January 2011

CORPORATE STRUCTURE

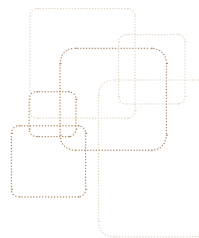


FINANCIAL HIGHLIGHTS

	2010 RM'000	2009 RM'000	2008 RM'000	2007 RM'000	2006 RM'000
Income					
Revenue	163,691	139,828	139,649	104,649	90,265
Profit / (Loss) Before Tax	9,248	(1,263)	8,157	4,368	12,938
Profit / (Loss) Attributable to Shareholders	8,275	(1,695)	4,833	4,295	9,875
Balance Sheet					
Total Assets	129,957	125,877	130,573	116,987	98,970
Shareholders' Fund	77,923	69,295	72,108	68,270	67,465
Paid-up Capital	49,000	49,000	49,000	49,000	49,000
Financial Ratios					
Return on Shareholders' Fund (%)	10.62	(2.45)	6.70	6.29	14.64
Earnings per Share (sen)	8.5	(1.7)	4.9	4.4	10.1
Net Assets per Share (sen)	79.5	70.7	73.6	69.7	68.8
Gross Dividend per Share -First and Final (sen)	-	-	1.3	1.4	3.8



CORPORATE GOVERNANCE STATEMENT (CONT'D)



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

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

1. BOARD OF DIRECTORS

a. Composition of the Board and Board Balance

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

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

The profiles of the Directors are presented in pages 6 to 10.

b. Duties & Responsibilities

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

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

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

CORPORATE GOVERNANCE STATEMENT (CONT'D)

1. BOARD OF DIRECTORS (cont'd)

c. Meetings

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

During the financial year, the Board held five (5) meetings, while the relevant Committees had seven (7) meetings. Record of the directors' attendances (taking into account the date of their respective appointments) is contained in the table below.

DIRECTOR	BOARD	AUDIT COMMITTEE	REMUNERATION COMMITTEE
Ngiam Tong Kwan	* (5/5)		* (2/2)
Ngiam Tee Wee	* (5/5)		
Ngiam Tee Yang	* (5/5)		
Teh Yoon Loy	* (5/5)		
Yukihiro Eguchi	* (5/5)		
Andy Woo Weng Kok	* (4/5)		
Datuk Dr Syed Muhamad bin Syed Abdul Kadir	# * (5/5)	* (5/5)	
To' Puan Rozana binti Tan Sri Redzuan	# * (4/5)	* (4/5)	* (2/2)
Ng Wai Pin	# * (5/5)	* (5/5)	* (2/2)

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

d. Supply of information

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

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

e. Board Committees

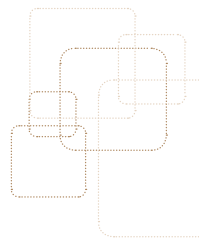
The Board has delegated specific responsibilities to the various Board Committees with clear defined Term of Reference.

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

(i) Audit Committee

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

CORPORATE GOVERNANCE STATEMENT (CONT'D)



1. BOARD OF DIRECTORS (cont'd)

(ii) Remuneration Committee

The members of the Remuneration Committee are currently as follows:

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

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

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

(iii) Nomination Committee

The members of the Nomination Committee are currently as follows:

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

The Nomination Committee shall :

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

(iv) Risk Assessment and Monitoring Committee

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

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



CORPORATE GOVERNANCE STATEMENT (CONT'D)

1. BOARD OF DIRECTORS (cont'd)

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

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

f. Appointment to the Board

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

g. Re-election of Directors

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

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

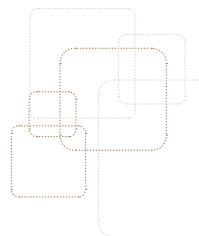
Directors over seventy (70) years of age are required to submit themselves for re-appointment annually in accordance with Section 129(6) of the Companies Act, 1965.

h. Directors' Training

All the Directors have attended the Mandatory Accreditation Program conducted by the Research Institute of Investment Analyst's Malaysia (RIIAM). The Directors have attended various conferences, seminars and briefings to keep abreast with the latest development in the industry and the global environment in order for them to be effective in performing their fiduciary duties and responsibilities.

The Directors will continue to undergo relevant training programs from time to time to further enhance their knowledge to enable them to discharge their duties and responsibilities more effectively.

CORPORATE GOVERNANCE STATEMENT (CONT'D)



1. BOARD OF DIRECTORS (cont'd)

During the financial year ended 31 August 2010, the Directors had attended the following trainings, Seminars and Forum:

Directors	Title of Training	Duration
Ngiam Tong Kwan	- Continuing Obligations of Directors of Listed Corporation	Half day
	- The Corporate Governance	Half day
Ngiam Tee Wee	- Continuing Obligations of Directors of Listed Corporation	Half day
	- The Corporate Governance	Half day
	- Safety At Workplace - Accident Prevention & Investigation	One day
	- ISO 9001:2008 Quality Management System Awareness Training	One day
Teh Yoon Loy	- Continuing Obligations of Directors of Listed Corporation	Half day
	- The Corporate Governance	Half day
Andy Woo Weng Kok	- Continuing Obligations of Directors of Listed Corporation	Half day
	- The Corporate Governance	Half day
	- Strategic Management Using KPI & KRA Framework	Two days
Ngiam Tee Yang	- Continuing Obligations of Directors of Listed Corporation	Half day
	- The Corporate Governance	Half day
	- Malaysia Capital Markets 2010	Half day
Datuk Dr. Syed Muhamad Syed Abdul Kadir	- Governance Expectations of International Fund Managers	One day
	- International Fund Managers	
	- Khazanah Global Lectures by Sir John Bond, Chairman of Vodafone Group	One day
	- Over Regulation & other	One day
	- International Advisory Panel Meeting	Two days
	- Bank Negara Malaysia: Financial Industry Conference	Two days
	- Group Annual Management Dialogue	Two days
	- Everything you wanted to know about banking but didn't dare ask	Two days
	- Managing Risks in Mortgage Financing - Held at BNM	One day
	- Risk Management of Derivatives: What Directors and Senior Management should know	One day
	- Empowering Leaders of Tomorrow: Connect and Collaborate	One day
	- Borderless & Globalisation – No Pain No Gain	One day
	- Accelerate Route Course / Fast Track on Arbitration Lawyer	Two days
	- Audit Committee Institute Roundtable discussion: Going Forward: Risk & Reform - Implications for Audit Committee Oversight	One day
	- Islamic Institutions and Governance	One day
	- Models and Main differences	One day
	- Continuing Obligations of Directors of Listed Companies	Half day
	- The Corporate Governance Guide 2009	Half day
	- Induction Programme for Newly Appointed Directors for Bursa	Two days

CORPORATE GOVERNANCE STATEMENT (CONT'D)

1. BOARD OF DIRECTORS (cont'd)

Directors	Title of Training	Duration
Yukihiro Eguchi	- Continuing Obligations of Directors of Listed Corporation - The Corporate Governance	Half day Half day
To' Puan Rozana binti Tan Sri Redzuan	- Continuing Obligations of Directors of Listed Corporation - The Corporate Governance - Managing Related Party Transactions - Best Practices in Corporate Disclosure	Half day Half day Half day Half day
Ng Wai Pin	- Continuing Obligations of Directors of Listed Corporation - The Corporate Governance - An Overview of FRS 139, Financial Instruments: Recognition and Measurement - Getting up to speed with governance- is your board equipped	Half day Half day One day One day

2. DIRECTORS' REMUNERATION

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

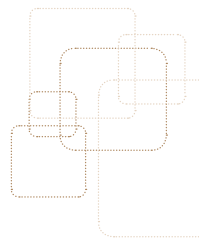
Directors' fees are recommended by the Board for approval by the shareholders of the Company at annual general meetings.

Details of the remuneration of the Directors for the financial year ended 31 August, 2010 are set out as follows:

	Salaries & Bonus RM	Other benefits RM	Fees RM	Total RM
Executive Directors	1,601,764	179,808	211,600	1,993,172
Non-Executive Directors	-	4,200	86,000	90,200
Total	1,601,764	184,008	297,600	2,083,372

A breakdown of Directors' remuneration for the financial year ended 31 August, 2010 in successive bands of RM50,000.00 are as follows :

Range of Remuneration(RM)	No. of Director Executive	No. of Director Non-Executive
1 – 50,000	-	3
50,001 – 100,000	1	-
200,001 – 250,000	2	-
300,001 – 350,000	1	-
350,001 – 400,000	2	-
Total	6	3



3. COMMUNICATION WITH SHAREHOLDERS & INVESTORS

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

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

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

4. ACCOUNTABILITY AND AUDIT

a. Financial Reporting

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

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

b. Internal Control

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

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

c. Relationship with Auditors

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

5. ADDITIONAL COMPLIANCE INFORMATION

(a) Utilisation of Proceeds

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

CORPORATE GOVERNANCE STATEMENT (CONT'D)

5. ADDITIONAL COMPLIANCE INFORMATION (cont'd)

(b) Share Buy-back

Details of the Share Buy- Back of the Company during the financial year are disclosed under Note 21 in the Audited Financial Statements on page 79 of this Annual Report.

The details of the shares repurchased during the year are as follows:-

Month	Lowest	Price per share Highest	Average	Number of RM	Total Consideration(RM)
May	0.25	0.27	0.27	100,800	26,961
June	0.25	0.25	0.25	152,400	38,539
July	0.25	0.25	0.25	2,000	541
August	0.31	0.33	0.33	150,800	49,460
				Total	115,501

(c) Options, Warrants or Convertible Securities

There were no options, warrants or convertible securities exercised during the financial year ended 31 August 2010.

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

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

(e) Sanctions and / or Penalties

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

(f) Non-audit Fees

There were no non-audit fees paid and payable to the External Auditor during the financial year ended 31 August 2010.

(g) Variation in Results

There is no material variance between the audited results for the financial year ended 31 August 2010 and the unaudited results previously announced.

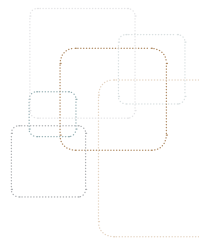
(h) Profit Guarantees

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

(i) Material Contracts or loans

There were no material contract entered into by the Company which involved Directors' and major shareholders' interest, either still subsisting at the end of the financial year ended 31 August 2010 or, if not then subsisting, entered into since the end of the previous financial year.

CORPORATE GOVERNANCE STATEMENT (CONT'D)



5. ADDITIONAL COMPLIANCE INFORMATION (cont'd)

(j) Recurrent Related Party Transactions

All recurrent related party transactions entered into by the Group during the financial year ended 31 August 2010 are disclosed in Notes 6 and 12 of the financial statements in pages 62 and 74 of this Annual Report.

(k) Revaluation of landed properties

The Group has adopted a policy on regular revaluation on landed properties. This is disclosed at Note 3 and 10 of the Notes to the Financial Statements.

(l) Corporate Social Responsibility

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

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



STATEMENT OF INTERNAL CONTROL

RESPONSIBILITY

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

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

KEY PROCESSES

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

INTERNAL AUDIT FUNCTION

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

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

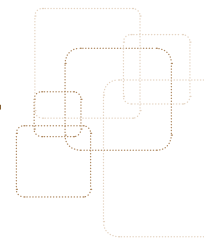
The internal audit function has focused on high priority activities determined by risk assessment and in accordance with the audit planning memorandum approved by the Audit Committee. Please refer to the Audit Committee Report as set out on pages 25 to 28. The cost incurred for the internal audit functions for the financial year ended 31 August, 2010 was RM33,340.

INTERNAL CONTROL SYSTEM

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

- Organisation structure with clearly defined delegation of responsibilities to the Committees of the Board;
- Regular meetings are held at operational and management levels to identify and resolve business, financial, operational and management issues;
- The subsidiary companies were accredited ISO 9001:2000 & ISO 14001:2004. Documented internal procedures and standard operating procedures have been put in place and surveillance audits are conducted twice a year by assessors of the ISO certification body to ensure that the system is adequately implemented;
- Regular internal audit visits and other specific assignments, if and when the need arises, assigned by the Audit Committee and / or Board who monitors compliance with procedures and assesses the integrity of financial information provided;
- Regular information is provided by the management to the Board on financial performance and key business indicators;
- Monthly monitoring of results by the management through financial reports such as monthly management accounts and cash flow statements;
- Regular meetings between the Audit Committee and the management on the actions taken on internal control issues identified through reports prepared by the internal auditors, external auditors and/or management; and
- Proper approval and review by the Board on new ventures/business diversification.

The Board is of the view that there were no significant weaknesses in the system of internal control of the Group that may have a material impact on the operations of the Group for the financial year ended 31 August, 2010. The Board will continue to take necessary measures to strengthen and improve its internal control structure in order to manage the risks more effectively.



