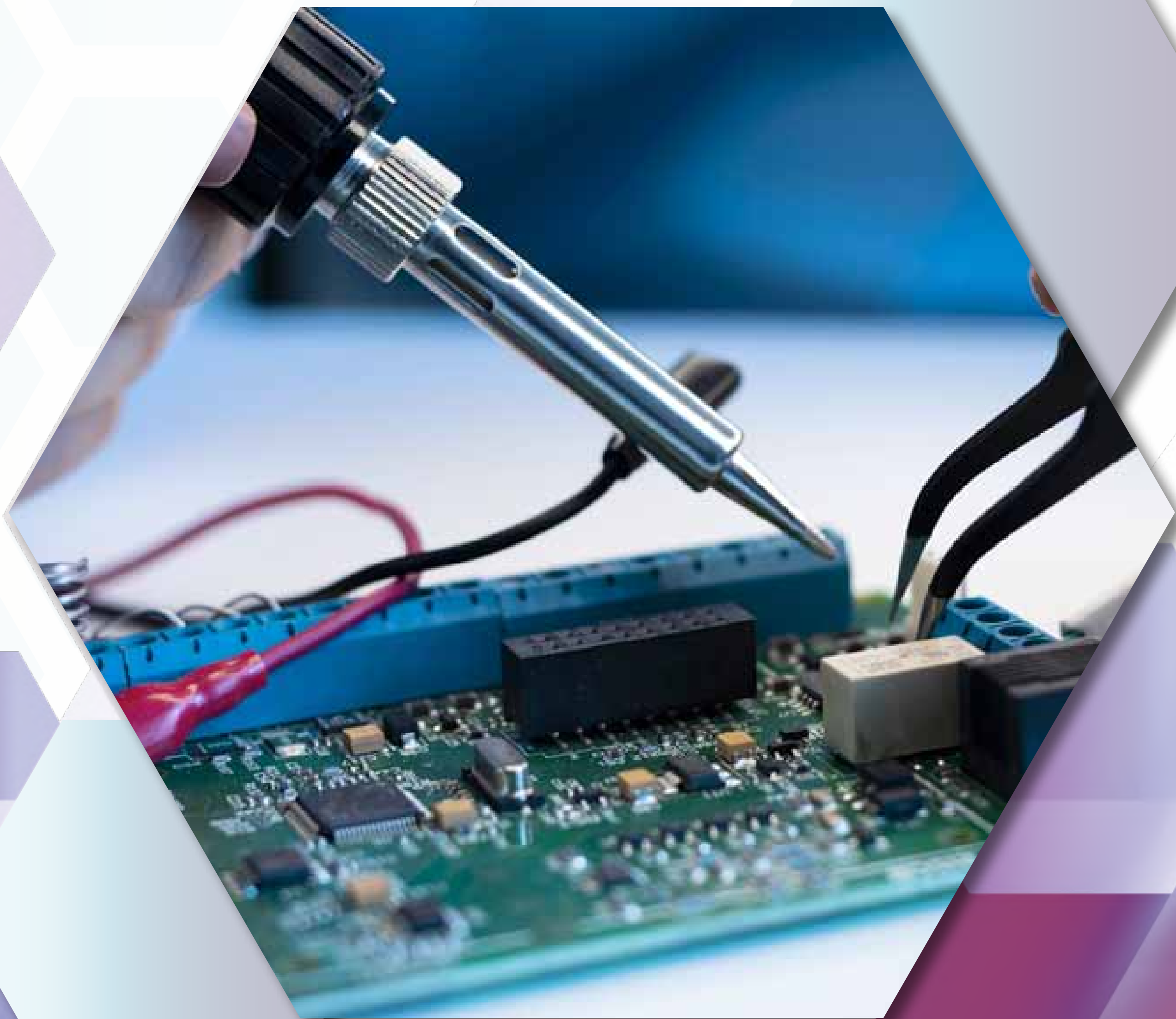
BSL CORPORATION BHD 200401012615 (651118-K)



ANNUAL REPORT 2022

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NOTICE OF NINETEENTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Nineteenth ("**19th**") Annual General Meeting ("**AGM**") of BSL Corporation Berhad ("**Company**") will be conducted virtually from the broadcast venue at Level 10, Tower 11, Avenue 5, No. 8, Jalan Kerinchi, Bangsar South, 59200 Kuala Lumpur, W.P. Kuala Lumpur, Malaysia on Friday, 2 June 2023 at 2.00 p.m. and at any adjournment thereof, for the purpose of considering and if thought fit, passing with or without modifications the following resolutions:

AGENDA

Ordinary Business:

1. To receive the Audited Financial Statements for the financial period ended 31 December 2022 together with Reports of the Directors and the Auditors thereon. **Please refer to Explanatory Note 1**

2. To re-elect Hoo Wai Keong as Director in accordance with Clause 76(3) of the Constitution of the Company. **Ordinary Resolution 1**

3. To re-elect Johari Shukri Bin Jamil as Director in accordance with Clause 76(6) of the Constitution of the Company. **Ordinary Resolution 2**

4. To re-elect Loh May Ann as Director in accordance with Clause 76(6) of the Constitution of the Company. **Ordinary Resolution 3**

5. To approve the payment of Directors' fees and benefits payable to the Non-Executive Directors of the Company and its subsidiaries up to an aggregate amount of RM250,000.00 for the period from 2 June 2023 until the next Annual General Meeting of the Company. **Ordinary Resolution 4**

6. To re-appoint Messrs Chengco PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. **Ordinary Resolution 5**

Special Business:

To consider and, if thought fit, to pass the following resolutions:

7. **Authority under Section 76 of the Companies Act 2016 for the Directors to allot shares or grant rights** **Ordinary Resolution 6**

   "THAT pursuant to Section 76 of the Companies Act 2016, the Directors be and are hereby empowered to allot and issue shares in the Company, at any time, at such price, upon such terms and conditions, for such purpose and to such person or persons whomsoever as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the total issued shares/total number of voting shares of the Company (excluding treasury shares) at the time of issue.

   THAT pursuant to Section 85 of the Companies Act 2016 approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares of the Company ranking equally to the existing issued Company's shares arising from any issuance of new Company's shares pursuant to Section 76 of the Companies Act 2016.

   THAT the Directors be and are hereby also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the 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."

Notice of Nineteenth Annual General Meeting (Cont'd)

8. To transact any other business that may be transacted at an annual general meeting of which due notice shall have been given in accordance with the Companies Act 2016 and the Constitution of the Company.

BY ORDER OF THE BOARD

CHIN WAI YI (MAICSA 7069783) (SSM PC No. 202008004409)
FLORENCE TOH SUE MEI (MAICSA 7074778) (SSM PC NO. 202108000143)
Company Secretaries

Kuala Lumpur
Date: 28 April 2023

NOTES:

1. The 19th AGM of the Company will be conducted as a virtual meeting through live streaming and online remote voting via Remote Participation and Voting ("**RPV**") facilities. Shareholders of the Company are required to register for the 19th AGM not less than twenty-four (24) hours before the time appointed for holding the meeting or at any adjournment thereof. (**Please follow the procedures as stipulated in the Administrative Guide**).

2. A member of the Company who is entitled to attend, speak and vote at this 19th AGM may appoint a proxy to attend, speak and vote on his/her behalf. A proxy may but need not be a member of the Company, and a member may appoint any person to be his/her proxy without limitation.

3. Where a member appoints more than one (1) proxy to attend and vote at the same 19th AGM, the appointment shall be invalid unless his/her specifies the proportion of his/her holdings to be represented by each proxy.

4. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depository) Act, 1991 ("**SICDA**"), his/her may appoint one (1) proxy in respect of each security account it holds with ordinary shares of the Company standing to the credit of the said security account.

5. Where a member of the Company is an exempt authorised nominee holding ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

   An exempt authorised nominee refers to an authorised nominee defined under the SICDA who is exempted from compliance with the provisions of subsection 25A(1) of SICDA.

6. The instrument appointing a proxy shall be in writing by the appointer or an attorney duly authorised in writing or, if the appointer is a corporation, whether under its seal or by an officer or attorney duly authorised.

7. The instrument appointing either a proxy, a power of attorney or other authorities, where it is signed or certified by a notary as a true copy shall be deposited with the Company's Share Registrar at No. 2-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur, W.P. Kuala Lumpur, Malaysia or electronically via fax to 03-6201 3121 or e-mail to ir@shareworks.com.my not less than forty-eight (48) hours before the time appointed for holding the 19th AGM or at any adjournment thereof, and in default the instrument of proxy shall not be treated as valid.

8. The right of foreigners to vote in respect of deposited securities is subject to Sections 41(1)(e) and 41(2) of the Securities Industry (Central Depositories) Act, 1991; the Securities Industry (Central Depositories) (Foreign Ownership) Regulations 1996 and the Constitution of the Company.

9. In respect of deposited securities, only members whose names appear in the Record of Depositors on 22 May 2023 (General Meeting Record of Depositors) shall be eligible to attend, speak and vote at this 19th AGM.

NOTES: (CONT'D)

10. Any alteration in the Proxy Form must be initialed.

11. Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolution set out in the Notice of 19th AGM will be put to the vote by poll.

EXPLANATORY NOTES:

1. Item 1 of the Agenda

Agenda item no. 1 is meant for discussion only as the provision of Section 340 of the Companies Act 2016 requires that the Audited Financial Statements and the Reports of the Directors and Auditors thereon be laid before the Company at its AGM. As such this Agenda item is not a business which requires a resolution to be put to vote by shareholders.

2. Items 2, 3 and 4 of the Agenda

The Nomination Committee ("**NC**") have considered the performance and contribution of each of the retiring Directors and have also assessed the independence of the Independent Non-Executive Directors seeking for re-election. Based on the results of the Board Evaluation conducted for the financial period ended 31 December 2022, the performance of each of the retiring Directors was found to be satisfactory. In addition, each of the retiring Directors had provided their annual declaration/confirmation on their fitness and propriety as well as independence, where applicable.

Based on the recommendation of the NC, the Board supports the re-election of the Directors based on the following justifications:

Hoo Wai Keong	:	Hoo Wai Keong has overall responsibility for creating, planning, implementing and integrating the strategic direction of the Company. He is familiar with the Company's business operations and able to provide valuable input to steer the Company forward. Hoo Wai Keong has exercised his due care and carried out his professional duties proficiently during his tenure as Executive Director of the Company.
Johari Shukri Bin Jamil	:	Johari Shukri Bin Jamil fulfils the requirements of independence set out in Listing Requirements of Bursa Securities. He remains objective and independent in expressing his view and participating in Board's deliberations and decision-making process. Johari Shukri Bin Jamil has exercised his due care and carried out his professional duties proficiently during his tenure as an Independent Non-Executive Director of the Company.
Loh May Ann	:	Loh May Ann fulfils the requirements of independence set out in Listing Requirements of Bursa Securities. She remains objective and independent in expressing her view and participating in Board's deliberations and decision-making process. Loh May Ann has exercised her due care and carried out her professional duties proficiently during her tenure as an Independent Non-Executive Director of the Company.

Notice of Nineteenth Annual General Meeting (Cont'd)

EXPLANATORY NOTES: (CONT'D)

3. Item 7 of the Agenda

The Company had, during its Eighteenth Annual General Meeting held on 28 January 2022, obtained its shareholders' approval for the general mandate for issuance of shares pursuant to Section 76 of the Companies Act 2016. The Company did not issue any shares pursuant to this mandate obtained.

The Ordinary Resolution 6 proposed under item 6 of the Agenda is a renewal of the general mandate for issuance of shares by the Company under Section 76 of the Companies Act 2016. The mandate, if passed, will provide flexibility for the Company and empower the Directors to allot and issue new shares speedily in the Company up to an amount not exceeding in total ten per centum (10%) of the total issued shares/total number of voting shares of the Company (excluding treasury shares) capital for such purpose as the Directors consider would be in the interest of the Company. This would eliminate any delay arising from and cost involved in convening a general meeting to obtain approval of the shareholders for such issuance of shares. This authority, unless revoked or varied by the Company at a general meeting, will expire at the next AGM. The authority will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for purpose of funding investment project(s) and/or working capital.

The waiver of pre-emptive rights pursuant to Section 85 of the Companies Act 2016 will allow the Directors of the Company to issue new shares of the Company which rank equally to existing issued shares of the Company, to any person without having to offer new shares to all the existing shareholders of the Company prior to issuance of new shares in the Company under the general mandate.

PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the 19th AGM and/or any adjournment thereof, a member of the Company:

(i) consents to the collection, use and disclose of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the 19th AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the 19th AGM (including any adjournment thereof), and in order for the Company (or its agent) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**");

(ii) warrants that the member has obtained the prior consent of such proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies), and/or representative(s) for the Purposes; and

(iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses, and damages as a result of the member's breach of warranty.