The Audit Committee currently comprises the following directors:

Datuk Dr Syed Muhamad bin Syed Abdul Kadir

Chairman, Independent Non-Executive Director

To' Puan Rozana binti Tan Sri Redzuan

Member, Independent Non-Executive Director

Ng Wai Pin

Member, Independent Non-Executive Director

TERMS OF REFERENCE

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

COMPOSITION OF THE COMMITTEE

- (1) The Committee shall be appointed by the Board of Directors from amongst its members which fulfils the following requirements:-
 - (a) shall comprise not less than 3 members;
 - (b) all the audit committee must be non-executive director, with a majority of them being independent directors; and
 - (c) at least one member of the audit committee : -
 - (i) must be a member of the Malaysian Institute of Accountants ("MIA"); or
 - (ii) if he is not a member of MIA, he must have least 3 years' working experience, and : -
 - (aa) he must have passed the examinations specified in Part 1 of the 1st schedule of the Accountants Act, 1967; or
 - (bb) he must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act, 1967; or
 - (iii) fulfils such other requirements as prescribed or approved by Bursa Securities Malaysia Berhad.
 - (d) no alternate director is appointed as a member of the audit committee.
- (2) In the event of any vacancy in an audit committee resulting in the non-compliance of the above, the Company must fill the vacancy within 3 months as per the Bursa Malaysia Securities Berhad Listing Requirement.
- (3) The Board of Directors must review the term of office and performance of the Committee and each of its members at least once every 3 years to determine whether such Committee and members have carried out their duties in accordance with their terms of reference.

DUTIES AND RESPONSIBILITIES OF THE COMMITTEE

The Committee shall discharge the following functions: -

- (1) To review the following and report the same to the Board of Directors: -
 - (a) with the external auditor, the audit plan, his/her evaluation of the system of internal controls, his/her audit report;
 - (b) the assistance given by the employees of the Company to the external auditor;



AUDIT COMMITTEE REPORT (CONT'D)

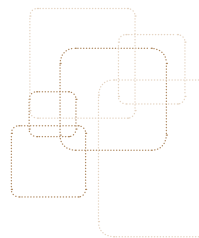
DUTIES AND RESPONSIBILITIES OF THE COMMITTEE (cont'd)

- (c) the adequacy of the scope, functions, competency and resources of the internal audit functions and that it has the necessary authority to carry out its work;-
 - (d) the internal audit programme, processes, the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;
 - (e) the quarterly results and year-end financial statements, prior to the approval by the Board of directors, focusing particularly on : -
 - (i) change in or implementation of major accounting policy changes;
 - (ii) significant and unusual events; and
 - (iii) compliance with accounting standards and other legal requirements;
 - (f) any related party transaction and conflict of interest situation that may arise within the Company or group including any transaction, procedure or course of conduct that raises questions of management integrity;
 - (g) any letter of resignation from the external auditors of the Company; and
 - (h) whether there is reason (supported by grounds) to believe that the external auditor is not suitable for re-appointment; and
- (2) To recommend the nomination of a person or persons as external auditors.
 - (3) To report promptly to the Bursa Malaysia Securities Bhd (Bursa Securities) where the Committee is of the view that a matter reported by it to the Board of Directors has not been satisfactorily resolved resulting in a breach of the Listing Requirements.
 - (4) To carry out any other function that may be mutually agreed upon by the Committee and the Board of Directors.

RIGHTS OF THE COMMITTEE

The Committee shall: -

- (1) have authority to investigate any matter within its terms of reference;
- (2) have the resources which are required to perform its duties;
- (3) have full and unrestricted access to any information pertaining to the Company;
- (4) have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity;
- (5) be able to obtain independent professional or other advice; and
- (6) be able to convene meetings with the external auditors, the internal auditors or both, excluding the attendance of other directors and employees of the Company, whenever deemed necessary.



PROCEDURE OF COMMITTEE MEETING

(1) **Chairman**

The chairman, who shall be an independent director, shall be elected by the Committee from among their members.

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

(2) **Quorum**

The majority of members who must be the independent directors present shall be a quorum.

(3) **Attendance**

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

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

(4) **Calling**

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

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

(5) **Frequency**

Meetings shall be held at least 4 times a year.

(6) **Notice**

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

(7) **Voting**

A resolution put to the vote of the meeting shall be decided on a show of hands.

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

(8) **Keeping of minutes**

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

(9) **Custody, production and inspection of such minutes.**

The minutes shall be kept by the Company at the Registered Office or the principal place of business in Malaysia of the Company, and shall be open to the inspection of any member of the committee without charge.



AUDIT COMMITTEE REPORT (CONT'D)

SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE

During the financial year ended 31 August 2010, the Audit Committee held five (5) meetings and the attendance record is as follows:

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

The following activities were carried out by the Audit Committee during the financial year ended 31 August 2010 :

- Reviewing the unaudited quarterly financial results announcements and annual audited financial statements of the Group prior to making recommendation to the Board for consideration and approval.
- Reviewing the external auditors' scope of works and the audit planning memorandum, the results of their examination, their auditors' report and management letters in relation to the audit and accounting issues arising from the audit.
- Reviewing the major findings of the internal audit investigation and managements' responses and ensure that appropriate actions are taken on the recommendation of the internal audit function.
- Review the related party transaction entered into by BSL Group.

INTERNAL AUDIT FUNCTION

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

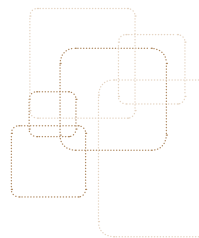
In this regards, the Company has appointed external independent professional firms to undertake the internal audit function and risk management function during the financial year with the aim to ensure its existing internal control system is effective and appropriate in mitigating against the Group's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

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

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

The Board of Directors is required under Paragraph 15.27 (a) of the Bursa Malaysia Listing Requirements to issue a statement explaining its responsibility for preparing the annual audited financial statements.

DIRECTORS' RESPONSIBILITIES STATEMENT



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

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

This statement is made pursuant to a resolution of the Board of Directors' meeting held on 21 January, 2011.

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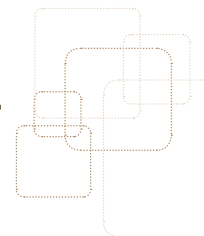
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93 APPENDIX I



The directors of BSL CORPORATION BERHAD, hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended August 31, 2010.

PRINCIPAL ACTIVITIES

The Company is principally an investment holding company.

The principal activities of the subsidiary companies are disclosed in Note 12 to the Financial Statements.

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

SIGNIFICANT EVENT

During the financial year, Advance Autotek Industries Sdn. Bhd., a subsidiary company, received a profit guarantee sum amounting to RM734,900 from Xadacorp Sdn. Bhd. ("Vendor") and Messrs. Tio Boon Yaw and Choong Heng @ Chong Choong Heng ("Covenanters") pursuant to the Share Sale Agreement and the Supplemental Agreement entered into between the Company and the Vendor and the Covenanters dated March 13, 2006 and November 6, 2007 respectively.

RESULTS OF OPERATIONS

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

	The Group RM	The Company RM
Profit before tax	9,248,129	183,656
Income tax expense	(454,993)	(352,807)
Profit/(Loss) for the year	8,793,136	(169,151)
Attributable to:		
Equity holders of the Company	8,274,829	
Minority interest	518,307	
	8,793,136	

In the opinion of the directors, the results of operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature other than the exceptional item as disclosed in Note 6 to the Financial Statements.



DIRECTORS' REPORT

(CONT'D)

DIVIDENDS

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

RESERVES AND PROVISIONS

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

ISSUE OF SHARES AND DEBENTURES

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

SHARE OPTIONS

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

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

TREASURY SHARES

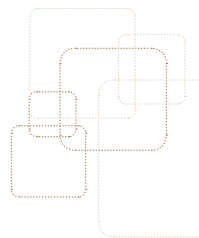
During the financial year, the Company purchased 406,000 of its own shares through purchases on Bursa Malaysia Securities Berhad. The total amount paid for acquisition of the shares was RM115,501 and has been deducted from equity. The repurchased transactions were financed by internally generated funds and the average price paid for the shares were RM0.2844. The repurchased shares are held as treasury shares in accordance with Section 67A of the Companies Act, 1965.

Subsequent to the financial year end, the Company purchased 652,013 of its own shares through purchases on Bursa Malaysia Securities Berhad. The total amount paid for acquisition of the shares was RM249,172. The repurchased transactions were financed by internally generated funds and the average price paid for the shares were RM0.3822.

OTHER STATUTORY INFORMATION

Before the income statements and the balance sheets of the Group and of the Company were made out, the directors took reasonable steps:

- (a) to ascertain that proper action had been taken in relation to the writing off of bad receivables and the making of allowance for doubtful receivables and have satisfied themselves that all known bad receivables had been written off and adequate allowances have been made for doubtful receivables; and
- (b) to ensure that any current assets which were unlikely to realise their book values in the ordinary course of business have been written down to their estimated realisable values.



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

- (a) which would render the amount written off of bad receivables or the amount of the allowance for doubtful receivables in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- (b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
- (c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or
- (d) not otherwise dealt with in this report or financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

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

- (a) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liability of any other person; or
- (b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

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

In the opinion of the directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of operations of the Group and of the Company for the succeeding financial year.

DIRECTORS

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

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

Mr. Teh Yoon Loy, Mr. Yukihiro Eguchi and Mr. Andy Woo Weng Kok retire under Article 78 of the Company's Articles of Association in the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

DIRECTORS' REPORT

(CONT'D)

DIRECTORS' INTERESTS

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

	Number of ordinary shares of RM0.50 each			Balance at 31.8.2010
	Balance at 1.9.2009	Bought	Sold	
Shares in the Company				
Registered in name of directors				
Ngiam Tong Kwan	406,315	-	-	406,315
Teh Yoon Loy	36,347	-	-	36,347
Yukihiro Eguchi	58,445	-	-	58,445
Ngiam Tee Wee	135,000	-	-	135,000
Ngiam Tee Yang	100,000	-	-	100,000
Datuk Dr. Syed Muhamad Bin Syed Abdul Kadir	100,000	-	-	100,000
Andy Woo Weng Kok	60,000	-	-	60,000

Deemed interest

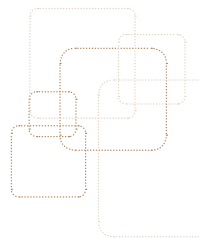
Ngiam Tong Kwan*	49,980,000	-	-	49,980,000
Ngiam Tong Kwan**	4,192,670	-	-	4,192,670
Andy Woo Weng Kok **	47,000	-	-	47,000
Ng Wai Pin**	17,000	-	-	17,000

	Number of ordinary shares of RM1.00 each			Balance at 31.8.2010
	Balance at 1.9.2009	Bought	Sold	
Shares in the holding company, Esteem Role Sdn. Bhd.				
Registered in name of directors				
Ngiam Tong Kwan	25,472	-	-	25,472
Teh Yoon Loy	7,060	-	-	7,060
Yukihiro Eguchi	3,050	-	-	3,050
Ngiam Tee Wee	7,000	-	-	7,000
Ngiam Tee Yang	5,000	-	-	5,000

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

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

By virtue of the above directors' interest in the shares of the Company and of the holding company, they are deemed to have an interest in the shares of the subsidiary companies to the extent that the Company and the holding company have interest.



DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the directors of the Company has received or become entitled to receive any benefit (other than the benefit included in the aggregate amount of emoluments received or due and receivable by directors as disclosed in the financial statements or being the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest other than any benefit which may be deemed to have arisen by virtue of the transactions as disclosed in Notes 12 and 26 to the Financial Statements.

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

HOLDING COMPANY

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

AUDITORS

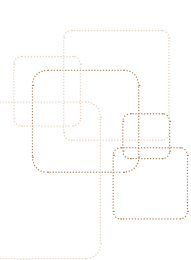
The auditors, Messrs. Deloitte KassimChan, have indicated their willingness to continue in office.

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

NGIAM TONG KWAN

NGIAM TEE WEE

Petaling Jaya,
December 23, 2010



INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF BSL CORPORATION BERHAD

(INCORPORATED IN MALAYSIA)

Report on the Financial Statements

We have audited the financial statements of **BSL CORPORATION BERHAD**, which comprise the balance sheets as of August 31, 2010 of the Group and of the Company and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 38 to 87.

Directors' Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

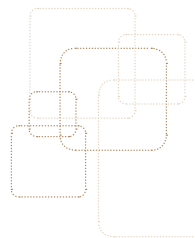
Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of August 31, 2010 and their financial performance and cash flows for the year then ended.

INDEPENDENT AUDITORS' REPORT

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

(INCORPORATED IN MALAYSIA)



Report on Other Legal and Regulatory Requirements

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

- a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and by the subsidiary companies of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.
- b) We have considered the financial statements and auditors' reports of the subsidiary company of which we have not acted as auditors, as mentioned in Note 12 to the Financial Statements, being financial statements that have been included in the consolidated financial statements.
- c) We are satisfied that the financial statements of the subsidiary companies that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements, and we have received satisfactory information and explanations as required by us for these purposes.
- d) The auditors' reports on the financial statements of the subsidiary companies were not subject to any qualification and did not include any comment made under sub-section (3) of Section 174 of the Act.

DELOITTE KASSIMCHAN

AF 0080

Chartered Accountants

LOO CHEE CHOU

Partner - 2783/09/12 (J)

Chartered Accountant

December 23, 2010

INCOME STATEMENTS

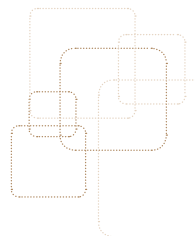
FOR THE YEAR ENDED AUGUST 31, 2010

	Note	The Group		The Company	
		2010 RM	2009 RM	2010 RM	2009 RM
Revenue	5	163,691,205	139,827,923	1,200,000	1,464,000
Other income	6	3,478,461	1,655,920	681,807	964,826
Investment income		122,647	100,158	77,639	37,659
Changes in inventories of work-in-progress and finished goods		(1,563,478)	(2,619,422)	-	-
Raw materials and consumables used		(102,562,419)	(94,198,526)	-	-
Production overhead		(12,816,718)	(10,261,813)	-	-
Staff costs	6	(23,798,160)	(18,074,305)	-	-
Depreciation of property, plant and equipment	10	(6,581,930)	(6,300,067)	-	-
Finance costs	7	(1,778,760)	(1,973,691)	(686,646)	(877,500)
Other expenses	6	(8,446,207)	(8,293,464)	(1,089,144)	(1,252,970)
Share of result of associated company		(463,221)	(1,052,745)	-	-
Amortisation of prepaid lease payments on leasehold land	11	(33,291)	(72,561)	-	-
Profit/(Loss) before tax		9,248,129	(1,262,593)	183,656	336,015
Income tax (expense)/credit	8	(454,993)	(321,851)	(352,807)	29,155
Profit/(Loss) for the year		8,793,136	(1,584,444)	(169,151)	365,170
Attributable to:					
Equity holders of the Company		8,274,829	(1,695,308)		
Minority interest		518,307	110,864		
		8,793,136	(1,584,444)		
Earnings/(Loss) per ordinary share					
Basic (sen)	9	8.5	(1.7)		

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

BALANCE SHEETS

AS OF AUGUST 31, 2010



		The Group		The Company	
	Note	2010 RM	2009 RM	2010 RM	2009 RM
ASSETS					
Non-Current Assets					
Property, plant and equipment	10	57,046,691	46,973,009	-	-
Prepaid lease payments on leasehold land	11	-	6,402,059	-	-
Investment in subsidiary companies	12	-	-	49,046,047	49,046,047
Investment in an associated company	13	3,185,205	3,648,426	-	-
Goodwill on consolidation	14	3,166,090	3,540,889	-	-
Quoted investment	15	1,700	1,700	-	-
Other investment	16	-	-	-	-
Total Non-Current Assets		63,399,686	60,566,083	49,046,047	49,046,047
Current Assets					
Inventories	17	15,983,492	14,780,108	-	-
Trade receivables	18	29,434,956	28,792,472	-	-
Other receivables, deposits and prepaid expenses	18	6,939,801	3,892,026	-	-
Tax recoverable		900,891	333,846	158,055	346,064
Amount owing by subsidiary companies	12	-	-	17,688,102	17,852,827
Short-term deposits with licensed banks	19	3,263,409	5,159,163	2,139,171	4,062,058
Cash and bank balances	29	10,034,718	12,353,648	495,073	107,949
Total Current Assets		66,557,267	65,311,263	20,480,401	22,368,898
TOTAL ASSETS		129,956,953	125,877,346	69,526,448	71,414,945

(Forward)

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

BALANCE SHEETS

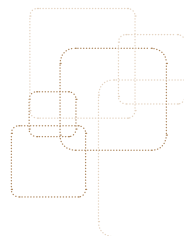
AS OF AUGUST 31, 2010 (CONT'D)

		The Group		The Company	
	Note	2010 RM	2009 RM	2010 RM	2009 RM
EQUITY AND LIABILITIES					
Capital and Reserves					
Share capital	20	49,000,000	49,000,000	49,000,000	49,000,000
Treasury shares	21	(117,400)	(1,899)	(117,400)	(1,899)
Reserves	22	29,040,740	20,296,973	2,601,170	2,770,321
Equity attributable to equity holders of the Company		77,923,340	69,295,074	51,483,770	51,768,422
Minority interest		2,474,735	1,596,327	-	-
Total Equity		80,398,075	70,891,401	51,483,770	51,768,422
Non-Current and Deferred Liabilities					
Hire-purchase payables - non-current portion	23	1,370,041	2,695,089	-	-
Term loans - non-current portion	24	13,832,750	15,421,350	5,600,000	15,000,000
Deferred tax liabilities	25	2,052,642	2,302,380	-	-
Total Non-Current and Deferred Liabilities		17,255,433	20,418,819	5,600,000	15,000,000
Current Liabilities					
Trade payables	26	16,568,683	17,326,327	-	-
Other payables and accrued expenses	26	3,559,588	5,834,103	199,835	366,181
Amount owing to subsidiary company	12	-	-	12,242,843	4,280,342
Hire-purchase payables - current portion	23	3,406,648	4,035,789	-	-
Bank borrowings	27	6,599,964	5,877,050	-	-
Term loans - current portion	24	1,909,366	545,927	-	-
Tax liabilities		259,196	947,930	-	-
Total Current Liabilities		32,303,445	34,567,126	12,442,678	4,646,523
Total Liabilities		49,558,878	54,985,945	18,042,678	19,646,523
TOTAL EQUITY AND LIABILITIES		129,956,953	125,877,346	69,526,448	71,414,945

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED AUGUST 31, 2010



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

(Forward)

STATEMENTS OF CHANGES IN EQUITY

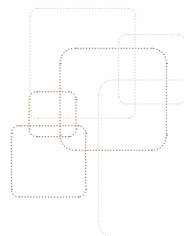
FOR THE YEAR ENDED AUGUST 31, 2010 (CONT'D)

The Group	Non-distributable					Attributable to equity holders of the Company	Minority interest	Total
	Share capital	Treasury shares	Share premium	Revaluation reserve	Foreign currency translation reserve	Distributable reserve - Retained earnings		
	RM	RM	RM	RM	RM	RM	RM	RM
As of September 1, 2009	49,000,000	(1,899)	1,767,230	184,916	(139,746)	18,484,573	1,596,327	70,891,401
Minority interest share of profit guarantee	-	-	-	-	-	-	360,101	360,101
Disposal of leaseholdland	-	-	-	(184,916)	-	184,916	-	-
Currency translation differences	-	-	-	-	468,938	-	-	468,938
Total recognised income and expense - profit for the year	-	-	-	-	-	8,274,829	518,307	8,793,136
Repurchase of shares	-	(115,501)	-	-	-	-	-	(115,501)
As of August 31, 2010	49,000,000	(117,400)	1,767,230	-	329,192	26,944,318	2,474,735	80,398,075

(Forward)

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED AUGUST 31, 2010 (CONT'D)



The Company	Share capital RM	Treasury shares RM	Non-distributable reserve - Share premium RM	Distributable reserve - Retained earnings RM	Total RM
As of September 1, 2008	49,000,000	-	1,767,230	1,615,474	52,382,704
Dividend paid (Note 30)	-	-	-	(977,553)	(977,553)
Total recognised income and expense - profit for the year	-	-	-	365,170	365,170
Repurchase of shares	-	(1,899)	-	-	(1,899)
As of August 31, 2009	49,000,000	(1,899)	1,767,230	1,003,091	51,768,422
Total recognised income and expense - loss for the year	-	-	-	(169,151)	(169,151)
Repurchase of shares	-	(115,501)	-	-	(115,501)
As of August 31, 2010	49,000,000	(117,400)	1,767,230	833,940	51,483,770

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

CASH FLOW STATEMENTS

FOR THE YEAR ENDED AUGUST 31, 2010

	The Group		The Company	
	2010	2009	2010	2009
	RM	RM	RM	RM
Cash Flows From/(Used In)				
Operating Activities				
Profit/(Loss) for the year	8,793,136	(1,584,444)	(169,151)	365,170
Income tax expense/(credit) recognised in the income statements	454,993	321,851	352,807	(29,155)
Adjustments for:				
Depreciation of property, plant and equipment	6,581,930	6,300,067	-	-
Interest expense	1,778,760	1,973,691	686,646	877,500
Share of losses of associated company	463,221	1,052,745	-	-
Allowance for doubtful receivables	44,098	1,073,994	-	-
Amortisation of prepaid lease payments on leasehold land	33,291	72,561	-	-
Unrealised loss/(gain) on foreign exchange	478,093	103,615	580,193	(283,787)
Allowance for diminution in value of other investment	-	750,000	-	750,000
Gain on partial disposal of associated company	-	(968,528)	-	-
Gain on disposal of leasehold land	(2,025,902)	-	-	-
Gain on disposal of property, plant and equipment	(1,013,018)	(389,298)	-	-
Interest income	(122,647)	(100,158)	(77,639)	(37,659)
Dividend income	-	-	(1,200,000)	(1,464,000)
Interest receivable from subsidiary companies	-	-	(681,807)	(552,126)
Operating Profit/(Loss) Before Working Capital Changes	15,465,955	8,606,096	(508,951)	(374,057)
(Forward)				

CASH FLOW STATEMENTS

FOR THE YEAR ENDED AUGUST 31, 2010 (CONT'D)



	The Group		The Company	
	2010	2009	2010	2009
	RM	RM	RM	RM
(Increase)/Decrease in:				
Inventories	(1,203,384)	5,015,237	-	-
Trade receivables	(686,582)	(2,564,887)	-	-
Other receivables, deposits and prepaid expenses	(412,564)	(410,837)	(325,634)	15,000
Amount owing by subsidiary companies	-	-	1,166,340	3,077,160
Increase/(Decrease) in:				
Trade payables	(757,644)	4,335,267	-	-
Other payables and accrued expenses	(2,274,515)	316,779	(166,346)	(68,317)
Amount owing to subsidiary company	-	-	8,262,501	661,503
Cash Generated From Operations	10,131,266	15,297,655	8,427,910	3,311,289
Income tax refund	181,102	508,595	160,835	-
Income tax paid	(1,815,978)	(1,350,457)	-	-
Net Cash From Operating Activities	8,496,390	14,455,793	8,588,745	3,311,289
Cash Flows From/(Used In)				
Investing Activities				
Proceeds from partial disposal of associated company	-	6,138,130	-	-
Proceeds from disposal of property, plant and equipment	9,323,377	389,300	-	-
Proceeds from disposal of leasehold land	5,424,670	-	-	-
Proceeds from profit guarantee received	734,900	-	-	-
Interest received	122,647	100,158	77,639	37,659
Refund received on difference on leasehold land price	-	38,336	-	-
Additions to property, plant and equipment (Note)	(22,193,510)	(4,609,801)	-	-
Net Cash (Used In)/From Investing Activities	(6,587,916)	2,056,123	77,639	37,659
(Forward)				

CASH FLOW STATEMENTS

FOR THE YEAR ENDED AUGUST 31, 2010

Note	The Group		The Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Cash Flows From/(Used In)				
Financing Activities				
Proceeds from term loan	10,800,000	-	-	-
Repayment of hire-purchase payables	(4,726,650)	(4,507,095)	-	-
Repayment of bank borrowings	(94,944)	(4,281,598)	-	-
Interest paid	(1,778,760)	(1,973,691)	(686,646)	(877,500)
Dividend paid	-	(977,553)	-	(977,553)
Repayment of term loan	(11,025,161)	(701,717)	(9,400,000)	-
Short-term deposits pledged with licensed banks	(18,677)	(50,593)	-	-
Purchase of treasury shares	(115,501)	(1,899)	(115,501)	(1,899)
Net Cash Used In Financing Activities	(6,959,693)	(12,494,146)	(10,202,147)	(1,856,952)
Net (Decrease)/Increase In Cash and Cash Equivalents	(5,051,219)	4,017,770	(1,535,763)	1,491,996
Effect of changes in foreign currency translation reserves	-	(138,624)	-	-
Cash and Cash Equivalents at Beginning of Year	16,195,817	12,316,671	4,170,007	2,678,011
Cash and Cash Equivalents at End of Year	29 11,144,598	16,195,817	2,634,244	4,170,007

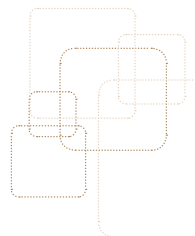
Note: During the financial year, the Group acquired property, plant and equipment through the following arrangements:

	The Group	
	2010 RM	2009 RM
Total cost of property, plant and equipment acquired	24,965,971	7,476,195
Less: Purchase consideration:		
Included in other payables and accrued expenses	-	(110,215)
Satisfied by hire-purchase arrangements	(2,772,461)	(2,756,179)
Cash payments	22,193,510	4,609,801

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED AUGUST 31, 2010 (CONT'D)



1. GENERAL INFORMATION

The Company is principally an investment holding company.

The principal activities of the subsidiary companies are as disclosed in Note 12.

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

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

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

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

The financial statements of the Group and of the Company have been authorised for issuance by the Board of Directors in accordance with a resolution of the directors on December 23, 2010.