ADMINISTRATIVE GUIDE FOR THE VIRTUAL NINETEENTH ANNUAL GENERAL MEETING

Date	:	Friday, 2 June 2023
Time	:	2.00 p.m. or at any adjournment thereof
Broadcast venue	:	Level 10, Tower 11, Avenue 5, No. 8, Jalan Kerinchi, Bangsar South, 59200 Kuala Lumpur, W.P. Kuala Lumpur, Malaysia.
Remote Participation and Voting Facilities ("RPV Facilities")	:	Mlabs Research Sdn. Bhd. - https://rebrand.ly/BSL-AGM

MODE OF MEETING

The 19th AGM of the Company would be conducted virtually and the Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the meeting to be present at the main venue of the meeting. Shareholder(s) and/or Proxy(ies) will not be allowed to be physically present at the 19th AGM in person at the Broadcast Venue on the day of the meeting.

We strongly encourage you to participate in the virtual 19th AGM via the RPV Facilities provided to exercise your right as a member of the Company to participate (including to pose questions to the Board of Directors and/or Management of the Company) and vote at the 19th AGM. Alternatively, you may also appoint the Chairman of the meeting as your proxy to attend and vote on your behalf at the virtual 19th AGM.

Kindly ensure that you are connected to the internet at all times to participate and vote when our virtual 19th AGM has commenced. Therefore, it is your responsibility to ensure that connectivity for the duration of the virtual 19th AGM is maintained. Kindly note that the quality of the live webcast is dependent on the bandwidth and stability of the internet connection of the participants.

RPV FACILITIES

The 19th AGM will be conducted through live streaming and online remote voting. You are encouraged to attend the 19th AGM by using the RPV Facilities. With the RPV Facilities, you may exercise your rights as a Shareholder to participate (including to pose questions to the Board) and vote at the 19th AGM.

Individual Members are strongly encouraged to take advantage of RPV Facilities to participate and vote remotely at the 19th AGM.

If an individual member is unable to attend the 19th AGM, he/she is encouraged to appoint the Chairman of the meeting as his/her proxy and indicate the voting instructions in the Proxy Form in accordance with the notes and instructions printed therein.

Corporate Members (through Corporate Representatives or appointed proxies) are also strongly advised to participate and vote remotely at the 19th AGM using the RPV Facilities. Corporate Members who wish to participate and vote remotely at the 19th AGM must contact the share registrar, ShareWorks Sdn. Bhd. with the details set out below for assistance and will be required to provide the following documents to the Company no later than **31 May 2023 at 2.00 p.m.:**

i. Certificate of appointment of its Corporate Representative or Proxy Form under the seal of the corporation;
ii. Copy of the Corporate Representative's or proxy's MyKad (front and back) / Passport; and
iii. Corporate Representative's or proxy's email address and mobile phone number.

If a Corporate Member (through Corporate Representative(s) or appointed proxy(ies)) is unable to attend the 19th AGM, the Corporate Member is encouraged to appoint the Chairman of the meeting as its proxy and indicate the voting instructions in the Proxy Form in accordance with the notes and instructions printed therein.

Administrative Guide for the Virtual Nineteenth Annual General Meeting (Cont'd)

In respect of **Nominee Company Members**, the beneficiaries of the shares under a Nominee Company's CDS account are also strongly advised to participate and vote remotely at the 19th AGM using RPV Facilities. Nominee Company Members who wish to participate and vote remotely at the 19th AGM can request its Nominee Company to appoint him/her as a proxy to participate and vote remotely at the 19th AGM. Nominee Company must contact the share registrar, ShareWorks Sdn. Bhd. with the details set out below for assistance and will be required to provide the following documents to the Company no later than **31 May 2023 at 2.00 p.m.**:

i. Proxy Form under the seal of the Nominee Company;
ii. Copy of the proxy's MyKad (front and back) / Passport; and
iii. Proxy's email address and mobile phone number.

If a Nominee Company Member is unable to attend the 19th AGM, it is encouraged to request its Nominee Company to appoint the Chairman of the meeting as its proxy and indicate the voting instructions in the Proxy Form in accordance with the notes and instructions printed therein.

ONLINE REGISTRATION PROCEDURE

Procedure	Action
Before the day of the 19th AGM	
1. Register as participant in the virtual 19th AGM	a. Using your computer, access the registration website at https://rebrand.ly/BSL-AGM. b. Click on the **Register** link to register for the 19th AGM session. c. If you are using mobile devices, you can also scan the QR provided on the left to access the registration page. Click **Register** and enter your email followed by **Next** to fill in your details to register for the 19th AGM session. d. Upon submission of your registration, you will receive an email notifying you that your registration has been received and is pending verification. e. The event is powered by Cisco Webex. You are recommended to download and install Cisco Webex Meetings (available for PC, Mac, Android and iOS).
2. Submit your online registration	a. Member/Members who wish to participate and vote remotely at the 19th AGM via RPV Facilities are required to register prior to the meeting. The registration for remote access will be opened from 1.00 p.m. on 28 April 2023. Please note that the closing time to submit your online registration is at 2.00 p.m. on 1 June 2023 (24 hours before the commencement of the 19th AGM). b. Clicking on the link mentioned in item 1 will redirect you to the 19th AGM event page. Click on the **Register** link for the online registration form. c. Complete your particulars in the registration page. Your name MUST match your CDS account name (not applicable for proxy). d. Insert your CDS account number(s) and indicate the number of shares you hold. e. Read and agree to the Terms & Conditions and confirm the Declarations. f. Please ensure all information given is accurate before you click Submit to register your remote participation. Failure to do so will result in your registration being rejected.
3. Email notification	a. System will send an email to notify that your registration for remote participation is received and will be verified. b. Upon system verification against the General Meeting Record of Depositories as at 22 May 2023, you will receive an email from Mlabs Research Sdn. Bhd. approving your registration for remote participation together with the Meeting ID and your remote access user ID and password. You will also be notified in the event your registration is rejected. c. If your registration is rejected, you can contact the Company's Poll Administrator for clarifications or to appeal.

Administrative Guide for the Virtual Nineteenth Annual General Meeting (Cont'd)

Procedure	Action
On the day of the 19th AGM	
4. Login to Meeting Platform	a. The Meeting Platform will be open for login one (1) hour before the commencement of the 19th AGM. b. The Meeting Platform can be accessed via navigating to the website at https://rebrand.ly/BSL-AGM. c. Insert the Meeting ID and sign in with the user ID and password provided to you via the email notification.
5. Participate with live video	a. You will be given a short brief about the system. b. Your microphone is muted throughout the whole session. c. If you have any questions for the Chairman/Board, you may use the **Q&A panel** to send your questions. The Chairman/Board will try to respond to relevant questions if time permits. All relevant questions will be collected throughout the session and replied later through your registered email. d. The session will be recorded. e. Take note that the quality of the live streaming is dependent on the bandwidth and stability of the internet connection at your location.
6. Online Remote Voting	a. The Chairman will announce the commencement of the Voting session and the duration allowed at the 19th AGM. b. The list of resolutions for voting will appear at the right-hand side of your computer screen. You are required to indicate your votes for the resolutions within the given stipulated time frame. c. Click on the **Submit** button when you have completed. d. Votes cannot be changed once it is submitted.
7. End of remote participation	Upon the announcement by the Chairman on the closure of the 19th AGM, the live webcast will end.

RECORD OF DEPOSITORS FOR THE 19TH AGM

For the purpose of determining whether a member is entitled to attend, participate and vote at the 19th AGM, the Company shall be requesting the Record of Depositors as at 22 May 2023. Only shareholders whose names appear in the Record of Depositors as at 22 May 2023 shall be entitled to attend, participate and vote at the 19th AGM or appoint proxy/proxies on his/her behalf.

PROXY FORM

Please ensure that the hard copy of the original proxy form is deposited with the Share Registrar's office at No. 2-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur, W.P. Kuala Lumpur, Malaysia or email to ir@shareworks.com.my not less than forty-eight (48) hours before the time appointed for holding the meeting or at any adjournment thereof, and in default the instrument of proxy shall not be treated as valid.

Proxy(ies) holder which member/members had submitted proxy form to the Poll Administrator are not required to register via online registration, Mlabs Research Sdn. Bhd. will send an invitation email to you to participate at the 19th AGM.

REVOCATION OF PROXY

Please note that if a member has submitted his/her Proxy Form prior to the 19th AGM and subsequently decides to personally attend and participate in the 19th AGM via RPV Facilities, the member must contact Share Registrar, ShareWorks Sdn. Bhd. to revoke the appointment of his/her proxy no later than **2.00 p.m. on 31 May 2023.**

Administrative Guide for the Virtual Nineteenth Annual General Meeting (Cont'd)

NO RECORDING OR PHOTOGRAPHY

Strictly NO recording or photography of the proceedings of the 19th AGM is allowed.

NO REFRESHMENTS AND NO DOOR GIFTS

There will be no distribution of refreshments and door gifts for the 19th AGM of the Company.

ENQUIRY

If you have any general enquiry prior to the 19th AGM, please contact the following officers during office hours (Monday to Friday):

For Registration, logging in and system related:		
Mlabs Research Sdn. Bhd.		
Name	:	Mr. Hong / Ms Eris / Ms Jey
Telephone No	:	+603-7688 1013
Email	:	vgm@mlabs.com

For Proxy matters:		
ShareWorks Sdn. Bhd.		
Name	:	Mr. Kou Si Qiang / Mr. Chan Wai Kien
Telephone No	:	+603-6201 1120
Email	:	ir@shareworks.com.my

PERSONAL DATA POLICY

By registering for the RPV Facilities and/or submitting the instrument appointing a proxy(ies) and/or representative(s), the member of the Company has consented to the use of such data for purposes of processing and administration by the Company (or its agents); and to comply with any laws, listing rules, regulations and/or guidelines. The member agrees that he/she will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the shareholder's breach of warranty.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Hoo Wai Keong
Executive Director cum Chief Executive Officer

Andrew Ho Tho Kong
Executive Director

Chong Kwang Fock
Independent Non-Executive Director

Johari Shukri Bin Jamil
Independent Non-Executive Director

Loh May Ann
Independent Non-Executive Director

AUDIT AND RISK MANAGEMENT COMMITTEE

Chong Kwang Fock
Chairman

Johari Shukri Bin Jamil
Member

Loh May Ann
Member

NOMINATION COMMITTEE

Loh May Ann
Chairperson

Chong Kwang Fock
Member

Johari Shukri Bin Jamil
Member

REMUNERATION COMMITTEE

Johari Shukri Bin Jamil
Chairman

Chong Kwang Fock
Member

Loh May Ann
Member

COMPANY SECRETARIES

Chin Wai Yi
(MAICSA No. 7069783 /
SSM PC No. 202008004409)

Florence Toh Sue Mei
(MAICSA No. 7074778 /
SSM PC No. 202108000143)

PRINCIPAL PLACE OF BUSINESS

Lot 4220, Persimpangan Jalan
Batu Arang/Lebuhraya PLUS
48000 Rawang
Selangor Darul Ehsan
Malaysia

Tel: 03-6091 9148
Email: info@bsli.com.my
Website: www.bslcorp.com.my

REGISTERED OFFICE

E-10-4, Megan Avenue 1
189, Jalan Tun Razak
50400 Kuala Lumpur
W.P. Kuala Lumpur
Malaysia

Tel: 03-2181 0516
Fax: 03-2181 0516

SHARE REGISTRAR

ShareWorks Sdn. Bhd.
No. 2-1, Jalan Sri Hartamas 8
Sri Hartamas
50480 Kuala Lumpur
W.P. Kuala Lumpur
Malaysia

Tel: 03-6201 1120
Fax: 03-6201 3121

AUDITORS

Chengco PLT
8-2, 10-1 & 10-2, Jalan 2/114
Kuchai Business Centre
Off Jalan Klang Lama
58200 Kuala Lumpur
W.P. Kuala Lumpur
Malaysia

Tel: 03-7985 9999
Fax: 03-7980 0191

STOCK EXCHANGE LISTING

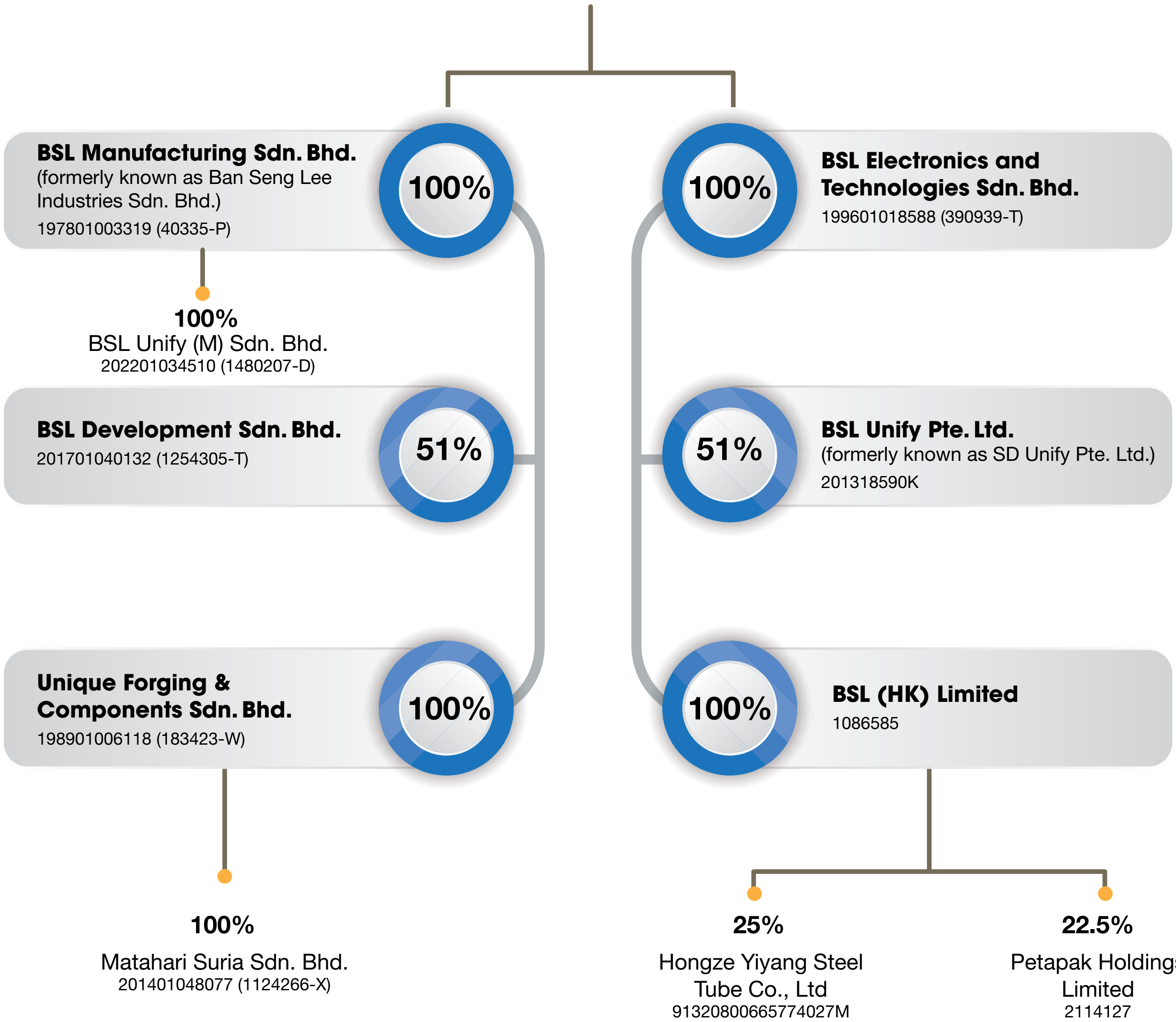
Main Market of Bursa Malaysia
Securities Berhad
Stock name: BSLCORP
Stock code: 7221

PRINCIPAL BANKERS

AmBank (M) Berhad

CORPORATE STRUCTURE

BSL CORPORATION BHD 200401012615 (651118-K)



PROFILE OF DIRECTORS

HOO WAI KEONG

Executive Director cum Chief Executive Officer

Age	:	47
Nationality	:	Malaysian
Gender	:	Male
Date of Appointment	:	5 August 2021
Board Committee membership	:	N/A

QUALIFICATION

a) Higher Diploma in Industries Studies and Industrial and Industrial Automation Control Systems from Singapore Nanyang Polytechnics

WORKING EXPERIENCE AND OCCUPATION

Mr. Hoo Wai Keong has over twenty five (25) years of working experiences in engineering services and involvement in top management level operation as well as full operation experiences in various industries and different sectors from contract manufacturing to components fabrication, design and build for Industrial 4.0, renewable energy saving engineering in commercial and industrial, construction engineering and building automation smart technology system in commercial and infrastructure which he also specializing in business development, strategic planning and consultancy and corporate advisory in merger and acquisition, and joint venture across Malaysia, Singapore, Europe, United State of America and China. He started his career in Singapore as a mechanical engineer in factory automation machinery and system company which he in-charged the design and building automation system and electronics, project management and installation, testing and commissioning.

He then appointed as a mechanical strategic buyer for audio electronics systems for multinational company, which involved in strategic sourcing and negotiating, perform cost analysis and cost saving program under products value analysis, managing Just-in-Time (“JIT”) on vendors daily delivery operation. He proceeds his career as a Sales and Project Development Manager for semiconductors electronics equipment, where he handled daily customer service, new project development and ensure all specification meet customers’ requirements and manage the whole supply chain in order to fulfil customers delivery schedule.

In year 2005, he setup his own company in Singapore which deals with engineering fabrication ranging from precision machinery spare parts and components to fabrication of higher precision for banking machines, semiconductor equipment and automotive components. He extended his business and factory setup in China in year 2009, where he has full range of facilities in terms of Computerize Numerical Control (“CNC”) machineries, sheet metal fabrication, plastics moulding production, sub-assembly services and cosmetics secondary processes.

He was the managing director of the company until 2018. After he left his own company, he joined Metronic Global Berhad where he currently acts as the Executive Director cum Chief Executive Officer.

DIRECTORSHIP OF PUBLIC COMPANIES AND LISTED ISSUERS

Metronic Global Berhad (Executive Director cum Chief Executive Officer)

RELATIONSHIP WITH OTHER DIRECTORS/ SHAREHOLDERS/LISTED ISSUER

Nil

CONFLICT OF INTEREST WITH LISTED ISSUER

Nil

ANY OTHER CONVICTIONS (ASIDE FROM TRAFFIC OFFENCE)

Nil

Profile of Directors (Cont'd)

ANDREW HO THO KONG

Executive Director

Age	:	56
Nationality	:	Malaysian
Gender	:	Male
Date of Appointment	:	5 August 2021
Board Committee membership	:	N/A

QUALIFICATION

a) Bachelor of Accountancy, National University of Singapore
b) Chartered Accountant from the Institute of Singapore Chartered Accountants
c) Chartered Financial Analyst

WORKING EXPERIENCE AND OCCUPATION

Mr. Andrew Ho Tho Kong has extensive experience with over thirty (30) years in accounting, investment banking and private equity. Currently he is a Partner in Nautilus Capital Asia, a boutique corporate advisory house providing advisory services for initial public offerings, buyouts, mergers and acquisitions and fund raising.

Prior to founding Nautilus Capital Asia, he was the acting Chief Executive Officer for Maybank Private Equity in 2012. Before his tenure with Maybank Private Equity, Mr. Andrew was a director with Kenanga Investment Bank, from 2008 to 2011, where he headed the Private Equity Department and subsequently, the investment banking office.

His experience extends to Venture Capital, with particular focus in the technology sector in the region. He served as Senior Vice President with Malaysia Venture Capital Company ("MAVCAP"). In addition, during his employment with the UEM Group from 2001 to 2007, he was attached to Optixlab, the private equity division of UEM Group. While in the UEM Group, he was also involved in Business Development with Time Engineering where he was primarily responsible for the overseeing of overseas acquisitions and partnerships for the group, and had oversight of the technology business strategy within the UEM group of companies. Due to his industry experience, he is actively involved in numerous global volunteer programs administered by the CFA institute; and also serves as a founding committee member of the National University of Singapore ("NUS") Kuala Lumpur Alumni.

DIRECTORSHIP OF PUBLIC COMPANIES AND LISTED ISSUERS

Pegasus Heights Berhad (Independent Non-Executive Director)

RELATIONSHIP WITH OTHER DIRECTORS/ SHAREHOLDERS/LISTED ISSUER

Nil

CONFLICT OF INTEREST WITH LISTED ISSUER

Nil

ANY OTHER CONVICTIONS (ASIDE FROM TRAFFIC OFFENCE)

Nil

Profile of Directors (Cont'd)

CHONG KWANG FOCK

Independent Non-Executive Director

Age	:	44
Nationality	:	Malaysian
Gender	:	Male
Date of Appointment	:	5 August 2021
Board Committee membership	:	• Chairman of Audit and Risk Management Committee • Member of Remuneration Committee • Member of Nomination Committee

QUALIFICATION

a) Member of the Malaysian Institute of Accountants
b) Member of ASEAN Chartered Professional Accountant

WORKING EXPERIENCE AND OCCUPATION

Mr. Chong Kwang Fock is presently practicing as an auditor and he is a Partner of chartered accounting firm in Kuala Lumpur.

He has more than fifteen (15) years of working experience in auditing. His experience includes auditing of public listed companies, multinational companies and private limited companies in various industries. He also has experience conducting audit for companies in China.

He has vast experience in corporate exercises where his experiences include being a reporting accountant for initial public offering and funds raising exercises, due diligence and reviewing of financial forecasts and projections.

DIRECTORSHIP OF PUBLIC COMPANIES AND LISTED ISSUERS

Nil

RELATIONSHIP WITH OTHER DIRECTORS/ SHAREHOLDERS/LISTED ISSUER

Nil

CONFLICT OF INTEREST WITH LISTED ISSUER

Nil

ANY OTHER CONVICTIONS (ASIDE FROM TRAFFIC OFFENCE)

Nil

Profile of Directors (Cont'd)

JOHARI SHUKRI BIN JAMIL
Independent Non-Executive Director

Age	:	50
Nationality	:	Malaysian
Gender	:	Male
Date of Appointment	:	1 February 2022
Board Committee membership	:	• Chairman of Remuneration Committee • Member of Nomination Committee • Member of Audit and Risk Management Committee

QUALIFICATION

a) Bachelor of Science in Chemical Engineering (Polymer), University Technology Malaysia
b) Advanced Leadership Programme, Judge Business School, Cambridge University

WORKING EXPERIENCE AND OCCUPATION

Encik Johari Shukri bin Jamil, a Malaysian, male, aged 50, was appointed to the Board as an Independent Non-Executive Director on February, 2022.

Encik Johari graduated with a Bachelor of Science in Chemical Engineering (Polymer) from University Technology Malaysia. He also holds a Certificate in Advanced Leadership Programme from University of Cambridge, Judge Business School and possesses a Capital Market Services Representatives' License ("CMSL") for REIT for the asset management company to carry on regulated activities specified under the Capital Markets and Services Act ("CMSA").

Encik Johari began his career as a Process/Chemical Engineer in Titan Polyethlene (M) Sdn. Bhd. in 1995 and was promoted as a Project Engineer in 1997 which he stayed on until 2000. In the same year, he left the firm and joined Foster Wheeler (M) Sdn. Bhd. until 2002 as a Project Engineer. He then served as a Business Development Manager for several companies from 2002 to 2005. He then joined Inai Kiara Sdn. Bhd. in 2005 as a Senior General Manager. From 2006 to 2011, he was with Difense Konsult Sdn. Bhd., serving as their Chief Executive Officer and Director. In the same year, he joined Johor Corporation ("JCorp"), a Johor state-owned company ("GLC") as a General Manager, Business Development and was later promoted to Chief Executive Officer of Tanjung Langsat Port Sdn. Bhd. and also served as a member of the board of the subsidiary companies. He later assumed the role as Group Vice President, Business Relationship & Marketing, Industrial Development Division of the JCorp, Executive Director of TPM Technopark Sdn. Bhd. and Executive Director of Tanjung Langsat Port Sdn. Bhd. prior to his special assignment to a public listed subsidiary company, EA Technique (M) Berhad where he was the Group Chief Operating Officer. He then joined Iskandar Investment Berhad, a subsidiary of Khazanah Nasional Berhad in January 2019 and where he has stepped into a newly created role, Transformation Office, to bring the company towards innovation and new business frontiers. He later assumed the post as the Executive Vice President, Business Development. He was seconded to a subsidiary company, Medini Iskandar Malaysia Sdn. Bhd. to facilitate the transformation journey and strategic marketing and business development initiatives.

He is currently a Non-Independent Executive Director of a public listed company, Hektar Real Estate Investment Trust and assumed role as a Chief Executive Officer of Hektar Asset Management Sdn. Bhd. since 11 June, 2022.