2. BASIS OF PREPARATION OF ACCOUNTS

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

FRSs and IC Interpretations ("IC Int") Issued but Not Effective

At the date of authorisation for issue of these financial statements, the FRSs, Issues Committee Interpretations ("IC Interpretation") and amendments to FRSs and IC Interpretation which were issued but not yet effective until future periods are as listed below:

FRS 1	First-time Adoption of Financial Reporting Standards (Amendments relating to cost of an investment in a subsidiary company, jointly controlled entity or associate) ¹
FRS 1	First-time Adoption of Financial Reporting Standards (Revised in 2010) ²
FRS 1	First-time Adoption of Financial Reporting Standards (Amendments relating to limited exemption from Comparative FRS Disclosures for First-time Adopters) ³
FRS 2	Share-based Payment (Amendments relating to vesting conditions and cancellations) ¹
FRS 2	Share-based Payment (Amendments relating to scope of FRS 2 and Revised FRS 3) ²
FRS 2	Share-based Payment (Amendments relating to group cash-settled share-based payment transactions) ³
FRS 3	Business Combinations (Revised in 2010) ²
FRS 4	Insurance Contracts ¹
FRS 5	Non-current Assets Held for Sale and Discontinued Operations (Amendments relating to plan to sell the controlling interest in a subsidiary company) ²
FRS 7	Financial Instruments: Disclosures ¹
FRS 7	Financial Instruments: Disclosures (Amendments relating to reclassification of financial assets and reclassification of financial assets – effective date and transition) ¹
FRS 7	Financial Instruments: Disclosures (Amendments relating to improving disclosures about financial instruments) ³
FRS 101	Presentation of Financial Statements (Revised in 2009) ¹
FRS 123	Borrowing Costs (Revised) ¹
(Forward)	

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

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

FRS 127	Consolidated and Separate Financial Statements (Amendments relating to cost of an investment in a subsidiary company, jointly controlled entity or associate) ¹
FRS 127	Consolidated and Separate Financial Statements (Revised in 2010) ²
FRS 132	Financial Instruments: Presentation (Amendments relating to Puttable Financial Instruments and Obligations arising on Liquidation and transitional provision relating to compound instruments) ¹
FRS 132	Financial Instruments: Presentation (Amendments relating to classification of rights issue) ⁴
FRS 138	Intangible Assets (Amendments relating to additional consequential amendments arising from FRS 3) ²
FRS 139	Financial Instruments: Recognition and Measurement ¹
FRS 139	Financial Instruments: Recognition and Measurement (Amendments relating to eligible hedged items, reclassification of financial assets, reclassification of financial assets – effective date and transition, embedded derivatives and Revised FRS 3 and Revised FRS 127) ¹
Improvements to FRSs (2009) ¹	
IC Interpretation 4	Determining whether an arrangement contains a lease ³
IC Interpretation 9	Reassessment of Embedded Derivatives ¹
IC Interpretation 9	Reassessment of Embedded Derivatives (Amendments relating to embedded derivatives) ¹
IC Interpretation 9	Reassessment of Embedded Derivatives (Amendments relating to scope of IC Interpretation 9 and Revised FRS 3) ²
IC Interpretation 10	Interim Financial Reporting and Impairment ¹
IC Interpretation 11	FRS 2 – Group and Treasury Share Transactions ¹
IC Interpretation 12	Service Concession Arrangements ²
IC Interpretation 13	Customer Loyalty Programmes ¹
IC Interpretation 14	FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction ¹
IC Interpretation 15	Agreements for the Construction of Real Estate ⁵
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation ²
IC Interpretation 17	Distributions of Non-cash Assets to Owners ²
IC Interpretation 18	Transfer of Assets from Customers ⁶
IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments ³

¹ Effective for annual periods beginning on or after January 1, 2010

² Effective for annual periods beginning on or after July 1, 2010

³ Effective for annual periods beginning on or after January 1, 2011

⁴ Effective for annual periods beginning on or after March 1, 2010

⁵ Effective for annual periods beginning on or after January 1, 2012

⁶ Applies to transfers of assets from customers received on or after January 1, 2011

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

The Directors anticipate that the adoption of the above standards and interpretations, and improvement to FRSs, when they become effective, are not expected to have any material financial impact on the financial statements of the Group and the Company in the period of initial application except for the following:

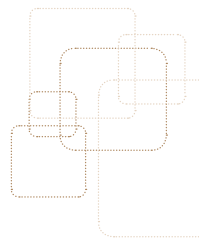
FRS 3: Business Combinations (Revised in 2010)

The revised FRS 3:

- (i) allows a choice on a transaction-by-transaction basis for the measurement of non-controlling interests (previously referred to as 'minority interest') either at fair value or at the non-controlling interests' share of the fair value of the identifiable net assets of the acquiree;

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)



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

- (ii) changes the recognition and subsequent accounting requirements for contingent consideration. Under the previous version of the Standard, contingent consideration was recognised at the acquisition date only if payment of the contingent consideration was probable and it could be measured reliably; any subsequent adjustments to the contingent consideration were recognized against goodwill. Under the revised Standard, contingent consideration is measured at fair value at the acquisition date; subsequent adjustments to the consideration are recognised against goodwill only to the extent that they arise from new information obtained within the measurement period (a maximum of 12 months from the acquisition date) about the fair value at the acquisition date. All other subsequent adjustments to contingent consideration classified as an asset or a liability are recognised in profit or loss;
- (iii) requires the recognition of a settlement gain or loss where the business combination in effect settles a pre-existing relationship between the Group and the acquiree; and
- (iv) requires acquisition-related costs to be accounted for separately from the business combination, generally leading to those costs being recognised as an expense in profit or loss as incurred, whereas previously they were accounted for as part of the cost of the business combination.

FRS 7: Financial Instruments: Disclosures

FRS 7 and the consequential amendment to FRS 101 Presentation of Financial Statements require disclosure of information about the significance of financial instruments of the Group and the Company's financial position and performance, the nature and extent of risks arising from the financial instruments, and the objectives, policies and processes for managing capital. By virtue of exemption in paragraph 44AB of FRS 7, the impact on the financial statements upon initial application of this standard as required by paragraph 30(b) of FRS 108 Accounting Policies, Changes in Accounting Estimates and Errors is not disclosed.

FRS 7: Financial Instruments: Disclosures (Amendments relating to improving disclosures about financial instruments)

The amendments to FRS 7 expand the disclosures required in respect of fair value measurements and liquidity risk.

FRS 101: Presentation of Financial Statements (Revised in 2009)

FRS 101 introduces terminology changes (including revised titles for the financial statements) and changes in the format and content of the financial statements. In addition, the revised Standard requires the presentation of a third statement of financial position in the event that the entity has applied new accounting policies retrospectively. There is no impact on the Group and the Company's financial statements as this change in accounting policy affects only the presentation of the Group and the Company's financial statements.

FRS 127: Consolidated and Separate Financial Statements (Revised in 2010)

The revised FRS127 requires accounting for changes in ownership interests by the group in a subsidiary company, while maintaining control, to be recognised as an equity transaction. When the group loses control of a subsidiary company, any interest retained in the former subsidiary company will be measured at fair value with the gain or loss recognised in income statements. The revised standard also requires all losses attributable to the minority interest to be absorbed by the minority interest instead of by the parent. The Group and the Company will apply the major changes of the revised FRS 127 prospectively and therefore there will not have any financial impact on the financial statements of the Group and the Company for the current financial year but may impact the accounting for future transactions or arrangements.

FRS 139: Financial Instruments: Recognition and Measurement

This new standard establishes principles for recognising and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items. By virtue of the exemption in paragraph 103AB of FRS 139, the impact on the financial statements upon initial application of this standard as required by paragraph 30(b) of FRS 108, Accounting Policies, Changes in Accounting Estimates and Errors is not disclosed.



NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

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

The principal accounting policies adopted are set out below:

Revenue

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

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

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

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

Employee Benefits

(i) Short Term Employee Benefits

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

(ii) Defined Contribution Plan

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

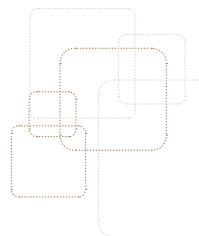
Foreign Currency Conversion

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

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

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)



3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Foreign Currency Conversion (cont'd)

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

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

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

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

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

Foreign Currency	2010 RM	2009 RM
1 Hong Kong Dollar	0.4043	0.4628

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

Currencies	2010 RM	2009 RM
1 United States Dollar	3.1454	3.5225
1 Singapore Dollar	2.3230	2.4441
100 Japanese Yen	3.7013	3.7631
1 Hong Kong Dollar	0.4043	0.4628

Income Taxes

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

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



NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Income Taxes (cont'd)

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

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

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

The tax effects of the unutilised reinvestment allowance are recognised only upon actual realisation.

Basis of Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary companies mentioned in Note 12 made up to August 31, 2010. Subsidiary companies are those companies in which the Group has power to exercise control over the financial and operating policies so as to obtain benefits from their activities.

Control is presumed to exist when the Group owns, directly or indirectly through subsidiary companies, more than half of the voting power of the entity.

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

Business Combinations

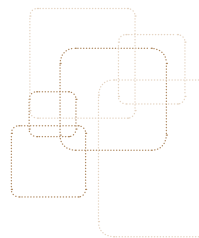
The acquisition of subsidiary companies is accounted for using the purchase method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under FRS 3 are recognised at their fair values at the acquisition date.

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

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

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)



3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Goodwill on Consolidation

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

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

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

Impairment of Assets Excluding Goodwill

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

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

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

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

Property, Plant and Equipment

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

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



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Property, Plant and Equipment (cont'd)

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

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

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

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

At each balance sheet date, the residual values, useful lives and depreciation method of the property, plant and equipment are reviewed, and the effects of any changes are recognised prospectively.

Gain or loss arising from the disposal of an asset is determined as the difference between the estimated net disposal proceeds and the carrying amount of the asset, and is recognised in the income statements. Upon disposal of revalued assets, the amounts in revaluation reserve account relating to the assets disposed are transferred to retained earnings account.

Assets Acquired Under Hire-Purchase Arrangements

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

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

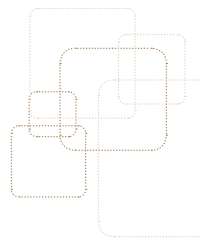
Leasing

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

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

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)



3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Prepaid Lease Payments on Leasehold Land

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

Investment in Subsidiary Companies

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

Associated Company

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

The results and assets and liabilities of associated companies are incorporated in the financial statements of the Group using the equity method of accounting based on the latest audited and/or management financial statements of the associated companies made up to August 31, 2010 while dividends received are reflected as a reduction of the investment in the consolidated balance sheet.

Under the equity method, investments in associated companies are carried in the consolidated balance sheet at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the associated companies, less any impairment in the value of individual investments. Losses of an associated company in excess of the Group's interest in that associated company (which includes any long-term interests that, in substance, form part of the Group's net investment in the associated company) are not recognised unless the Group has incurred obligations or made payments on behalf of the associated company.

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

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

Where a group entity transacts with an associated company of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant associated company, except where losses provide evidence of an impairment of the asset transferred, in which case, appropriate provision is made for impairment.

Quoted Investment

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

Other Investments

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



NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Inventories

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

Receivables

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

Payables

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

Provisions

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

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

Financial Assets

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

Financial Liabilities

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

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

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

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

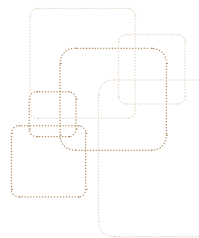
Cash Flow Statements

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

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

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)



4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

- Allowance for doubtful receivables

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

- Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the management to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value of those cash flows. The carrying amount of goodwill at the balance sheet date, pertaining to the Group's single cash generating unit ("CGU"), namely, the operations of Advance Autotek Industries (M) Sdn. Bhd. and its subsidiary companies, was RM3,166,090 (2009: RM3,540,889) and no impairment loss has been recognised in the income statements during the current financial year as the management are of the opinion that the recoverable amount of the cash-generating unit is higher than the carrying amount.

(b) Key sources of estimation uncertainty

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

5. SEGMENT REPORTING

Business Segments

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

- (i) Investment holding;
- (ii) Stamping and manufacturing of precision metal parts and fabrication of tools and dies;
- (iii) Printed circuit board ("PCB") assembly and assembly of all types of electronics and electrical components, devices and systems;
- (iv) Fabrication and forging of base metal components; and
- (v) Trading of automotive components.

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

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

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

5. SEGMENT REPORTING (cont'd)

The Group – 2010	Investment holding RM	Precision stamping and tooling RM	PCB and module assembly RM	Fabrication and forging RM	Automotive components RM	Eliminations RM	Consolidated RM
Revenue							
External sales	-	101,943,252	35,930,121	13,103,142	12,714,690	-	163,691,205
Inter-segment sales	1,200,000	1,352	-	-	-	(1,201,352)	-
Total revenue	1,200,000	101,944,604	35,930,121	13,103,142	12,714,690	(1,201,352)	163,691,205
Results							
Segment results	877,230	9,865,586	479,292	597,969	1,429,193	(1,881,807)	11,367,463
Profit/(Loss) from operations	877,230	9,865,586	479,292	597,969	1,429,193	(1,881,807)	11,367,463
Finance costs	(686,646)	(571,388)	(1,005,120)	(195,346)	(2,067)	681,807	(1,778,760)
Share of results of associated company	(463,221)	-	-	-	-	-	(463,221)
Investment revenue	77,639	26,330	-	18,678	-	-	122,647
(Loss)/Profit before tax	(194,998)	9,320,528	(525,828)	421,301	1,427,126	(1,200,000)	9,248,129
Income tax (expense)/credit	(352,807)	(577,330)	409,000	-	(369,357)	435,501	(454,993)
(Loss)/Profit for the year	(547,805)	8,743,198	(116,828)	421,301	1,057,769	(764,499)	8,793,136
Attributable to:							
Equity holders of the Company							8,274,839
Minority interest							518,307
(Forward)							8,793,136

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)



5. SEGMENT REPORTING (cont'd)

	Investment holding RM	Precision stamping and tooling RM	PCB and module assembly RM	Fabrication and forging RM	Automotive components RM	Eliminations RM	Consolidated RM
Other information							
Capital additions	-	23,824,001	683,532	185,167	273,271	-	24,965,971
Depreciation of property, plant and equipment	-	2,437,383	3,301,452	803,808	39,287	-	6,581,930
Amortisation of prepaid lease payments on leasehold land	-	33,291	-	-	-	-	33,291
Consolidated Balance Sheets							
Assets							
Segment assets	74,605,596	89,150,146	29,623,815	10,038,037	6,122,207	(83,649,829)	125,889,972
Unallocated corporate assets							4,066,981
Consolidated total assets							129,956,953
Liabilities							
Segment liabilities	22,066,121	27,438,549	25,686,909	3,783,490	804,857	(32,532,886)	47,247,040
Unallocated corporate liabilities							2,311,838
Consolidated total liabilities							49,558,878