DIRECTORSHIP OF PUBLIC COMPANIES AND LISTED ISSUERS

Hektar Real Estate Investment Trust (Executive Director & Chief Executive Officer)

RELATIONSHIP WITH OTHER DIRECTORS/ SHAREHOLDERS/LISTED ISSUER

Nil

CONFLICT OF INTEREST WITH LISTED ISSUER

Nil

ANY OTHER CONVICTIONS (ASIDE FROM TRAFFIC OFFENCE)

Nil

Profile of Directors (Cont'd)

LOH MAY ANN

Independent Non-Executive Director

Age	:	49
Nationality	:	Malaysian
Gender	:	Male
Date of Appointment	:	1 September 2022
Board Committee membership	:	• Chairperson of Nomination Committee • Member of Remuneration Committee • Member of Audit Committee

QUALIFICATION

a) Member of High Court of Malaya
b) Bachelor in Laws, University of Wales, Glamorgan

WORKING EXPERIENCE AND OCCUPATION

Ms. Loh May Ann has over twenty (20) years of legal experience gained in practice and in top multinational companies. She spent her early years of practice in Messrs Rashid & Lee (now Messrs Shahrizat Rashid & Lee) where she was primarily engaged in corporate advisory work involving acquisitions of shares, advising on corporate restructuring, setting up of companies and joint ventures, carrying out due diligence audits and drafting of commercial contracts.

These intensive years provided a strong foundation of knowledge and experience when she switched paths in 2005 and became in-house counsel for a US BPO company. For the next decade, she continued as legal counsel in several global IT companies, including CSC, IBM and BAT, before resuming practice again and setting up her own boutique practice, Messr Omar & May in 2015, to focus on corporate, commercial and IT government and private sector contracts across diverse industries.

Ms. Loh May Ann is now the Chief Legal Officer of Webhelp APAC, a 50,000 people-strong global BPO company, headquartered in Paris, France with a presence in more than 50 countries.

DIRECTORSHIP OF PUBLIC COMPANIES AND LISTED ISSUERS

Nil

RELATIONSHIP WITH OTHER DIRECTORS/ SHAREHOLDERS/LISTED ISSUER

Nil

CONFLICT OF INTEREST WITH LISTED ISSUER

Nil

ANY OTHER CONVICTIONS (ASIDE FROM TRAFFIC OFFENCE)

Nil

PROFILE OF SENIOR MANAGEMENT

CHAI BOON YIN

Chief Operating Officer

Age	:	47
Nationality	:	Malaysian
Gender	:	Male
Date of Appointment as Senior Management	:	9 May 2022

QUALIFICATION

A-Level, Stamford College

WORKING EXPERIENCE AND OCCUPATION

Mr. Chai Boon Yin ("Mr. Timothy") is a experienced manufacturing industry leader with over twenty seven (27) years of experience.

In 1998, Mr. Timothy was promoted as a business manager for a manufacturing company in Malaysia. He was responsible for managing the entire business operations of the said company's Malaysia and Singapore branches, which employed over one hundred fifty (150) employees.

In 2005, Mr. Timothy was hired as the Deputy General Manager for a manufacturing company in China that specialized in producing standard components for die and mould, as well as automotive equipment.

Throughout his career, Mr. Timothy has developed extensive knowledge and expertise in various manufacturing processes, including assembly, machining, stamping, and casting.

DIRECTORSHIP OF PUBLIC COMPANIES AND LISTED ISSUERS

Nil

RELATIONSHIP WITH OTHER DIRECTORS/ SHAREHOLDERS/LISTED ISSUER

Nil

CONFLICT OF INTEREST WITH LISTED ISSUER

Nil

ANY OTHER CONVICTIONS (ASIDE FROM TRAFFIC OFFENCE)

Nil

Profile of Key Senior Management (Cont'd)

CHEN HUEI PING
Material Director

Age	:	31
Nationality	:	Malaysian
Gender	:	Male
Date of Appointment as Senior Management	:	5 August 2021

QUALIFICATION

Degree in Economics and Finance, Singapore Institute of Management University – Royal Melbourne Institute of Technology, Singapore

WORKING EXPERIENCE AND OCCUPATION

Mr. Chen Huei Ping started his career as a Business Development Executive and was promoted to the head of Sales and Marketing department in a Public Listed Company which is in the manufacturing industry.

Subsequently, he joined a Multi-International Manufacturing Company as a Regional Business Development Manager for APAC market in E&E industry.

DIRECTORSHIP OF PUBLIC COMPANIES AND LISTED ISSUERS

MTouche Technology Berhad (Executive Director)

RELATIONSHIP WITH OTHER DIRECTORS/ SHAREHOLDERS/LISTED ISSUER

Nil

CONFLICT OF INTEREST WITH LISTED ISSUER

Nil

ANY OTHER CONVICTIONS (ASIDE FROM TRAFFIC OFFENCE)

Nil

CHEU SOO FERN
Operation Director

Age	:	48
Nationality	:	Malaysian
Gender	:	Female
Date of Appointment as Senior Management	:	5 August 2021

QUALIFICATION

Member of Association of Chartered Certified Accountants

WORKING EXPERIENCE AND OCCUPATION

Ms. Cheu Soo Fern was appointed as the Group Strategic General Manager in BSL Manufacturing Sdn. Bhd. (formerly known as Ban Seng Lee Industries Sdn. Bhd.) in 2021 and was subsequently transferred and promoted to Operation Director in BSL Electronics & Technologies Sdn. Bhd. ("BSLET") in 2022.

Her experience includes manufacturing of automative metal stamping & tooling, engineering & trading of material handling equipment, trading in latex concentrate, manufacturing of household & storage plastic products, fabricate injection molding industry, and property development industry.

She is currently responsible for managing and monitoring the day-to-day operations of BSLET.

DIRECTORSHIP OF PUBLIC COMPANIES AND LISTED ISSUERS

Nil

RELATIONSHIP WITH OTHER DIRECTORS/ SHAREHOLDERS/LISTED ISSUER

Nil

CONFLICT OF INTEREST WITH LISTED ISSUER

Nil

ANY OTHER CONVICTIONS (ASIDE FROM TRAFFIC OFFENCE)

Nil

Profile of Key Senior Management (Cont'd)

CHAN CHOON KEUW
Operation Director

Age	:	65
Nationality	:	Malaysian
Gender	:	Male
Date of Appointment as Senior Management	:	5 August 2021

QUALIFICATION

N/A

WORKING EXPERIENCE AND OCCUPATION

Mr. Chan Choon Keuw began his career in a Japanese firm as a dies maintenance staff in 1978. He subsequently joined BSL Manufacturing Sdn. Bhd. (formerly known as Ban Seng Lee Industries Sdn. Bhd.) ("BSLM") in 1983 as a toolroom technician.

Throughout his career in the BSLM, he was in charge of the quality assurance department in 1987, production department in 1998, engineering department in 2006. He was subsequently promoted to Deputy General Manager of BSLM in 2016 and Operational General Manager in 2022.

DIRECTORSHIP OF PUBLIC COMPANIES AND LISTED ISSUERS

Nil

RELATIONSHIP WITH OTHER DIRECTORS/ SHAREHOLDERS/LISTED ISSUER

Nil

CONFLICT OF INTEREST WITH LISTED ISSUER

Nil

ANY OTHER CONVICTIONS (ASIDE FROM TRAFFIC OFFENCE)

Nil

LEONG CHEE LOONG
Senior Finance Manager, Accounting and Finance Department

Age	:	51
Nationality	:	Malaysian
Gender	:	Male
Date of Appointment as Senior Management	:	24 March 2023

QUALIFICATION

- Degree in Accounting
- Member of the Certified Practicing Accountant of Australia
- Member of the Malaysian Institute of Accountants

WORKING EXPERIENCE AND OCCUPATION

Mr. Leong Chee Loong has over twenty (20) years of working experience. He started his career with Ernst & Young and subsequently joined a few public listed companies throughout his career.

His experience includes group financial reporting, corporate exercises, treasury operation, greenfield startup, budgeting, mergers and acquisitions, debt restructuring and ERP implementation.

Prior to joining BSL Corporation Berhad, he was attached to a public listed company which is in the manufacturing, construction and technology industry.

DIRECTORSHIP OF PUBLIC COMPANIES AND LISTED ISSUERS

Nil

RELATIONSHIP WITH OTHER DIRECTORS/ SHAREHOLDERS/LISTED ISSUER

Nil

CONFLICT OF INTEREST WITH LISTED ISSUER

Nil

ANY OTHER CONVICTIONS (ASIDE FROM TRAFFIC OFFENCE)

Nil

CHIEF EXECUTIVE OFFICER'S STATEMENT

Dear Shareholders,

OVERVIEW

I would like to begin by thanking all my colleagues, board members and loyal shareholders in facing the challenging business environment together. Despite the headwinds we encountered, the Group managed to adapt and capitalize as economies and businesses start to normalize.

Nevertheless, obstacles remain as we face rising inflationary pressures, tight labor market, higher interest rates, and cooling consumer demand as employees return to office. This has been made worse by the prolonged war between Russia and Ukraine.

In light of these challenges, the Group has taken the opportunity to strategize and refocus operations to our core competency in Metal and PCB Assembly. To this end, we have divested our solar installation subsidiary, BSL Eco Energy Sdn. Bhd. and are in the process of divesting our solar installation, Matahari Suria Sdn. Bhd..

To accelerate the implementation of our strategy, we acquired a company in Singapore, BSL Unify Pte. Ltd. (formerly known as SD Unify Pte. Ltd.), which supplies components and services to Automated Testing Equipment ("ATE") manufacturers. We have also set up a satellite plant in Johor Bahru to support the Singapore operations. This will help increase the depth and breadth of our customer base and products.

Chief Executive Officer's Statement (Cont'd)

FINANCIAL PERFORMANCE

The Group achieved revenue of RM214.8 million and a loss after tax of RM10.2 million for the 16-month period. The Metal Division was the key contributor to our turnover, followed by the PCB Assembly Division. However, the loss after tax was mainly attributed to the provision for the customs court case and fair value loss recognition on other investments.

The Metal Division recorded a revenue of RM196.8 million and a profit after tax of RM7.4 million. The PCB Assembly Division recorded a revenue of RM19.4 million and a loss after tax of RM11.2 million, mainly due to the full provision made for the Customs lawsuit.

Despite the challenges faced during the reporting period, the Group remains committed to enhancing our core competencies and expanding our product line into semiconductor and equipment-related products.

LOOKING FORWARD

The outlook remains clouded as the headwinds remain. It is likely to persist till the second half of 2023 as global markets digest the data and adjust to the changing landscape. The Group remains committed to building value and our shareholders and stakeholders thru this uncertain times.

APPRECIATION

I would like to take this opportunity to extend my warmest gratitude to our shareholders, customers, suppliers and business associates for their unrelenting support and confidence in the Group.

On behalf of the Board, I would also like to extend my heartfelt appreciation to our management and staff for their unwavering commitment, diligence and perseverance for the past year.

I would also like to extend my admiration and thanks to my fellow members of the Board (including Mr. Chew Khai Liong and Mr. Wong Boon Peng who had resigned from the Group during the financial period) for their contribution and enlightened counsel in the pursuit of our goals.

Hoo Wai Keong
Executive Director cum Chief Executive Officer

MANAGEMENT DISCUSSION & ANALYSIS STATEMENT

FINANCIAL PERIOD REVIEW

The period under review has been filled with uncertainties and surprises. The Group benefited from the momentum carried forward as economies re-opened following the pandemic and manufacturing and supply chains strained to keep pace with demand and backlog of orders. However, this was buffeted by headwinds which include rising inflationary pressures, tight labor market, increase in raw material prices and cooling demand in electrical and electronics sector as employees returned to office to work. The war in Ukraine was a further complication on demand and costs.

Amidst this, the Group has realigned the reporting period to match the calendar year from August to December. As such the reporting period will be sixteen (16) months and there will be no comparative numbers available. In addition, the Group has also taken on several initiatives to enhance manufacturing efficiencies as well as improve the product segment mix.

Apart from organic operations, the Group has also taken steps to streamline the structure and revenue streams. The Group has returned to basics and focus on its core competency. In line with this, we have divested BSL Eco Energy Sdn. Bhd. ("BSLECO"), which was involved in installations of solar power solutions. The Group is also in the process of divesting Matahari Suria Sdn. Bhd. ("Matahari") which own and operates a solar power installation.

During the year, the Group acquired 51% of SD Unify Pte. Ltd. (which has been renamed BSL Unify Pte. Ltd. "BSL Unify") in Singapore to expand our current product line. BSL Unify is currently supplying components to the Automated Test Equipment ("ATE") manufacturers. We have also started a satellite plant in Johor Bahru to bolster BSL Unify's operations.

The combined effects will allow the Group to focus on it core expertise and concurrently expand the current product line into ATE related components.

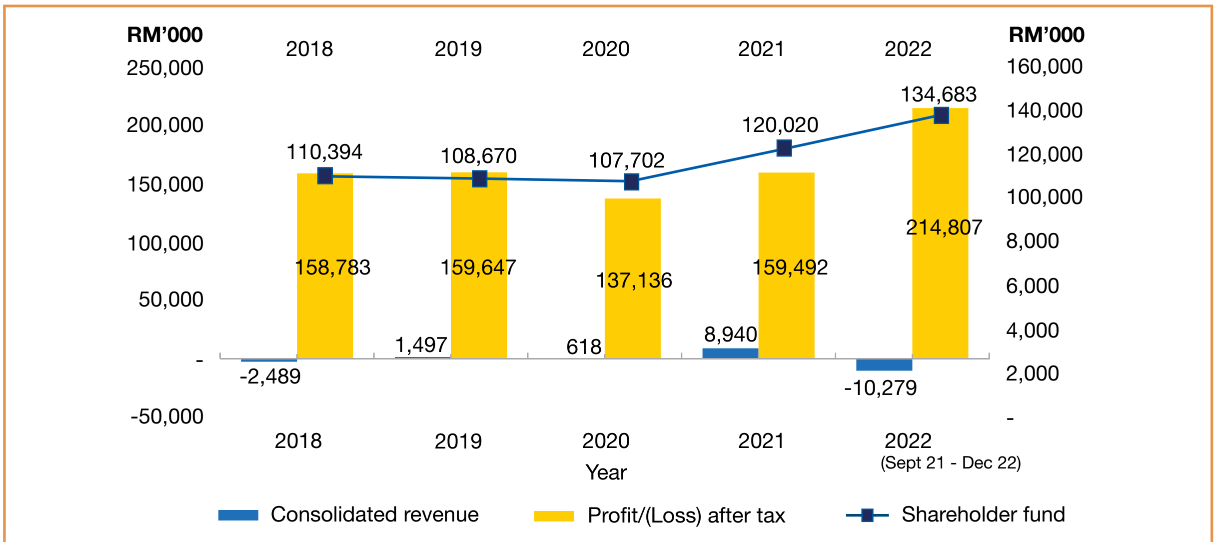
FINANCIAL REVIEW

The Group achieved a revenue of RM214.8 million and loss after tax of RM10.3 million for the 16-month period. The Metal Division contributed the bulk of the turnover followed by PCB Assembly. Contribution from Renewable Energy was marginal as we realigned the focus back to our core competency.

The loss after tax was mainly attributed to the provision for the customs court case amounting to RM11.1 million and fair value loss recognition on other investment amounting to RM1.4 million. Core operations was affected by headwinds due to rising raw material cost, labor constraints and overall slowing in demand towards the end of the financial period.

Historical Financial Performance

Below is the historical performance. For 2022, the reporting period is for 16 months.



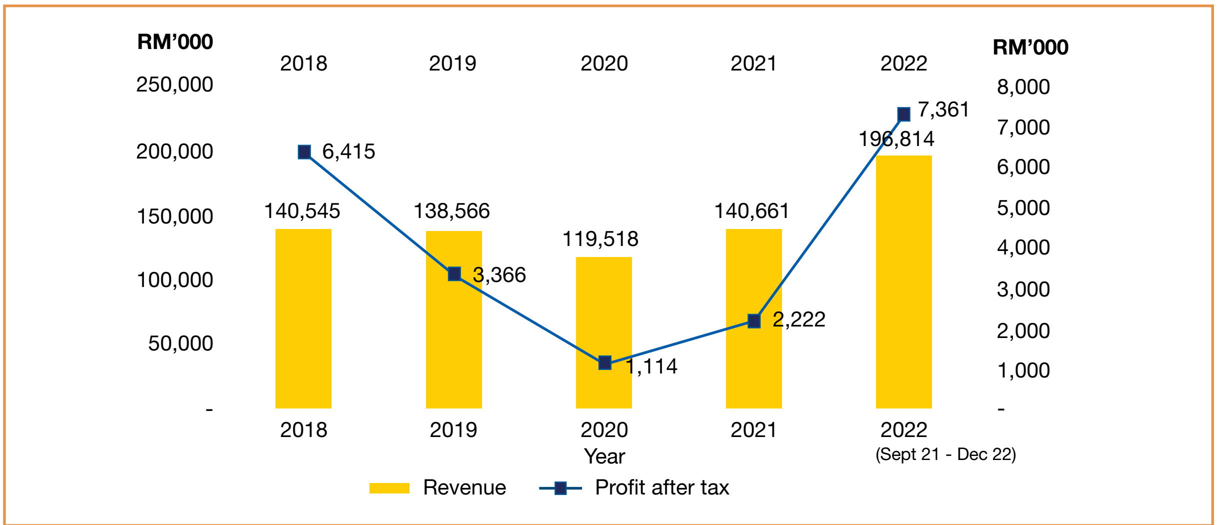
FINANCIAL REVIEW (CONT'D)

Contribution by Division

(RM'mil)	2018	2019	2020	2021	2022 (Sept 21 - Dec 22)
REVENUE					
Metal	140.5	138.6	119.5	140.7	**196.8**
PCB Assembly	15.5	13.1	11.9	14.8	**19.4**
Renewable Energy Division	2.1	7.9	5.7	6.1	**2.0**
Others	0.8	13.6	–	–	**–**
Total Revenue including Inter-segment Sales	158.9	173.2	137.1	161.6	**218.2**
Eliminations of Inter-segment Sales	(0.2)	(13.6)	–	(2.1)	**(3.4)**
Total Revenue	158.7	159.6	137.1	159.5	**214.8**
PROFIT/(LOSS) AFTER TAX					
Metal	6.4	3.4	1.1	2.2	**7.4**
PCB Assembly	(1.9)	(1.6)	(0.3)	-	**(11.2)**
Renewable Energy Division	(2.1)	0.1	-	(0.9)	**(0.2)**
Others	(11.9)	12.8	(0.4)	(6.9)	**2.3**
Eliminations	7.0	(13.2)	0.2	14.5	**(8.6)**
Profit/(Loss) After Tax	(2.5)	1.5	0.6	8.9	**(10.3)**

Metal Division

Metal division recorded a revenue of RM196.8 million and a profit after tax of RM7.4 million for the financial period. The overall performance was aided by pent up demand for the early part of the reporting period. Agricultural segment was a strong performer whilst Electrical & Electronic and Industrial Fan maintained a steady momentum.

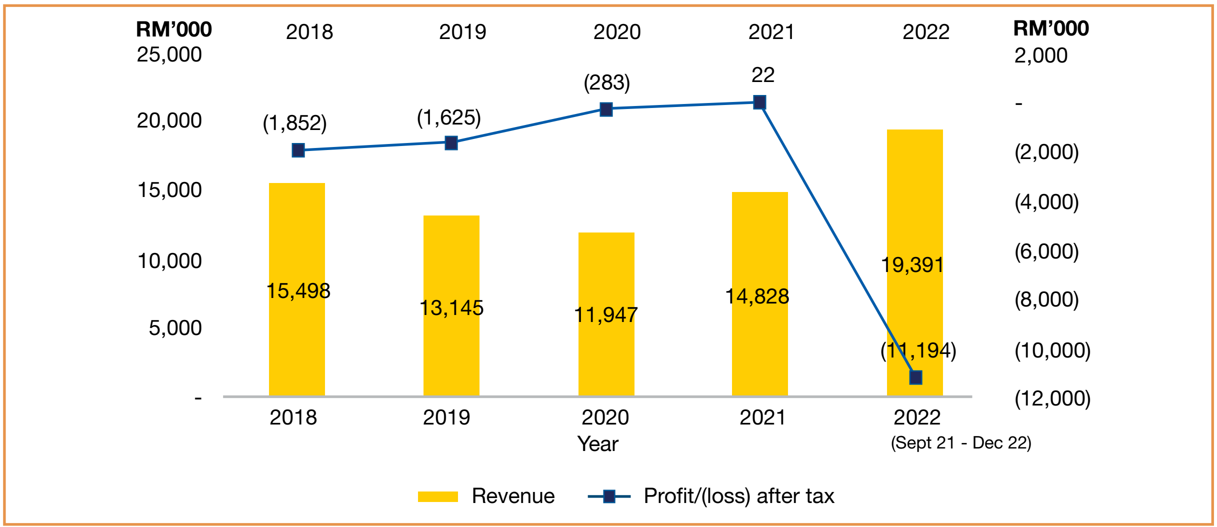


FINANCIAL REVIEW (CONT'D)

Contribution by Division (Cont'd)

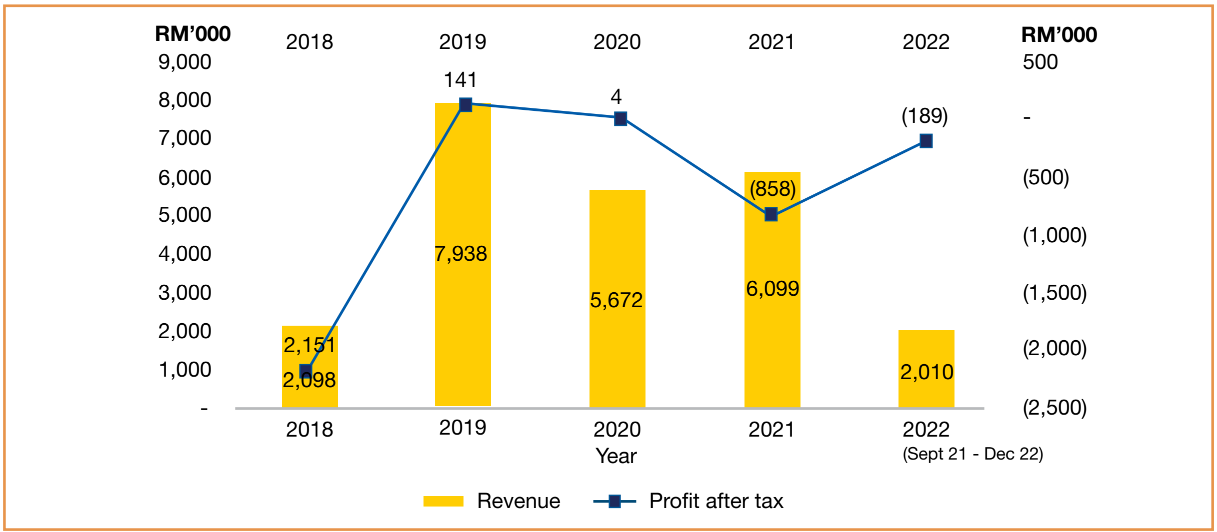
PCB Assembly

PCBA division recorded a revenue of RM19.39 million and a loss after tax of RM11.2 million. The loss was mainly due to the full provision made for the Customs lawsuit. After stripping out the one-off cost, the division recorded a profit after tax of RM0.06 million.



Renewable Energy ("RE") Division

Revenue contribution from RE was RM2.01 million and loss after tax of RM0.2 million for the period under review. This was due to the disposal of our engineering, procurement, construction and commissioning ("EPCC") contract or BSL Eco Energy Sdn. Bhd. in the early part of our reporting period. During the period, we have entered an agreement to dispose of Matahari Suria Sdn. Bhd.. We expect this to be completed by the first half of 2023. Once this is completed, the Group will be focused on its core business.



FINANCIAL REVIEW (CONT'D)

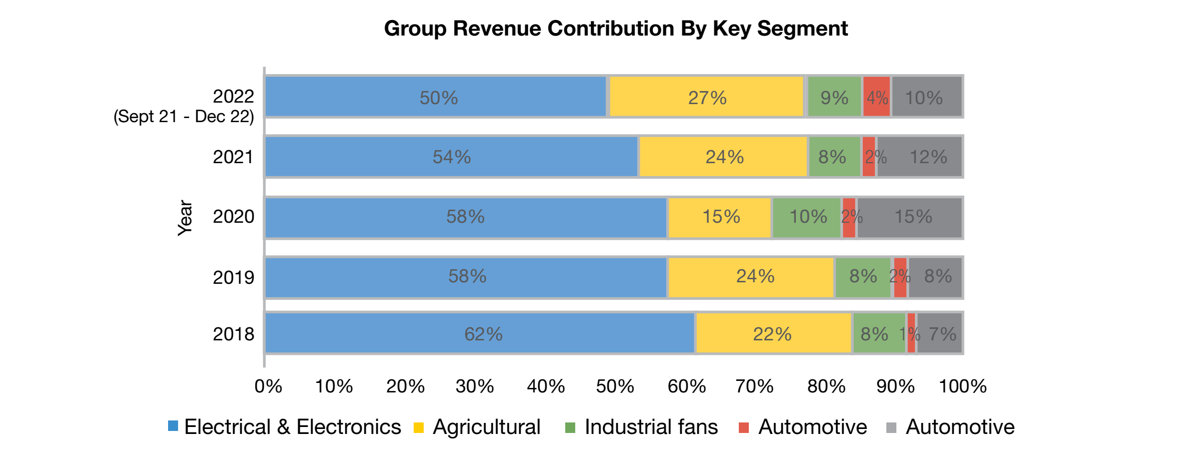
Revenue Contribution Profile

The Group's key revenue segments comprise:
- Electrical & Electronics
- Agricultural
- Industrial Fans
- Automotive

The breakdown of the segments are shows below.