Geographical segments

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

(Forward)

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

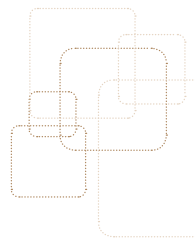
5. SEGMENT REPORTING (cont'd)

The Group – 2009	Investment holding RM	Precision stamping and tooling RM	PCB and module assembly RM	Fabrication and forging RM	Automotive components RM	Eliminations RM	Consolidated RM
Revenue							
External sales	-	93,312,446	26,366,383	10,720,552	9,428,542	-	139,827,923
Inter-segment sales	1,464,000	2,900	-	-	-	(1,466,900)	-
Total revenue	1,464,000	93,315,346	26,366,383	10,720,552	9,428,542	(1,466,900)	139,827,923
Results							
Segment results	1,834,766	8,400,822	(4,839,358)	(2,085,238)	368,819	(2,016,126)	1,663,685
Profit/(Loss) from operations	1,834,766	8,400,822	(4,839,358)	(2,085,238)	368,819	(2,016,126)	1,663,685
Finance costs	(877,500)	(237,805)	(1,049,542)	(302,116)	(58,854)	552,126	(1,973,691)
Share of results of associated company	(1,052,745)	-	-	-	-	-	(1,052,745)
Investment revenue	37,690	41,876	-	20,592	-	-	100,158
(Loss)/Profit before tax	(57,789)	8,204,893	(5,888,900)	(2,366,762)	309,965	(1,464,000)	(1,262,593)
Income tax credit/(expense)	29,155	(1,740,362)	1,030,676	390,392	(83,712)	52,000	(321,851)
(Loss)/Profit for the year	(28,634)	6,464,531	(4,858,224)	(1,976,370)	226,253	(1,412,000)	(1,584,444)
Attributable to:							
Equity holders of the Company							(1,695,308)
Minority interest							110,864
							(1,584,444)

(Forward)

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)



5. SEGMENT REPORTING (cont'd)

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

Geographical segments

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

Revenue from one major customer who is under common control of its holding company of the Group's precision stamping and tooling; PCB and module assembly; and fabrication and forging segment contributed approximately RM65,407,000 (2009: RM58,579,000) of the Group's total revenue.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

6. OTHER INCOME/(EXPENSES)

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

	The Group		The Company	
	2010	2009	2010	2009
	RM	RM	RM	RM
Exceptional item:				
Gain on disposal of leasehold land	2,025,902	-	-	-
Allowance for doubtful receivables	(44,098)	(1,073,994)	-	-
Gain on disposal of property, plant and equipment	1,013,018	389,298	-	-
Realised gain on foreign exchange - net	157,939	-	-	62,933
Directors' remuneration*	(2,083,372)	(1,991,620)	(273,600)	(273,600)
Unrealised (loss)/gain on foreign exchange	(478,093)	(103,615)	(580,193)	283,787
Rental of motor vehicles	(399,037)	(138,628)	-	-
Rental of premises payable:				
Related parties (Note 12)	(248,883)	(246,682)	-	-
Third parties	(98,192)	(66,750)	-	-
Auditors' remuneration:				
Current year	(94,395)	(96,898)	(20,000)	(20,000)
Special	(5,000)	(5,000)	-	-
Underprovision in prior year	4,434	-	-	-
Realised loss on foreign exchange - net	(42,581)	(181,884)	-	-
Gain on partial disposal of associated company	-	968,528	-	-
Allowance for diminution in value of other investment	-	(750,000)	-	(750,000)
Rental of machineries	-	(73,074)	-	-
Interest receivable from subsidiary companies (Note 12)	-	-	681,807	552,126

*Directors' remuneration consists of the following:

Executive directors:

Company

- Fees
- Other emoluments

Subsidiary companies

- Fees
- Other emoluments

Non-executive directors:

Company

- Fees
- Other emoluments

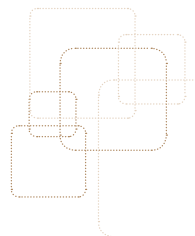
187,600	187,600	187,600	187,600
246,276	242,700	-	-
24,000	24,000	-	-
1,535,296	1,447,120	-	-
1,993,172	1,901,420	187,600	187,600
86,000	86,000	86,000	86,000
4,200	4,200	-	-
2,083,372	1,991,620	273,600	273,600

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 RM1,081,602 (2009: RM1,101,278).

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

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)



7. FINANCE COSTS

	The Group		The Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Interest on:				
Term loans	1,071,270	985,532	686,646	877,500
Trust receipts, trade time loan and bankers' acceptances	208,761	298,775	-	-
Hire-purchase	392,376	595,801	-	-
Bank overdrafts	106,353	93,583	-	-
	1,778,760	1,973,691	686,646	877,500

8. INCOME TAX EXPENSE/(CREDIT)

	The Group		The Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Income tax:				
Estimated current tax	817,590	1,687,000	379,174	52,000
Overprovision in prior years	(112,859)	(168,336)	(26,367)	(81,155)
	704,731	1,518,664	352,807	(29,159)
Deferred tax (Note 25):				
Current	57,025	(1,251,019)	-	-
(Over)/Underprovision in prior years	(306,763)	54,206	-	-
	(249,738)	(1,196,813)	-	-
Income tax expense/(credit)	454,993	321,851	352,807	(29,155)

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

	The Group		The Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Profit/(Loss) before tax	9,248,129	(1,262,593)	183,656	336,015
Tax at the statutory tax rates of 25% (2009: 25% on balance of chargeable income)	2,312,032	(217,198)	45,914	84,004
Tax effects of:				
Expenses which are not deductible in determining taxable profit	408,768	934,174	633,260	233,176
Share of result of associated company	115,805	263,186	-	-
Income which are not taxable in determining taxable profit	(683,800)	(250,621)	(300,000)	(265,180)
Reinvestment allowances utilised (Forward)	(1,148,000)	(468,750)	-	-

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

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

	The Group		The Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Utilisation of deferred tax assets previously not recognised	(130,190)	-	-	-
Deferred tax assets not recognised	-	175,190	-	-
(Over)/Underprovision in prior years in respect of:				
Current tax	(112,859)	(168,336)	(26,367)	(81,155)
Deferred tax	(306,763)	54,206	-	-
	454,993	321,851	352,807	(29,155)

Under Schedule 7A of the Income Tax Act, 1967, the Group is allowed to claim reinvestment allowances. During the financial year, the Group claimed RM6,597,000 (2009: RM4,177,000) of reinvestment allowances. The claimed reinvestment allowances are subject to the approval by the tax authorities and available for offset against future business income.

As of August 31, 2010, the tax exempt income of the Group and the Company is as follows:

		The Group	
	Note	2010 RM	2009 RM
Reinvestment allowances	(i)	23,894,000	19,302,000
Tax exempt account	(ii)	478,000	478,000
		24,372,000	19,780,000

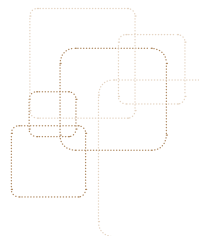
- (i) Arising from reinvestment allowances claimed and utilised under Schedule 7A of the Income Tax Act, 1967.
- (ii) Arising from chargeable income on which tax was waived in 1999 in accordance with the Income Tax (Amendment) Act, 1999.

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

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

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)



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

Details of deductible temporary differences of the Group which have not been recognised in the financial statements due to uncertainty of realisation are as follows:

	The Group Deferred Tax Assets/(Liabilities)	
	2010	2009
	RM	RM
Deductible temporary differences in respect of:		
Unused tax losses	312,780	833,540
Deferred tax assets not recognised	312,780	833,540

9. BASIC EARNINGS/(LOSS) PER ORDINARY SHARE

	The Group	
	2010	2009
	RM	RM
Profit/(Loss) attributable to equity holders of the Company	8,274,829	(1,695,308)
	Units	Units
Weighted average number of ordinary shares in issue	97,926,233	98,000,000
Basic earnings/(loss) per ordinary share (sen)	8.5	(1.7)

The basic earnings per ordinary share is calculated by dividing the profit attributable to equity holders of Company of RM8,274,829 (2009: loss attributable to equity holders of Company of RM1,695,308) by weighted average number of ordinary shares in issue during the financial year of 97,926,233 (2009: 98,000,000) shares.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

10. PROPERTY, PLANT AND EQUIPMENT

2010 The Group	At beginning of year RM	Additions RM	Disposals RM	At end of year RM	Comprising		
					At cost RM	valuation RM	Total RM
Freehold land	5,424,665	3,900,000	(2,701,622)	6,623,043	3,900,000	2,723,043	6,623,043
Buildings	8,955,174	11,862,171	(5,425,178)	15,392,167	12,594,428	2,797,739	15,392,167
Plant and machinery	66,355,801	7,087,269	(1,288,077)	72,154,993	72,154,993	-	72,154,993
Office equipment, furniture, fittings, renovation, factory upgrade and factory equipment	5,026,218	1,446,735	(481,895)	5,991,058	5,991,058	-	5,991,058
Motor vehicles	3,144,784	669,796	(304,118)	3,510,462	3,510,462	-	3,510,462
	88,906,642	24,965,971	(10,200,890)	103,671,723	98,150,941	5,520,782	103,671,723

(Forward)

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)



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

2010 The Group	Accumulated depreciation				Comprising	
	At beginning of year RM	Additions RM	Disposals RM	At end of year RM	At cost RM	At valuation RM
Freehold land	-	-	-	-	-	-
Buildings	355,786	261,058	(245,284)	371,560	77,990	293,570
Plant and machinery	36,988,137	5,469,527	(1,274,125)	41,183,539	41,183,539	-
Office equipment, furniture, fittings, renovation, factory upgrade and factory equipment	2,939,325	405,248	(116,008)	3,228,565	3,228,565	-
Motor vehicles	1,650,385	446,097	(255,114)	1,841,368	1,841,368	-
	41,933,633	6,581,930	(1,890,531)	46,625,032	46,331,462	293,570
						46,625,032

(Forward)

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

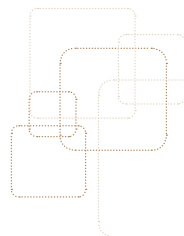
10. PROPERTY, PLANT AND EQUIPMENT (cont'd)

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

(Forward)

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)



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

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

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

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

	The Group	
	Net book value	
	2010	2009
	RM	RM
Freehold land	6,623,043	5,424,665
Buildings	15,020,607	8,599,388
Plant and machinery	30,971,454	29,367,664
Office equipment, furniture, fittings, renovation, factory upgrade and factory equipment	2,762,493	2,086,893
Motor vehicles	1,669,094	1,494,399
	57,046,691	46,973,009

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

Details of properties	Year of valuation	Details of valuers	The Group Revalued amount RM
Freehold land	2007	Long Tian Chek, B.Sc., MRICS, MIS (M) Registered Valuer of Henry Butcher, Malaysia Sdn. Bhd.	2,723,043
Freehold building	2007	Long Tian Chek, B.Sc., MRICS, MIS (M) Registered Valuer of Henry Butcher, Malaysia Sdn. Bhd.	2,797,739
			5,520,782

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

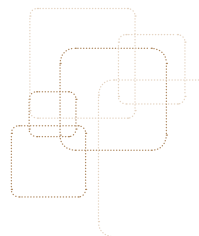
No valuation on land and building has been performed by the Group during the financial year as the directors are of the opinion that the revalued amount above has not differed materially from the current market value.

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

	The Group	
	2010	2009
	RM	RM
Cost:		
Buildings on land under long lease	400,000	3,518,536
Freehold land and buildings	4,290,755	4,892,335
	4,690,755	8,410,871
Accumulated depreciation of buildings	(515,855)	(1,305,664)
Net book value	4,174,900	7,105,207

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)



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

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

	The Group	
	2010	2009
	RM	RM
Net book value:		
Plant and machinery	12,996,938	11,986,913
Motor vehicles	1,424,671	930,110
	14,421,609	12,917,023

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

	The Group	
	2010	2009
	RM	RM
Cost:		
Plant and machinery	19,636,998	12,078,504
Office equipment, furniture, fittings, renovation, factory upgrade and factory equipment	1,704,868	1,438,788
Motor vehicles	610,126	544,477
	21,951,992	14,061,769

As of August 31, 2010, the following property, plant and equipment are charged to licensed banks and financial institutions as security for term loans and other credit facilities, as mentioned in Note 24, granted to the Group:

	The Group	
	2010	2009
	RM	RM
Net book value:		
Buildings	2,977,785	6,674,671
Freehold land	18,289,865	7,055,108
Plant and machinery	2,339,101	3,771,977
	23,606,751	17,501,756

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

11. PREPAID LEASE PAYMENTS ON LEASEHOLD LAND

	The Group	
	2010	2009
	RM	RM
Cost	6,764,864	6,803,200
Less: Adjustment on cost	-	(38,336)
	6,764,864	6,764,864
Disposal during the year	(6,764,864)	-
Amortisation:		
At beginning of year	(362,805)	(290,244)
Charge for the year	(33,291)	(72,561)
Disposal during the year	396,096	-
At end of year	-	(362,805)
Net	-	6,402,059

In 2009, the prepaid land lease relate to lease of land for the subsidiary company located at Lot 47687, Jalan Bukit Idaman 6, Taman Bukit Idaman, 68100 Batu Caves, Selangor Darul Ehsan, Lot PT 12872, Nilai Industrial Area, Nilai, Negeri Sembilan and H.S. (D) 107769, Lot No. PT 12872, Mukim Labu, Daerah Seremban, Negeri Sembilan.

During the financial year, the subsidiary company disposed off the leasehold land to an independent party for a cash consideration of RM8,421,670 and consequently, the gain on the disposal of the leasehold land of RM2,052,902 has been recognised in the Group's income statement as disclosed in Note 6.

12. INVESTMENT IN SUBSIDIARY COMPANIES

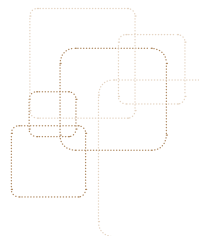
	The Company	
	2010	2009
	RM	RM
Unquoted shares in Malaysia - at cost	49,046,047	49,046,047

The details of the subsidiary companies are as follows:

Name of subsidiary companies	Effective equity interest		Place/Country of incorporation	Principal activities
	2010	2009		
	%	%		
Direct				
Ban Seng Lee Industries Sdn. Bhd.	100	100	Malaysia	Stamping and manufacturing of precision metal parts and fabrication of tools and dies.
Crestronics (M) Sdn. Bhd.	100	100	Malaysia	Printed circuit board assembly and assembly of all types of electronic and electrical components, devices and system.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)



12. INVESTMENT IN SUBSIDIARY COMPANIES (cont'd)

Name of subsidiary companies	Effective equity interest		Place/Country of incorporation	Principal activities
	2010 %	2009 %		
Direct				
Unique Forging & Components Sdn. Bhd.	100	100	Malaysia	Fabrication and forging of base metal components.
BSL (HK) Limited*	100	100	Hong Kong, People’s Republic of China	Investment holding.
Advance Autotek Industries (M) Sdn. Bhd.	51	51	Malaysia	Trading of automotive components.
Indirect				
Kotamech Engineering Sdn. Bhd.**	100	100	Malaysia	Dormant.
AAI Auto Electronics Sdn. Bhd.#	51	51	Malaysia	Dormant.
AAI Autoclusters Sdn. Bhd.#	51	51	Malaysia	Dormant.

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

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

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

The amount owing by subsidiary companies arose mainly from dividend receivable and advances granted which bear interest at 5.5% (2009: 5.5%) per annum and, are unsecured and has no fixed terms of repayment.

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

	The Company	
	2010 RM	2009 RM
RM	13,674,506	13,271,698
HKD	4,013,596	4,581,129
	17,688,102	17,852,827

The amount owing to subsidiary company, which is denominated in Ringgit Malaysia, arose mainly from advances received and payments made on behalf are unsecured, interest free and has no fixed terms of repayment.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

12. INVESTMENT IN SUBSIDIARY COMPANIES (cont'd)

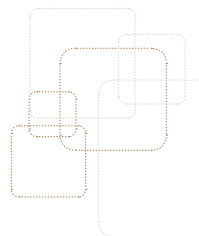
Related Party Transactions:

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

	The Group		The Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Purchases from companies in which a director of a subsidiary company is a director				
- Orisis Freight Logistics (M) Sdn. Bhd.	8,013,638	4,055,170	-	-
- PKT Logistics (M) Sdn. Bhd.	303,390	243,606	-	-
- Gelombang Mantat Sdn. Bhd.	22,045	17,013	-	-
- Multishield (M) Sdn. Bhd.	12,400	10,868	-	-
Total	8,351,473	4,326,657	-	-
Rental payable to companies in which certain directors of the Company are directors				
- Teh & Co. Sdn. Bhd.	150,000	150,000	-	-
- Teh Chooi Choon Enterprise Sdn. Bhd.	72,000	72,000	-	-
- PKT Logistics (M) Sdn. Bhd.	26,883	24,682	-	-
Total (Note 6)	248,883	246,682	-	-
Purchases from a company in which certain directors of the Company are directors				
- Teh & Co. Sdn. Bhd.	405,021	328,452	-	-
Dividends receivable from subsidiary companies				
- Ban Seng Lee Industries Sdn. Bhd.	-	-	1,200,000	750,000
- Advance Autotek Industries (M) Sdn. Bhd.	-	-	-	714,000
Total	-	-	1,200,000	1,464,000
Interest receivable from subsidiary companies				
- Crestronics (M) Sdn. Bhd.	-	-	532,162	385,100
- Unique Forging & Components Sdn. Bhd.	-	-	149,645	167,026
Total (Note 6)	-	-	681,807	552,126

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)



13. INVESTMENT IN AN ASSOCIATED COMPANY

	The Group	
	2010	2009
	RM	RM
Unquoted shares at cost*		
At beginning of year	5,169,603	10,339,205
Exchange differences	(241,824)	-
Less: Disposal of shares	-	(5,169,602)
Less: Share of loss of associated company	(1,742,574)	(1,521,177)
At end of year	3,185,205	3,648,426

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

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

Name of Company	Effective equity interest		Principal activities
	2010	2009	
	%	%	
Hongze Yiyang Steel Tubes Co., Ltd. ("HYST")	25	25	Production, manufacturing, sales and distribution of seamless steel tubes and pipes.

In 2009, BSL (HK) Limited, a subsidiary company disposed off 25% of the equity interest in HYST to an independent third party for a cash consideration of USD1,800,000. The disposal has resulted in a gain on partial disposal of associated company of RM968,528 being recognised in the Group's income statement, as disclosed in Note 6.

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

	The Group	
	2010	2009
	RM	RM
Revenue	8,415,149	3,101,951
Other operating income	476,792	22,766
Other operating expenses	(9,338,359)	(4,159,375)
Loss before tax	(446,418)	(1,034,658)
Income tax expense	(16,803)	(18,087)
Share of loss of an associated company	(463,221)	(1,052,745)
Current assets	7,170,025	1,297,347
Non-current assets	6,323,728	6,767,501
Current liabilities	(10,308,548)	(4,416,422)
Net assets	3,185,205	3,648,426

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

14. GOODWILL ON CONSOLIDATION

	The Group	
	2010	2009
	RM	RM
At beginning of year	3,540,889	3,540,889
Less: Share of profit guarantee	(374,799)	-
At end of year	3,166,090	3,540,889

Goodwill acquired in a business combination is allocated, at acquisition, to the cash-generating unit ("CGU") that is expected to benefit from that business combination. Before recognition of any impairment losses, the carrying amount of goodwill had been allocated to the following business segment as independent CGUs:

	The Group	
	2010	2009
	RM	RM
Automotive components division	3,166,090	3,540,889

The recoverable amount had been determined based on 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 7.30% per annum.

Cash flow projections during the budget period are based on the same expected gross margins and raw materials price inflation and a steady 8% per annum growth rate throughout the budget period. The directors believe that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash-generating unit.

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

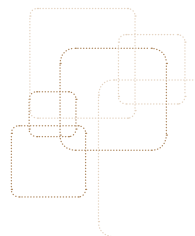
During the financial year, the Group assessed the recoverable amount of goodwill and no allowance for impairment loss on the assets in the CGU was deemed necessary.

15. QUOTED INVESTMENT

	The Group	
	2010	2009
	RM	RM
Quoted investment in shares of local corporations	17,000	17,000
Less: Allowance for diminution in value	(15,300)	(15,300)
Net	1,700	1,700
Market value	400	870

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)



16. OTHER INVESTMENT

	The Group and The Company	
	2010	2009
	RM	RM
Unquoted subordinated bonds	1,500,000	1,500,000
Less: Allowance for diminution in value	(1,500,000)	(1,500,000)
Net	-	-

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

17. INVENTORIES

	The Group	
	2010	2009
	RM	RM
At cost:		
Raw materials	9,242,456	6,475,596
Work-in-progress	3,712,632	5,726,739
Finished goods	2,645,575	2,577,773
Goods in transit	382,829	-
	15,983,492	14,780,108

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

- i) Trade receivables comprise amounts receivable for sales of goods. The credit period granted by the Group on sale of goods range from 30 to 90 days (2009: 30 to 90 days).

	The Group	
	2010	2009
	RM	RM
Trade receivables	31,087,229	30,417,687
Less: Allowance for doubtful receivables	(1,652,273)	(1,625,215)
Net	29,434,956	28,792,472

An allowance has been made for estimated irrecoverable amount from the sale of goods to third parties of RM1,652,273 (2009: RM1,625,215). This allowance has been determined by reference to past default experience.

During the financial year, doubtful receivables of the Group amounting to RM17,040 (2009: RMNil) have been written off against allowance for doubtful debts.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

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

The currency profile of trade receivables is as follows:

	The Group	
	2010	2009
	RM	RM
Ringgit Malaysia	30,984,753	30,210,559
United States Dollar	102,476	207,128
	31,087,229	30,417,687

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

	The Group	
	2010	2009
	RM	RM
Advance payment for purchase of inventories	1,363,897	740,480
Prepaid expenses	1,239,413	1,248,802
Other receivables	3,855,804	413,987
Refundable deposits	480,687	1,488,757
	6,939,801	3,892,026

Included in other receivables of the Group is an amount of RM2,970,000 (2009: RMNil) owing by a third party, representing proceeds receivable from the disposal of a leasehold land. Subsequent to the financial year, the proceeds from the disposal of the said leasehold land has been fully received.

19. SHORT-TERM DEPOSITS WITH LICENSED BANKS

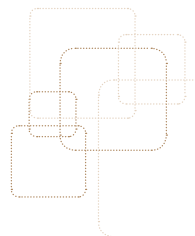
Included in the short-term deposits of the Group are deposits amounting to RM733,331 (2009: RM714,654) pledged to a licensed bank as collateral for bank overdrafts and other credit facilities granted to a subsidiary company as mentioned in Note 27.

20. SHARE CAPITAL

	The Group and The Company	
	2010	2009
	RM	RM
Authorised:		
500,000,000 ordinary shares of RM0.50 each	250,000,000	250,000,000
Issued and fully paid:		
98,000,000 ordinary shares of RM0.50 each	49,000,000	49,000,000

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)



21. TREASURY SHARES

	The Group and The Company			
	2010 Number of ordinary shares of RM0.50 each	2009	2010 RM	2009 RM
At beginning of year	6,100	-	1,899	-
Repurchased during the year	406,000	6,100	115,501	1,899
At end of year	412,100	6,100	117,400	1,899

At the Company's Sixth Annual General Meeting held on February 25, 2010, the directors obtained shareholders' approval for the Company to purchase its own shares of up to 10% of its issued and paid-up share capital.

During the year, the Company purchased 406,000 of its own shares through purchases on Bursa Malaysia Securities Berhad. The total amount paid for acquisition of the shares was RM115,501 and has been deducted from equity. The repurchased transactions were financed by internally generated funds and the average price paid for the shares were RM0.2844.

Subsequent to the financial year, the Company purchased 652,013 of its own shares through purchases on Bursa Malaysia Securities Berhad. The total amount paid for acquisition of the shares was RM249,172. The repurchase transactions were financed by internally generated funds and the average price paid for the shares were RM0.3822. The repurchased shares are held as treasury shares in accordance with Section 67A of the Companies Act, 1965.

22. RESERVES

		The Group		The Company	
	Note	2010 RM	2009 RM	2010 RM	2009 RM
Non-distributable reserves:					
Share premium	(i)	1,767,230	1,767,230	1,767,230	1,767,230
Revaluation reserve	(ii)	-	184,916	-	-
Foreign currency translation reserve		329,192	(139,746)	-	-
		2,096,422	1,812,400	1,767,230	1,767,230
Distributable reserve:					
Retained earnings	(iii)	26,944,318	18,484,573	833,940	1,003,091
		29,040,740	20,296,973	2,601,170	2,770,321

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

(ii) Revaluation reserve arose from revaluation of freehold land and buildings and leasehold building in previous years.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

22. RESERVES (cont'd)

- (iii) In accordance with the Finance Act 2007, the single tier income tax system became effective from the year of assessment 2008. Under this system, tax on a company's profit is a final tax, and dividends paid are exempted from tax in the hands of the shareholders. Unlike the previous imputation system, the recipient of the dividend would no longer be able to claim any tax credit.

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

As of the balance sheet date, the Company has not elected for the irrevocable option to disregard the Section 108 tax credits. Accordingly, subject to the agreement of the Inland Revenue Board and based on the prevailing tax rate applicable to dividend, the Company has sufficient Section 108 tax credit and tax exempt income as mentioned in Note 8 to frank approximately RM448,000 of the Company's retained earnings as of August 31, 2010 if distributed by way of cash dividends without additional tax liability being incurred. Any dividend paid in excess of this amount during the transitional period will be under the single tier tax system as explained above.