Group Revenue Contribution By Key Segment

Whilst Electrical and Electronics remains the main contributor, contribution from Agricultural has increased and to a lesser extent Industrial Fans.



Capital Structure

The period ended 31 December 2022 saw the Group's net tangible asset increase by RM17.84 million to RM137.40 million. This was mainly due to the issuance of news shares pursuant to the conversion of warrants and the private placement exercise and employee share option scheme exercise undertaken during the period.

Total assets at the end of the reporting period stood at RM202.4 million and net current assets RM42.6 million which provides a comfortable cushion compared to RM64.7 million in total liabilities. Overall, the financial position of the Group remains robust with a net cash position of RM16 million.

Sustainable Development Goals (SDGs)

The Group is commited to making progress towards it SDGs. Based on the Goals identified by the United Nations the Group has identified the following:

- health and well being;
- work and economic growth;
- consumption and production; and
- justice and strong institutions.

In line with this, we have put in place sustainable practices for financial; employee and social policies; and environmental and community engagement. The details are in the Sustainablity Statement that follow.

Management Discussion & Analysis (Cont'd)

Operational Risks

COVID-19 Pandemic

The COVID-19 pandemic has left an indelible mark on the local and global economies, as well as the Group. Overall, our business activities were impacted; some of which can still be felt today as the local and global economies and businesses return to the new normal. The Group will continue to monitor the developments and assess and react to changes in requirements of the relevant authorities as the pandemic moves into the endemic phase.

Technological Obsolescence

Technology obsolescence is a risk inherent in our core operations. Technological advancements prompt changes in customers' demand and requirements. As such we work closely with our clients throughout the life cycle of the products and also in the development phase of new products. This allows the Group to be prepared to support our clients for changes and introduction of new products.

Competition

We face keen competition in our industry which is compounded by clients' requirement to be increasingly cost-efficient in supporting their operations. The competition we face is both domestic as well as international. Our key advantage is the long track record we have established spanning close to half a century and customer relationships built over the years. However, we cannot solely rely on relationships to stave off competition.

Our sales and marketing team is in constant communications with clients to ensure order execution is seamless and any issues are picked up and resolved as soon as possible. The close constant contact is one of our risk mitigation.

The Outlook

"In every life, some rain must fall .....", is perhaps a one way of summarizing the period in review. Moving into 2023, the business headwinds remain and have been compounded by continued rising prices, higher interest rates and slower business demand. In addition, the Ukraine war, and recent developments such as the collapse of several regional banks in the United States and Credit Suisse adds more fuel to the fire, causing even more uncertainty.

On the Malaysian front, apart from the macro issues, we are faced with labor constraints as well as a 25% increase in the minimum wages. The Minimum Wage Order came into effect on 1 May 2022.

Given the current backdrop, the Group will continue to focus on its core business, more so after the disposal of Matahari Suria Sdn. Bhd.. The focus will be to optimize the overall manufacturing cost structure and concurrently to increase the depth and breadth of our customer base. The acquisition of BSL Unify will further strengthen our product development and extension, as it has direct exposure to the ATE sector.

To this end we have been in discussions with several new clients in the E&E ("Electrical & Electronic") sector as well as ATE manufacturers to support their operations. This will allow the Group to deepen its revenue base.

On the PCBA side, the focus will be to increase the through put and thus improve profit margins. Part of the strategy will be to package the PCBA services together for the new clients we are currently in discussions with.

Overall, we expect the headwinds to continue until the second half of 2023 as financial markets find their footing and inventories run down in the E&E sector. We remain cautious and will continue to thread carefully going into the new year.

Acknowledgement

The Group's achievement during the financial period ended 31 December 2022 is thanks to the dedication and commitment shown by everyone, from the leadership to the management and to the employees.

The Group extends its appreciation to the stakeholders for their unwavering support. While we recognise that the path ahead remains challenging, our overarching long-term commitment is to continue executing our business strategies aimed to generate profitable growth for the Group, improve earning resiliency and enhance shareholders' value.

SUSTAINABILITY **STATEMENT**

Our focus on *Sustained Growth* is to partner with our customers and stakeholders to make progress towards a future that is environmentally, socially, and governance ("ESG") sustainable. The Group recognises that its sustained growth is co-dependent on our stakeholders. Our business strategies take into account the risk and opportunities affecting the organisation and industry while taking into account the evolving stakeholders' expectations of sustainable practices. The Sustainability Statement ("Statement") sets out what the Board of Directors ("Board") considers as material sustainability risks and opportunities, collectively known as Material Sustainability Matters, that impact the way the operations of the Group are carried out as well as how such Material Sustainability Matters are managed.

The information in this report provides an overview of our sustainability practices for the financial period.

SUSTAINABLE COMMITMENT

We remain committed to ensuring our business activities are performed with high standards of social and environmental conduct to maximise long-term value creation. This includes ensuring our operating assets and businesses are carried out in a manner that generates positive environmental outcomes in creating a sustainable manufacturing environment, impact sourcing, best business practices and supporting our local businesses and communities.

Our commitment extends to the day-to-day operations with high work ethics and values to achieve our goals.

REPORTING SCOPE

The Group is committed to integrate sustainable practices and prepared this Statement pursuant to the Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements ("MMLR") and Sustainability Reporting Guide issued by the Exchange and guidelines issued by the Global Reporting Initiative ("GRI").

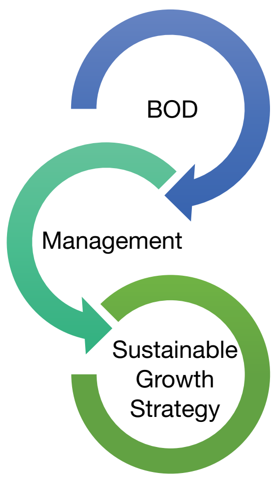
The Group's Sustainability Report ("SR") 2022 is for the period from 1st September 2021 to 31st December 2022. The content of this report is based on the material agenda that we have identified. Our scope and boundaries include all of our entities and operations in Malaysia, which is an expansion from our previous reporting to comply with MMLR.

Our reporting approach is based on the framework and guidance provided by GRI. This report has been prepared in accordance with the "core" options of the GRI Standards.

GOVERNANCE OF STRUCTURE

The Group's upholds rigorous corporate governance ("CG") practices and is closely monitored by the Board of Directors. The Board of Directors set out the overall business strategy and its performance. The management team is tasked with executing the strategy in a sustainable manner. This process is continuously being monitored and refined as we strive towards achieving our environmental, social and governance goals. A strong governance structure enables us to implement our sustainability strategy across the Group, strengthen relations with stakeholders as well as ensure overall accountability.

Governance Structure



Continuous Assessment

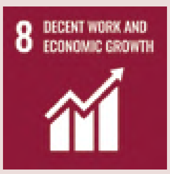
SUSTAINABLE DEVELOPMENT GOALS

The Sustainable Development Goals ("SDGs") that have been identified by the United Nations are shown in the table below.

United Nations SDGs

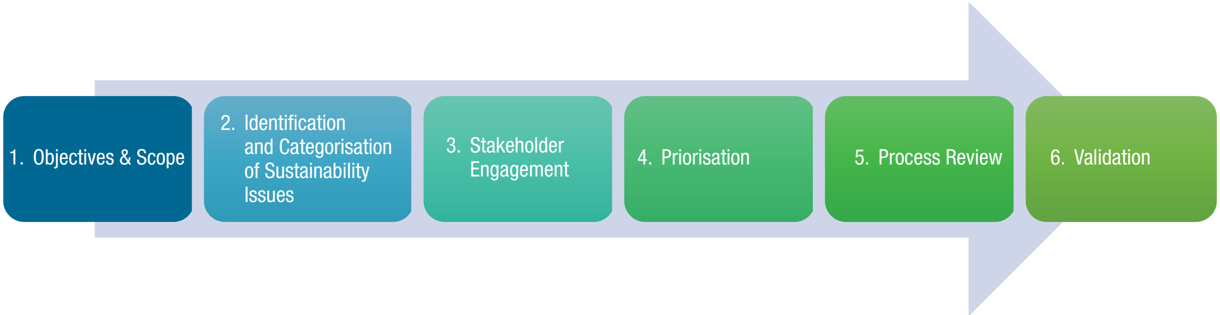
Based on the above, the Group has identified our material SDGs as set out below.

Group SDGs

SDG	GOALS	MANAGEMENT ACTION
 3 GOOD HEALTH AND WELL-BEING	Ensure healthy lives and promote well-being for all at all ages.	We are committed to create a safe workplace and promoting healthy living amongst our employees.
 8 DECENT WORK AND ECONOMIC GROWTH	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.	We aim to create a workplace that is conducive to productivity and growth by providing job opportunities and equipping our employees with various training and development programmes.
 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Ensure sustainable service patterns.	Our aim is to create environment-friendly products and services
 16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Promote peaceful and inclusive communities for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.	We place ethics and integrity at the centre of our business operations and have policies in place towards embedding such values throughout our organisation.

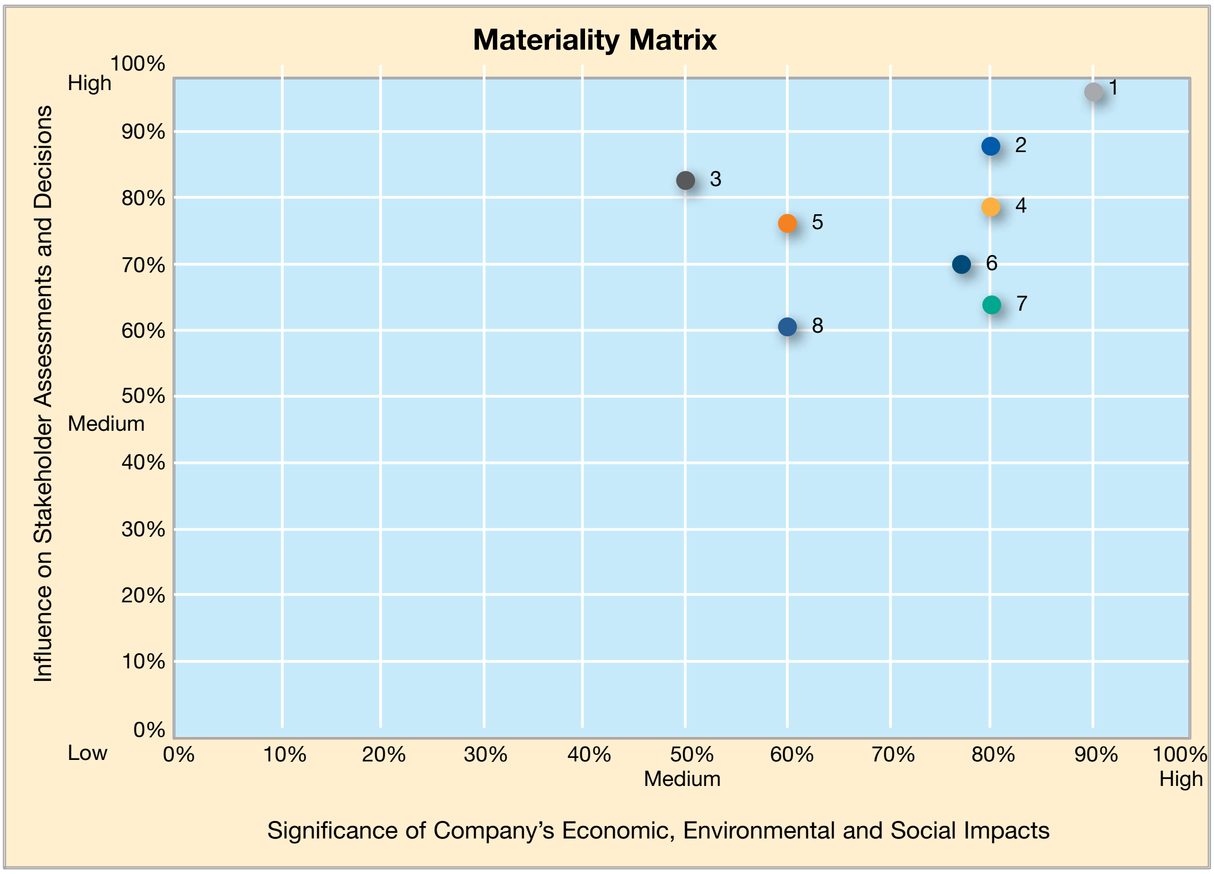
Sustainability Statement (Cont'd)

MATERIALITY ASSESSMENT



The Group has developed the above methodology on sustainability matters and has identified the Key Materiality Index as shown below.