23. HIRE-PURCHASE PAYABLES

	The Group	
	2010	2009
	RM	RM
Total outstanding	5,012,300	7,142,258
Less: Interest-in-suspense	(235,611)	(411,380)
Principal outstanding	4,776,689	6,730,878
Less: Portion due within the next 12 months (shown under current liabilities)	(3,406,648)	(4,035,789)
Non-current portion	1,370,041	2,695,089

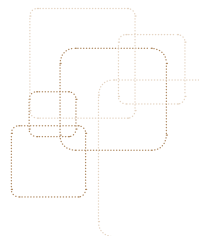
The non-current portion is repayable as follows:

	The Group	
	2010	2009
	RM	RM
Financial year ending August 31:		
2011	-	2,556,077
2012	1,011,915	139,012
2013	314,773	-
2014	24,784	-
2015	18,569	-
	1,370,041	2,695,089

The term of the hire-purchase payables is 2 to 5 years and interest rates implicit in the hire-purchase arrangements range from 3.36% to 7.69% (2009: 0% to 7.69%) per annum. The interest rates are fixed at the inception of the hire-purchase arrangement.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)



24. TERM LOANS

	The Group		The Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Secured	10,142,116	967,277	-	-
Unsecured	5,600,000	15,000,000	5,600,000	15,000,000
Total outstanding	15,742,116	15,967,277	5,600,000	15,000,000
Less: Portion due within the next 12 months (shown under current liabilities)	(1,909,366)	(545,927)	-	-
	13,832,750	15,421,350	5,600,000	15,000,000

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

	The Group		The Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Financial year ending August 31:				
2011	-	15,421,350	-	15,000,000
2012	7,067,000	-	5,600,000	-
2013	1,467,000	-	-	-
2014	1,467,000	-	-	-
2015	1,467,000	-	-	-
Thereafter	2,364,750	-	-	-
	13,832,750	15,421,350	5,600,000	15,000,000

The Group has secured term loan facilities totaling RM13,300,000 (2009: RM2,500,000) obtained from licensed banks, which are secured by fixed and floating charge over certain property, plant and equipment of the subsidiary companies (Note 10), and corporate guarantee by the Company. The term loans of the Group bear interest which ranges from 4.10% to 7.25% (2009: 6.55%) per annum. The secured term loan of the Group is repayable by 120 equal monthly installment of RM122,250 each, commencing October, 2009.

The Company participated in a Primary Collateralised Loan Obligations ("CLO") Transaction and obtained an unsecured term loan facility of RM15,000,000 (2009: RM15,000,000). The CLO transactions include a condition to subscribe for the subordinated bonds as disclosed in Note 16, issued pursuant to the CLO of up to 10% of the principal amount of the term loan. This facility bears interest at a prescribed rate of 5.85% (2009: 5.85%) per annum and is repayable in full in October, 2011. During the financial year, the Company prepaid RM9,400,000 as an early settlement of the CLO.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

25. DEFERRED TAX LIABILITIES

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority.

The following amounts, determined after appropriate offsetting, are shown in the balance sheets:

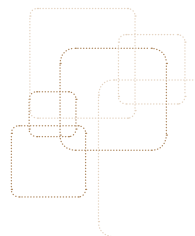
	The Group	
	2010	2009
	RM	RM
At beginning of year	2,302,380	3,499,193
Transfer from/(to) income statements (Note 8):		
Property, plant and equipment	399,472	162,242
Trade receivable	(300,122)	(78,703)
Other payables and accrued expenses	25,904	(21,204)
Unused tax losses	(25,369)	(262,411)
Unabsorbed capital allowances	(349,623)	(996,737)
	(249,738)	(1,196,813)
At end of year	2,052,642	2,302,380

The net deferred tax liability is in respect of the following:

	The Group and The Company Deferred Tax Liabilities/(Assets)	
	2010	2009
	RM	RM
Tax effect of temporary differences arising from:		
Property, plant and equipment	4,099,808	3,700,336
Deferred tax liability (before offsetting)	4,099,808	3,700,336
Offsetted by:		
Deferred tax assets:		
Trade receivables	(413,026)	(112,904)
Other payables and accruals	-	(25,904)
Unused tax losses	(287,780)	(262,411)
Unabsorbed capital allowances	(1,346,360)	(996,737)
	(2,047,166)	(1,397,956)
Deferred tax liability (after offsetting)	2,052,642	2,302,380

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)



26. TRADE PAYABLES, OTHER PAYABLES AND ACCRUED EXPENSES

- i) Trade payables comprise amounts outstanding for trade purchases and ongoing costs. The credit period granted to the Group on purchases of goods ranges from 60 to 90 days (2009: 60 to 90 days).

The currency profile of trade payables is as follows:

	The Group	
	2010 RM	2009 RM
Ringgit Malaysia	16,435,510	17,255,649
United States Dollar	133,173	70,678
	16,568,683	17,326,327

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

	The Group	
	2010 RM	2009 RM
PKT Logistics (M) Sdn. Bhd.	5,966	29,382
Orisis Freight Logistics (M) Sdn. Bhd.	395	14,994
Gelombang Mantap Sdn. Bhd.	659	-
Teh & Co. Sdn. Bhd.	17,164	35,461
	24,184	79,837

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

- ii) Other payables and accrued expenses consist of:

	The Group		The Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Accrued expenses	1,815,481	2,505,287	148,116	343,788
Other payables	1,744,107	3,328,816	51,719	22,393
	3,559,588	5,834,103	199,835	366,181

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

	The Group		The Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Ringgit Malaysia	2,680,166	4,842,433	199,835	366,181
Japanese Yen	869,575	903,385	-	-
Singapore Dollar	-	49,106	-	-
United States Dollar	-	25,773	-	-
Hong Kong Dollar	9,847	13,406	-	-
	3,559,588	5,834,103	199,835	366,181

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

27. BANK BORROWINGS

	The Group	
	2010 RM	2009 RM
Bankers' acceptances	4,617,000	5,166,000
Bank overdrafts (Note 29)	1,420,198	602,340
Trust receipts	562,766	108,710
	6,599,964	5,877,050

The Group has bank overdrafts and other credit facilities amounting to RM37,150,000 (2009: RM37,150,000) which bear interest at rates ranging from 2.00% to 8.55% (2009: 3.63% to 8.55%) per annum.

The overdrafts and other credit facilities are secured by:

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

28. HOLDING COMPANY

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

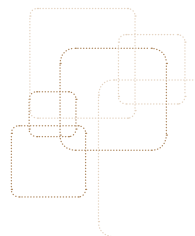
29. CASH AND CASH EQUIVALENTS

	The Group		The Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Cash and bank balances	10,034,718	12,353,648	495,073	107,949
Short-term deposits with licensed banks	3,263,409	5,159,163	2,139,171	4,062,058
Bank overdrafts (Note 27)	(1,420,198)	(602,340)	-	-
	11,877,929	16,910,471	2,634,244	4,170,007
Less: Short-term deposits pledged to a bank (Note 19)	(733,331)	(714,654)	-	-
	11,144,598	16,195,817	2,634,244	4,170,007

The said short-term deposits of the Group and the Company bear interest at rates ranging from 2.00% to 3.75% (2009: 1.85% to 3.71%) per annum and have an average maturity period of 30 to 90 days (2009: 30 to 90 days).

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)



29. CASH AND CASH EQUIVALENTS (cont'd)

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

	The Group		The Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Ringgit Malaysia	9,853,222	10,789,354	495,073	107,949
United States Dollar	113,896	1,479,108	-	-
Hong Kong Dollar	67,600	85,186	-	-
	10,034,718	12,353,648	495,073	107,949

30. DIVIDEND PAID

	The Group and The Company	
	2010 RM	2009 RM
First and final dividend paid for 2008 - 1.33 sen per share, less 25% tax.	-	977,553

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

31. FINANCIAL INSTRUMENTS

Financial Risk Management Objectives and Policies

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

Foreign currency risk

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

Interest rate risk

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

Credit risk

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

The Group's exposure to credit risk in relation to its trade receivables and other receivables, deposits and prepaid expenses should all its customers fail to perform their obligations as of August 31, 2010, is the carrying amount of these receivables as disclosed in Note 18.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

31. FINANCIAL INSTRUMENTS (cont'd)

Liquidity risk

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

Cash flow risk

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

Fair values of financial assets and liabilities

The carrying amounts of the Group's and of the Company's financial assets and liabilities as reported in the balance sheets as of August 31, 2010 approximate their fair values because of the short maturity terms of these instruments other than the following financial instruments:

	2010		2009	
	Carrying amount RM	Fair value RM	Carrying amount RM	Fair Value RM
The Group				
Financial Assets				
Quoted investment (Note 15)	1,700	400	1,700	870
Other investment (Note 16)	-	-	-	-
Financial Liabilities				
Hire-purchase payables (Note 23)	4,776,689	3,836,390	6,730,878	6,360,115
Term loans (Note 24)	15,742,116	15,125,246	15,967,277	14,334,416
The Company				
Financial Asset				
Other investment (Note 16)	-	-	-	-
Financial Liability				
Term loans (Note 24)	5,600,000	4,998,112	15,000,000	13,387,810

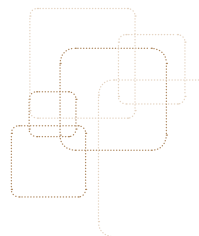
The market value of quoted investment as at balance sheet date approximates their fair values.

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

The fair values of hire-purchase payables and term loans are estimated using the discounted cash flow analysis based on current borrowing rates for similar types of borrowing arrangements which ranges from 3.36% to 7.69% and 5.85% to 7.30% (2009: 2.80% to 7.69% and 5.85% to 6.55%) per annum respectively.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)



32. CAPITAL COMMITMENT

As of August 31, 2010, the Group has the following capital commitment:

	The Group	
	2010	2009
	RM	RM
Approved and contracted for:		
Purchase of land	3,870,000	10,770,000
Purchase of plant and machinery	1,489,485	980,000
	5,359,485	11,750,000

33. CONTINGENT LIABILITIES

	The Group		The Company	
	2010	2009	2010	2009
	RM	RM	RM	RM
Unsecured:				
Bank guarantee given to financial institution in respect of credit facilities granted to third party	343,250	279,250	-	-
Guarantees given to financial institutions in respect of credit facilities granted to subsidiaries	-	-	26,123,907	26,123,907
	343,250	279,250	26,123,907	26,123,907

34. SIGNIFICANT EVENT

During the financial year, Advance Autotek Industries Sdn. Bhd., a subsidiary company, received a profit guarantee sum amounting to RM734,900 from Xadacorp Sdn. Bhd. ("Vendor") and Messrs. Tio Boon Yiau and Choong Heng @ Chong Choong Heng ("Covenanters") pursuant to the Share Sale Agreement and the Supplemental Agreement entered into between the Company and the Vendor and the Covenanters dated March 13, 2006 and November 6, 2007 respectively.

35. SUBSEQUENT EVENT

On September 30, 2010, Ban Seng Lee Industries Sdn Bhd, a subsidiary company, entered into a sale and purchase agreement with an independent third party for the acquisition of a piece of vacant freehold land measuring approximately 25,495.155 square metres, for a cash consideration of RM4,300,000.



STATEMENT BY DIRECTORS

The directors of **BSL CORPORATION BERHAD**, state that, in their opinion, the accompanying balance sheets and the statements of income, cash flows and changes in equity are drawn up in accordance with the provisions of the Companies Act, 1965 and Financial Reporting Standards in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company as of August 31, 2010 and of the results and the cash flows of the Group and of the Company for the year ended on that date.

Signed in accordance with a resolution of
the Directors,

NGIAM TONG KWAN
Petaling Jaya
December 23, 2010

NGIAM TEE WEE



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

I, **NGIAM TEE WEE**, the director primarily responsible for the financial management of **BSL CORPORATION BERHAD**, do solemnly and sincerely declare that the accompanying balance sheets and the statements of income, cash flows and changes in equity are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

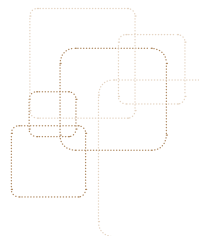
NGIAM TEE WEE

Subscribed and solemnly declared by
the abovenamed **NGIAM TEE WEE**
at **PETALING JAYA** this 23rd December, 2010.