Materiality Index



Legend

1. *Industry 4.0 Smart Solution*
2. *Supplier Management and Development*
3. *Employee Development, Talent Management, Employee Welfare and Diversity*
4. *Contribution to Communities*
5. *Corporate Governance, Code of Ethics and Preventing Corruption*
6. *Occupational Safety and Health, Consumer Health and Safety*
7. *Reduction of Water Usage and Waste, Expanding Use of Renewable Energy*
8. *Development of Local Ecosystem*

MATERIALITY ASSESSMENT (CONT'D)

STAKEHOLDERS ENGAGEMENT

Part of the process is engagement with stakeholders. This has enabled us to identify and understand our stakeholders' needs and concerns, which is incorporated into our growth strategies.

Stake Holder Group	Engagement Approach	Engagement Focus & Objectives	Frequency	Initiative
Customers	• Consistent product quality meeting specifications. • Competitive pricing. • Regular visits to customers and follow-up customer feedback. • Prompt service performance and response, after-sales support and clear communications. • Encourage customer feedback and engagement.	• Providing excellent customer service. • On-time delivery. • Building strong customer relationships. • Offering high-quality products and services.	Weekly and Ad Hoc Basis	• Inspection activities for quality products. • Close communication with customers to understand customer requirements. • Set KPIs for a customer complaint to ensure prompt response and follow-up till close. • Continuous development of product and product costing.
Employees	Compensation	Satisfactory remuneration (salary, bonus, incentive, increment and career advancement).	Annually and Ad Hoc Basis	To motivate the good performance employees and improve productivity.
	Welfare	Providing staff accommodation and medical coverage.	Continuously	Staff activities; annual trip, annual dinner.
	Working environment	Providing safety workplace and conducive working environment.	Continuously	Create a positive, safe and healthy work environment.
	Career	Training opportunities, job satisfaction, motivation and clear work scope.	Continuously	Carry out training and enhancement skills job upgrading functions.
Suppliers / Subcontractors & Business Partners	• Prompt payment as per payment terms. • Giving clear and accurate requirements. • Build trust. • Be transparent about the company's business and its goals.	• Good relationship and business support. • Sufficient lead time is given an accurate forecast. • Building strong business partner relationships.	Continuously	• Give business support. • Provide accurate forecast and lead time give. • Source for a backup subcontractor.

Sustainability Statement (Cont'd)

Stake Holder Group	Engagement Approach	Engagement Focus & Objectives	Frequency	Initiative
Regulators	• Accurate information is given to authority. • Zero non-compliance with regulations. • Keep abreast with new regulations.	• Compliance with legal and regulatory requirements. • Up-to-date and accurate scheduled waste inventory/ DOE, DOSH, and Custom requirements. • Staff competency.	Per regulatory requirements	• Monitoring of permit's expiry and prompt renewal. • Appoint a competent person to be in charge of applicable regulations.
Community	• Be inclusive of local community and local community engagement.	• Support local businesses. • Provide employment opportunities.	Continuously	• Engage local suppliers. • Employment opportunities.
Shareholders	• Transparent about the operations, financial performance, and governance practices. • Hold regular shareholder meetings to discuss important issues and provide opportunities for shareholders to ask questions and provide input	• Build trust, interest and confidence among shareholders.	Annually and Ad Hoc Basis	• Diversity of board members with different backgrounds, experiences, and perspectives.

CORE OF SUSTAINABILITY FACTORS

Economic

Econominc consideration remains our core tenet in formulating our growth strategy. Management takes into account current and expected market conditions, and global developments to identify potential headwinds facing the Group. Monthly and ad-hoc meetings with the leadership team are conducted to formulate, review and re-assess the Group's strategy.

FINANCIAL SUSTAINABILITY

Our commitment to business excellence is focused on strong corporate governance and prudent financial management given the challenging market environment. We strive to achieve the following financial goals:

- Maintain and grow the turnover and operating cash flow
- Improve operation efficiency
- Broaden income-generating sources
- Enhance and strengthen our core businesses

COMPLIANCE

The board and management continuously engage and consider the views of its internal and external stakeholders to better understand and manage the company's sustainability risks and opportunities. We recognised the sustainability issues as a material issue to the decision-making considerations of a company's stakeholders. We continuously consider the institutional investor's consideration in the integration of ESG factors in their investment decision-making process as part of the fiduciary responsibility and have committed to holding boards and senior management accountable for the management and oversight of sustainability.

The Group sustainability strategies, priorities as well as targets and performance against these targets are communicated to the internal and external stakeholders of the company. Employee awareness and understanding of the Group approach to sustainability (what we do and why we do it) on sustainability issues and support actions on sustainability across the company are communicated.

Our commitment to the business is focused on strong corporate governance and prudent management in view of the challenging internal and external environment.

CORPORATE GOVERNANCE

The Group strives to comply with the best practices of good governance, guided by the Malaysian Code of Corporate Governance, throughout its operations. The Group has established standard operating policies and procedures, discretionary authority levels, and guidelines for recruitment and human capital development amongst others. These policies, procedures and guidelines are subject to regular reviews and have been communicated to all staff levels.

In relation to risk management and controls, the Group has put in place the following policies:

- Board Charter;
- Code of Ethics and Conduct;
- External Auditors' Assessment Policy;
- Whistleblowing Policy

Details of our corporate governance framework and practices are elaborated in the Corporate Governance Overview Statement in the Annual Report and also available on the Company's website at www.bslcorp.com.my ("BSLCORP's Website").

Sustainability Statement (Cont'd)

Environment

The Group is committed to reduce our impact on the environment by minimizing our operational carbon footprint where possible. We actively promote the responsible use of resources and the importance of environmental protection among our employees and stakeholders.

We recognize the potential environmental impacts of our operations and are committed to operate in a manner which minimizes the negative impact towards the environment.

KEYS OF SUSTAINABILITY

This section aims to provide insights on the Group's sustainability commitments and practices a cross the three key ares of Economic, Environmental and Social undertaken by our key business division

COMPLIANCE

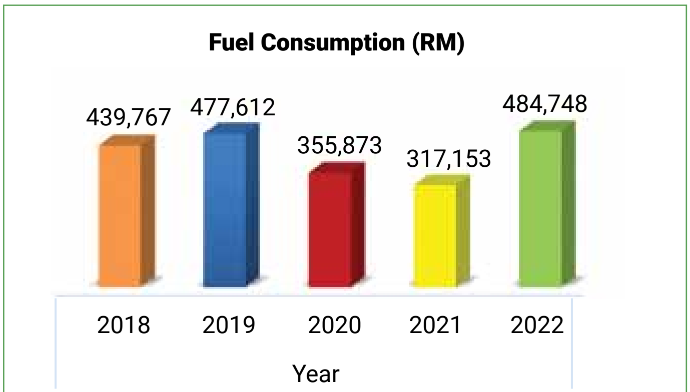
The Group is assessed yearly based on the ISO9001 & ISO14001 standards and any non-compliance noted will be addressed immediately. In addition, the Group also complies with the Department of Environment ("DOE"), Department of Safety and Health Malaysia ("DOSH") and Suruhanjaya Perkhidmatan Air Negara ("SPAN") requirements.

We continue to set targets for our energy consumption as well as resources such as water and paper usage, as we continue to review our processes to find more sustainable ways of doing things.

EMISSIONS

Our operations do not produce any significant gas emissions. The only emission noted are from our vehicles, forklifts and ovens (heat). We continue to avoid processes that emit harmful gases into the air.

FUEL CONSUMPTION



Our fuel consumption is inline with our operational level.

WATER MANAGEMENT & CONSUMPTION

We promote water-saving practices among employees and adopt water-efficient technologies and equipment wherever possible. We have taken steps to control the water used to be in line with the sustainability efforts, which include:

- Seeking out any water leakages
- Conducting checks and fixing leaks immediately
- Installing water savings devices

ENERGY MANAGEMENT & CONSUMPTION

Our efforts in energy management include:

- A lighting schedule across key areas in our head office to switch off lights during certain hours of least use.
- Ensure machines and fans are switched off during non-operating hours.
- Maintenance and replacement of electrical equipment and light fittings to maximise energy efficiency
- Campaign to remind all staff to switch off the lighting, water dispenser, air conditioning, or other electrical appliances in the office and pantry when they are not required.
- Installation of a 1,000 kW Solar PV System on the roof is our initiative to reduce energy consumption and is estimated to provide cost-saving of up to RM63,202 per month.

WASTE MANAGEMENT

The Group acknowledges that the environmental impact of paper usage is significant. The Group's approach to waste management is to avoid unnecessary paper consumption and waste generation, where possible and appropriate, to reduce the wastage. The Group is always mindful to reduce the usage of paper where possible.

We minimise production waste by:

- Training and retraining of our employees
- Ensuring our manufacturing processes are stable, controlled and closely monitored
- Machines, tools and equipment are well-maintained and in optimal condition

Generally, the Group practises the following on the paper management initiatives:

- Reducing paper usage - avoid any printing and photocopying, where possible, and encourage paperless and electronic modes of usage
- Re-using one-sided printed papers– by printing on the other side
- Recycling papers–by having proper recycling bins

The Group's nature of the business also results in scheduled wastes such as used grease and oil, hydraulic oil, coolant and used gloves and rags. As such, the Group has a full-time competent person to manage the scheduled wastes and to comply with all the necessary regulations.

The Group has installed and commissioned a wastewater treatment system to treat all the by-products of the powder coating line. We have a full-time competent person to manage the waste water treatment to ensure we comply with all the necessary regulatory requirements.

STORAGE AND COLLECTION OF PRODUCTION WASTE AND RECYCLABLES

The Group has carried out some initiatives for the storage and collection of production waste and recyclables. The initiative includes:

- Providing dedicated areas and storage bins for non-hazardous material for recycling
- Designating a dedicated area where "on-site" sorted waste materials can be stored in a safe and contained manner while waiting for a licensed contractor to collect the waste for proper disposal

SOCIAL

Co-existing and contributing to the local communities is an integral part of ensuring sustainability. To appreciate and to give back to the society, starts from the employees. The following efforts are emphasised under the social aspect.

WORKPLACE

Our employees play a vital role in the success and sustainability of our Company. We strive to create a work environment that is conducive and supportive, as we continue to improve on our organisational structure, processes and employee mindset to help our Group scale.

Safe, Healthy and Conducive Work Environment

The Group places great emphasis on the safety and health of its employees while maintaining a comfortable and conducive work environment through the following initiatives:

- Setting up an Occupational Safety and Health Committee to initiate various health and safety programmes to enhance employees' awareness in the workplace;
- Full-time employment of a Safety Officer;
- Conducting quarterly safety and health audit;
- Ensuring a safe workplace with 24-hour security surveillance;
- Constant updating and promoting the awareness of safety precautions and health issues;
- Yearly talk on fire safety and prevention and fire drill exercise;
- Employees are required to wear safety gear (PPE) at the workplace to minimise injuries;
- Fogging/fumigation of work sites to prevent the spreading of diseases by mosquitoes and rodents; and
- Maintaining a workplace that is free from theft, violence, harassment, intimidation and other unsafe and disruptive influences due to internal and external conditions.

Training / Course / Seminar Attended

1. Safety & Health Policy/Awareness (Local)
2. Safety & Health Policy/Awareness (Myanmar)
3. Hazard Identification, Risk Assessment & Risk Control (HIRARC)
4. Safety Motorcycle Programme

We have maintained ZERO cases of major injuries and fatalities during the period. The overall incidences of minor injury cases have more than halved from the prior year.

The Group placed great emphasis in-terms of the safety of its staff and visitors from COVID-19. We implemented the mandatory temperature check daily on during the pandemic phase. All employees and visitors have their the MySejahtera status checked before entering the premises. The Group distributed face masks to all its employees on a daily basis as well as prepared hand sanitisers in all common areas during the pandemic phase. We also frequently sanitise areas with high human touch and traffic.

Impact Sourcing

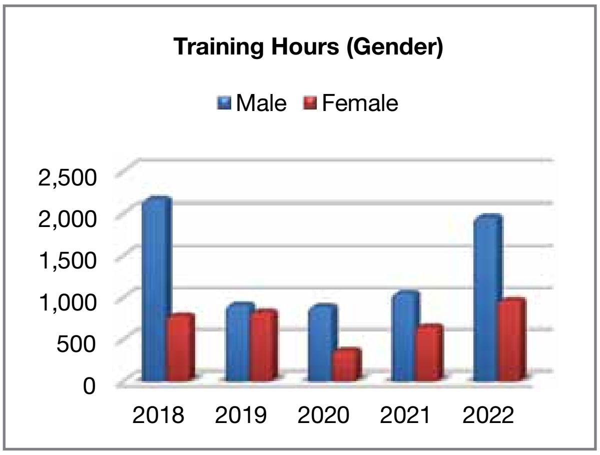
The Group recognises the importance of creating opportunities equally for the people. Hence, we have to embarked on an impact sourcing programme where the Group will create opportunities for underserved communities and where high unemployment rate exists and also for individuals with high potential but are disadvantaged economically and/or socially. The impact sourcing also helps reduce reliance on foreign labour and concurrently lowers our average cost per worker. Over time, we expect to increase the headcount via our impact sourcing programme.