Before me,

COMMISSIONER FOR OATHS

LIST OF PROPERTIES



The details of the properties of the BSL Group as at August 31, 2010 are set out below :

	Name of registered owner / beneficial owner / Location	Description / Existing use	Land / built-up area (sq. m.)	Approximate age of building (Years)	Tenure	Audited NBV as at 31 August 2010 (RM)	Date of Acquisition/ Revaluation
Ban Seng Lee Industries Sdn. Bhd.							
1	Lot 4220 Persimpangan Jalan Batu Arang/ Lebuhraya Plus, 48000 Rawang, Selangor Darul Ehsan Geram No.50480 Lot No. 4220 Mukim Rawang Daerah Gombak Selangor Darul Ehsan	Single storey detached factory with annexed 2 storey office building / office and factory	19,551 / 7,419	13	Freehold	15,566,822	26 Aug 2009
2	32A, 1 st Floor Jalan Bukit Idaman 8/1 Taman Bukit Idaman 68100 Batu Caves Selangor Darul Ehsan P.M. 289, Lot No. 52171 Mukim Batu Daerah Gombak Selangor Darul Ehsan	1 unit of apartment located on the 1st floor of 21/2 storey intermediate shop apartment / workers' hostel	Not applicable / 120	16	Leasehold for 99 years expiring on 17 Oct 2089	94,000	24 Aug 2007
3	35A, 1 st Floor Jalan Bukit Idaman 8/1 Taman Bukit Idaman 68100 Batu Caves Selangor Darul Ehsan P.M. 292, Lot No. 52174 Mukim Batu Daerah Gombak Selangor Darul Ehsan	1 unit of apartment located on the 1st floor of 21/2 storey intermediate shop apartment / workers' hostel	Not applicable / 120	16	Leasehold for 99 years expiring on 17 Oct 2089	94,000	24 Aug 2007
4	36A, 1 st Floor Jalan Bukit Idaman 8/1 Taman Bukit Idaman 68100 Batu Caves Selangor Darul Ehsan P.M. 293, Lot No. 52175 Mukim Batu Daerah Gombak Selangor Darul Ehsan	1 unit of apartment located on the 1st floor of 21/2 storey intermediate shop apartment / workers' hostel	Not applicable / 120	16	Leasehold for 99 years expiring on 17 Oct 2089	94,000	24 Aug 2007

LIST OF PROPERTIES

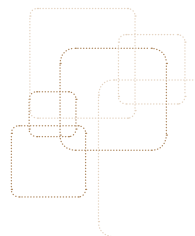
(CONT'D)

The details of the properties of the BSL Group as at August 31, 2010 are set out below :

	Name of registered owner / beneficial owner / Location	Description / Existing use	Land / built-up area (sq. m.)	Approximate age of building (Years)	Tenure	Audited NBV as at 31 August 2010 (RM)	Date of Acquisition/ Revaluation
Ban Seng Lee Industries Sdn. Bhd.							
5	37A, 1 st Floor Jalan Bukit Idaman 8/1 Taman Bukit Idaman 68100 Batu Caves Selangor Darul Ehsan P.M. 294, Lot No. 52176 Mukim Batu Daerah Gombak Selangor Darul Ehsan	1 unit of apartment located on the 1st floor of 21/2 storey intermediate shop apartment / workers' hostel	Not applicable / 120	16	Leasehold for 99 years expiring on 17 Oct 2089	94,000	24 Aug 2007
Crestronics (M) Sdn. Bhd.							
6	Lot 5002 Batu 51/2 Jalan Meru 41050 Klang Selangor Darul Ehsan H.S. (M) 21401 PT 13725 Mukim Kapar Daerah Klang Selangor Darul Ehsan	Manufacturing / Industrial / office and factory	10,906 / 6,651	20	Freehold	5,700,828	28 Aug 2007

ANALYSIS OF SHAREHOLDINGS

AS AT DECEMBER 30, 2010



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

DISTRIBUTION OF SHAREHOLDINGS

Holdings	No. of Holders	%	Total Holdings	%
1 - 99	7	0.565	367	0.000
100 - 1,000	491	39.660	135,510	0.139
1,001 - 10,000	455	36.752	2,579,612	2.661
10,001 - 100,000	220	17.770	7,279,254	7.509
100,001 - 4,846,793 (*)	64	5.169	36,961,144	38.129
4,846,794 and above (**)	1	0.080	49,980,000	51.559
TOTAL :	1,238	100.000	96,935,887	100.000

Note : * Less than 5% of Issued Shares
 ** 5% and above of Issued Shares

LIST OF SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

Names	Direct Shareholdings		Indirect Shareholdings (exclude bare trustees)	
	No. of Shares	%	No. of Shares	%
Esteem Role Sdn Bhd	49,980,000	51.56	-	-
Ngiam Tong Kwan	406,315	0.41	49,980,000 (*)	51.56
Nyeam Tong Eng @ Ngiam Tong Yang	269,361	0.27	49,980,000 (*)	51.56
Teh Eng Hock	269,361	0.27	49,980,000 (*)	51.56

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

LIST OF DIRECTORS' SHAREHOLDINGS

Names	Direct Shareholdings		Indirect Shareholdings	
	No. of Shares	%	No. of Shares	%
Ngiam Tong Kwan	406,315	0.41	53,977,670 (***)	55.68*
Ngiam Tee Wee	135,000	0.14	-	-
Ngiam Tee Yang	100,000	0.10	-	-
Teh Yoon Loy	36,347	0.04	-	-
Yukihiro Eguchi	58,445	0.06	-	-
Andy Woo Weng Kok	60,000	0.06	47,000 (**)	0.05
Datuk Dr. Syed Muhamad Bin Syed Abdul Kadir	100,000	0.10	-	-
To' Puan Rozana Bte Tan Sri Redzuan	-	-	-	-
Ng Wai Pin	-	-	17,000 (**)	0.02

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

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

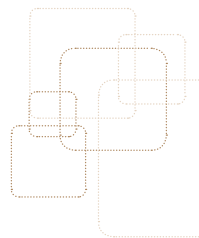
(***) Deemed interest by virtue of the shareholdings held in Esteem Role Sdn Bhd, held by spouse and child in the company.

ANALYSIS OF SHAREHOLDINGS

AS AT DECEMBER 30, 2010 (CONT'D)

LIST OF TOP 30 SHAREHOLDERS

No.	Name	Shareholdings	%
1	Esteem Role Sdn Bhd	49,980,000	51.559
2	Xadacorp Sdn Bhd	4,450,000	4.590
3	HDM Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Teh Pen Sim (M12)	3,880,670	4.003
4	TA Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Mohd Haniff Bin Abd Aziz	2,980,000	3.074
5	Mayban Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Mohd Haniff Bin Abd Aziz (REM 851-Margin)	1,777,800	1.833
6	Balakrishnan A/L Muthukaruppan	1,350,000	1.392
7	HDM Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Goh Hoon Ghee (M12)	1,347,900	1.390
8	Lee Kim Poh	1,000,000	1.031
9	Mayban Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lim Soon Kwui	925,600	0.954
10	Yap See See	900,000	0.928
11	RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Woo Yam Sang	868,000	0.895
12	Tan See Chong	834,900	0.861
13	Chang Yoke Lan	800,000	0.825
14	Cheang Wan Ying	800,000	0.825
15	Kong Chun Wah	766,800	0.791
16	S'ng King Kiok	711,700	0.734
17	Koh Ah Mee @ Hoh Ah Mee	699,800	0.721
18	Chang See Phin	600,100	0.619
19	Chang Yoke Mooi	593,637	0.612
20	CIMSEC Nominees (Asing) Sdn Bhd Exempt An for CIMB Securities Singapore Pte Ltd (Retail Clients)	571,400	0.589
21	Woo Yam Sang	546,400	0.563
22	Goh Toh Lim	505,000	0.520
23	Loke Keng Hung	491,800	0.507
24	Tan Kim Tiang	438,000	0.451
25	Mayban Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Yee Foong Seng (REM 646)	424,000	0.437
26	Nik Fauzi Bin Nik Hussein	423,500	0.436
27	Ng Ming Kow	420,700	0.433
28	Ngiam Tong Kwan	406,315	0.419
29	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Loh Eng Wah @ Loh Eng Wha (E-TAI)	400,000	0.412
30	Lee Soon Hock	370,000	0.381



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

The existing Articles of Association ("Articles") of the Company is proposed to be amended as set out in the third column below:-

Article No.	Existing Provision	Amended Provision
71	The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, shall be deposited by hand at or by facsimile transmission to the Office of the Company or at such other place within Malaysia as is specified for that purpose in the notice convening the meeting, not less than forty eight (48) hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposed to vote and in default the instrument of proxy shall not be treatment as valid.	The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, shall be deposited by hand at or by facsimile transmission to the Office of the Company or at such other place within Malaysia as is specified for that purpose in the notice convening the meeting, not less than forty eight (48) hours before the time appointed for holding the meeting or adjourned meeting, as the case may be, which the person named in the instrument proposes to vote, or in the case of a poll, not less than twenty-four (24) hours before the time appointed for the taking of the poll, and in default, the instrument of proxy shall not be treated as valid. A member shall not be precluded from attending and voting in person at any general meeting after lodging the form of proxy but however such attendance shall automatically revoke the proxy's authority.
136	The Secretary/Joint Secretaries shall in accordance with the Act be appointed by the Directors for such term, at such remuneration, and, upon such conditions as they think fit, and any Secretary/Joint Secretaries so appointed may be removed by them.	The Secretary/Joint Secretaries shall in accordance with the Act be appointed by the Directors for such term, at such remuneration, and, upon such conditions as they think fit, and any Secretary/Joint Secretaries so appointed may be removed by them. The Directors may from time to time appoint a temporary substitute for the Secretary or Secretaries who shall be deemed to be the Secretary during the term of his appointment. The office of the Secretary shall be vacated if the secretary resigns by notice in writing to the company, left at the Office and copies sent to all the directors for the time being at their last known residential addresses. Where a Secretary gives notice of resignation to the directors, the Secretary shall cease to act as Secretary with immediate effect, and unless provided in the terms of engagement, within the stipulated time.

APPENDIX I

(CONT'D)

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

The existing Articles of Association ("Articles") of the Company is proposed to be amended as set out in the third column below:-

Article No.	Existing Provision	Amended Provision
150	Any dividend, interest or other money payable in cash in respect of shares may be paid by cheque or warrant sent through the post to the last registered address of the member or person entitled thereto or by direct transfer or such other mode of electronic means (subject to the provision of the Act, the Depositories Act and the Rules of the Depository, the Listing Requirements and/or other regulatory authorities) to the bank account of the holders whose name appear in the Register or Record of Depositors respectively. Every such cheque or warrant or payment by direct transfer shall be made payable to the order of the person to whom it is sent, or to such person as the holder or person or persons entitled to the share in consequence of the death or bankruptcy of the holder may direct and the payment of any such cheque or warrant or by such electronic means shall be a good discharge to the Company regardless that it may subsequently appear that the cheque or warrant has been stolen or that the endorsement thereon has been forged or any discrepancy given by the member in the details of the bank account(s). Every such cheque or warrant shall be sent at the risk of the person entitled to the money represented thereby	Any dividend, interest, or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the person whose name appear in the Register of Members or Record of Depositors or to such person and to such address as the holder may in writing direct or by way of telegraphic transfer or electronic transfer or remittance to such account as designated by such holder or the person entitled to such payment. Every such cheque or warrant or telegraphic transfer or electronic transfer or remittance shall be made payable to the order of the person to whom it is sent and the payment of any such cheque or warrant or telegraphic transfer or electronic transfer or remittance shall operate as a good and full discharge to the Company in respect of the payment represented thereby, notwithstanding that in the case of payment by cheque or warrant, it may subsequently appear that the same has been stolen or that endorsement thereon has been forged. Every such cheque or warrant or telegraphic transfer or electronic transfer or remittance shall be sent at the risk of the person entitled to the money represented thereby.

Proxy Form

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

No of shares held

I/We _____ (NRIC No./Company No.) _____
of _____
being a member/members of BSL CORPORATION BERHAD hereby appoint *the Chairman of the
meeting or _____ (NRIC No.) _____
of _____
or failing whom _____ (NRIC No.) _____
of _____
as *my/our Proxy(ies) to vote for *me/us and on *my/our behalf at the Seventh Annual General Meeting of the Company to
be held at Templer 1, First Floor, Perangsang Templer Golf Club, No.1, Templer Park Resort, 48000 Rawang, Selangor Darul
Ehsan on Thursday, 24th day of February 2011 at 10.00 a.m. and at any adjournment thereof for/against* the resolution(s) to
be proposed thereat.

Item	Agenda			
1.	To receive the Audited Financial Statements for the financial year ended 31 August, 2010 together with the Reports of the Directors and Auditors thereon.			
		Resolution	For	Against
2.	ORDINARY BUSINESS To re-elect the Director, Teh Yoon Loy who retires pursuant to Article 78 of the Company's Articles of Association.	1		
3.	To re-elect the Director, Yukihiro Eguchi who retires pursuant to Article 78 of the Company's Articles of Association.	2		
4.	To re-elect the Director, Andy Woo Weng Kok who retires pursuant to Article 78 of the Company's Articles of Association.	3		
5.	To approve the payment of Directors' Fees for the financial year ended 31 August, 2010.	4		
6.	To re-appoint Messrs Deloitte KassimChan as Auditors of the Company and to authorise the Directors to fix their remuneration.	5		
7.	As SPECIAL BUSINESS To approve the issue of new ordinary shares pursuant to Section 132D of the Companies Act, 1965.	6		
8.	To approve the Proposed Renewal of Authority for the Company to purchase its own ordinary shares on Bursa Malaysia Securities Berhad up to 10% of the Issued and Paid up Share Capital.	7		
9.	To approve the Amendments to the Articles of Association of the Company	8		

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

Dated this _____ day of _____ 2011.

Signature/Common Seal of Shareholder(s)

*Delete whichever is not applicable

Notes:

- A member (other than an Authorised Nominee as defined under the Securities Industry (Central Depositories) Act 1991) entitled to attend and vote at the Meeting is entitled to appoint a maximum of two Proxies to attend and vote on his (her) behalf. A proxy may but need not be a member of the Company and the provisions of section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
- Where a member appoints two (2) Proxies, the appointment shall be invalid unless he (she) specifies the proportions of his (her) holdings to be represented by each Proxy.
- The Proxy Form shall be signed by the appointor or his (her) attorney duly authorised in writing or, if the member is a corporation, must be executed under its common seal or by its duly authorised attorney or officer
- The instrument appointing a Proxy must be deposited at the Registered Office of the Company at Level 18, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, not less than 48 hours before the time for the Meeting or at any adjournment thereof.

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STAMP

To
The Company Secretary
BSL Corporation Berhad
Level 18, The Gardens North Tower,
Mid Valley City, Lingkaran Syed Putra,
59200 Kuala Lumpur.

Then fold here

BSL CORPORATION BHD (651118-K)

LEVEL 18, THE GARDENS, NORTH TOWER, MID VALLEY CITY, LINGKARAN SYED PUTRA, 59200 KUALA LUMPUR.