Training and Development

Employees are a vital component and their performance, commitment and loyalty are critical factors in achieving the Group's goals and objectives for growth. In this respect, the Group continues to build and upgrade its employees to ensure that they can realise their full potential with the following efforts:

- Engage in external training workshops for employees on both technical related skills and soft management skills;
- Participate in external training and activities to broaden the knowledge base and exposure of its employees to keep abreast of new developments in their respective fields of expertise;
- New employees will participate in new employees' orientation as well as an on-site visit to get clear insights into the Group's operations and its product range;
- Competency tests are structured in each department to help new staff understand the requirements of their respective roles.

Below is a summary of the training hours.



	2018	2019	2020	2021	2022
Total Training Hours	399	722	419	181	1,096
Number of Attendees	243	376	237	99	563

Sustainability Statement (Cont'd)

Sustainable Workforce

Under our succession and talent management initiatives, a phase of talent profiling was successfully carried out where key staff were identified and have been briefed on their areas of development and strengths that they should leverage, to achieve their maximum potential.

A succession management programme is also in place to develop the next line of leaders. Higher learning programmes for leadership development, in particular, have been earmarked for the talent pipeline.

The Group has also stepped up its efforts to mobilise internal talents to fill up positions which became vacant during the period under review. We have taken a decide move to promote internally and to deploy talent to suitable positions across the organisation. This initiative offers growth opportunities to employees.

Employee Engagement

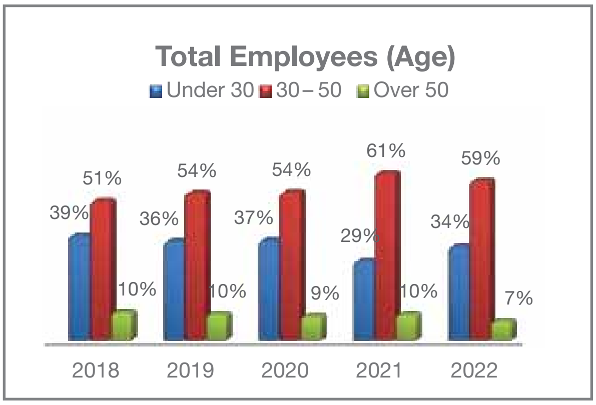
The Group provides various avenues for our staff to get together and forge a strong bond with each other. Celebrating successes and festivals together is also part of BSL's culture. When permitted, the Group organises a yearly celebration of Chinese New Year, Hari Raya as well as Myanmar New Year for all of its staff.

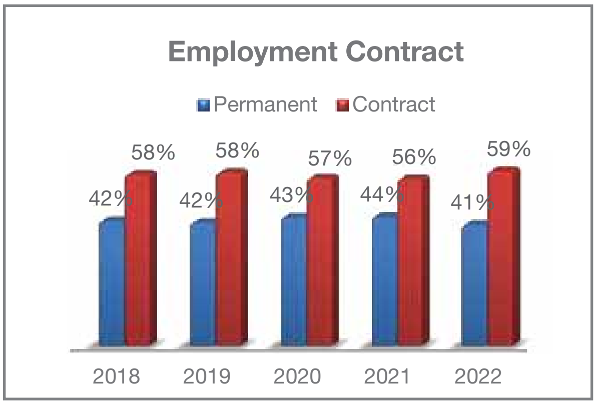
Rewards and Performance Management

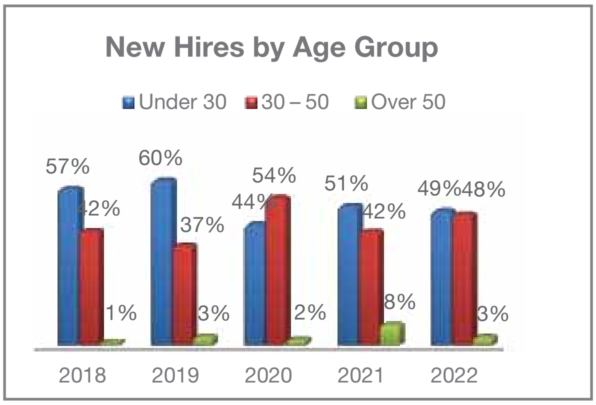
Formal and informal recognition have been put in place to ensure there are rewards for the motivation and sustenance of a harmonious working environment.

Quarterly rewards including monetary are handed out to recognise improvement and disciplinary work carried out at our workplace.

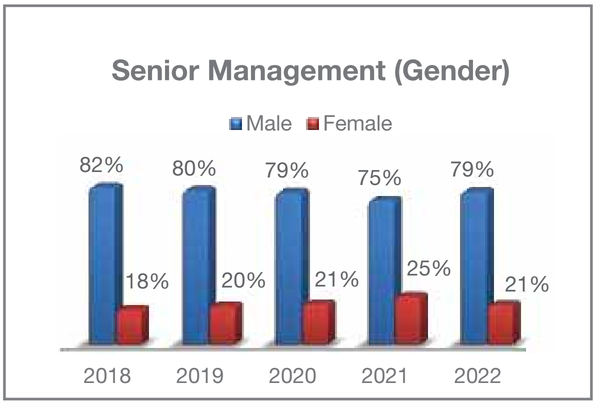
The Group has instituted initiatives that encourage staff to lead a balanced lifestyle in line with our philosophy. The following graphs are illustrated based on the social segment in the organisation.

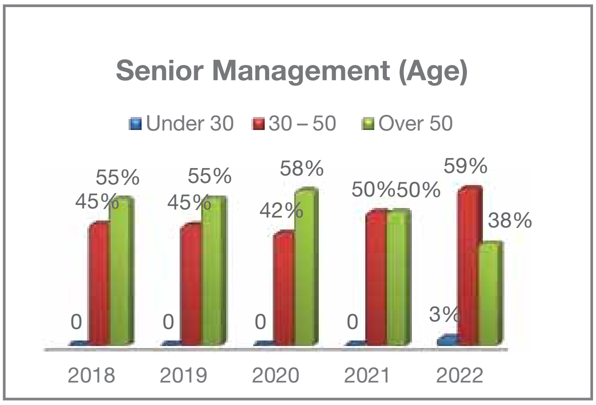


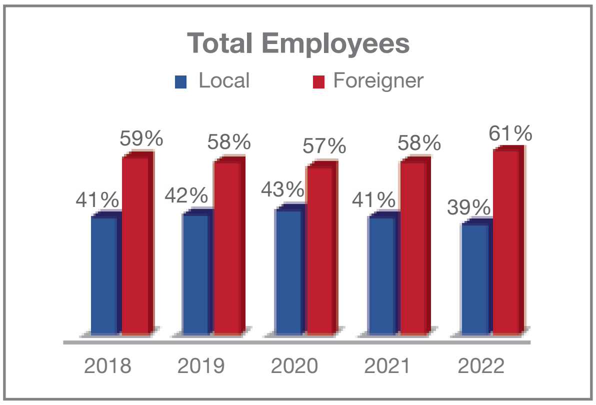


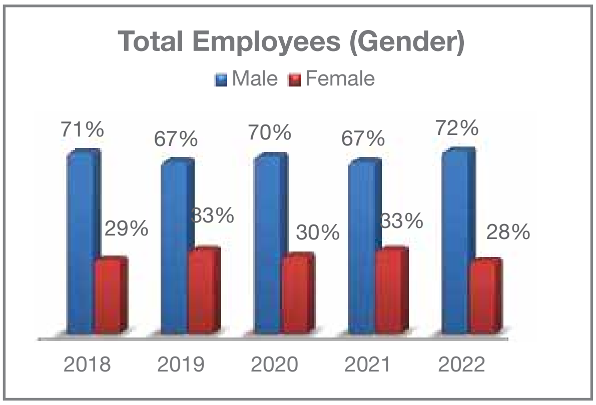


Sustainability Statement (Cont'd)







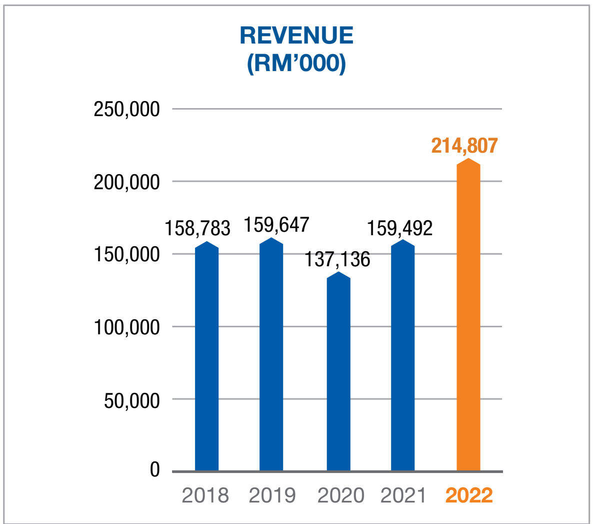


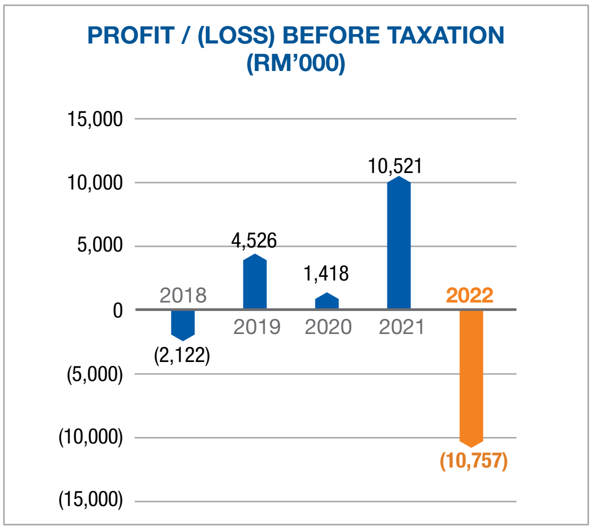
MOVING FORWARD

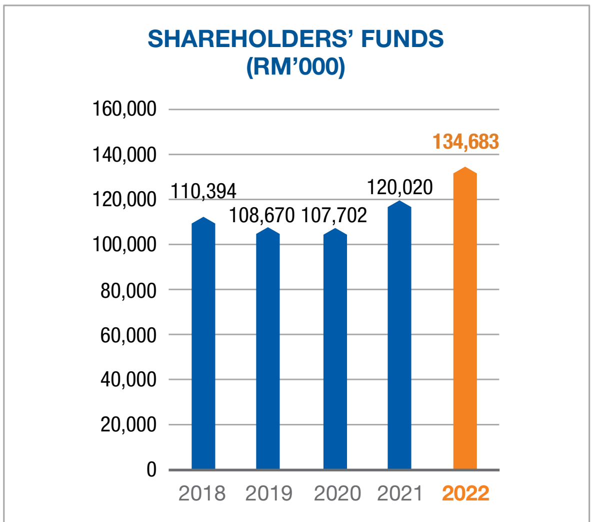
The Group will continue to put effort into managing the ESG risks and opportunities relevant to its businesses, with a specific focus on Material Sustainability Matters. Ongoing assessment and consideration will also be undertaken to identify and evaluate any emerging ESG risks and/or opportunities. This is in addition to the Group's established risk management process which focuses on strategic, operational, and financial risks, which will aid in the value creation of the Group.

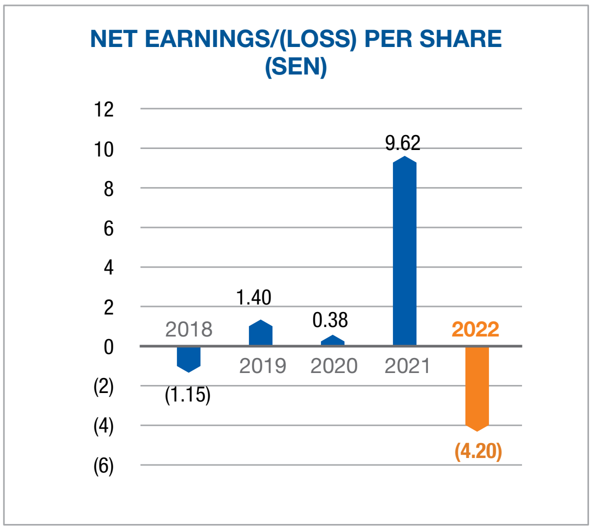
FINANCIAL HIGHLIGHTS

YEAR ENDED	2018 RM'000	2019 RM'000	2020 RM'000	2021 RM'000	2022 (Sept 2021 - Dec 2022) RM'000
INCOME					
Revenue	158,783	159,647	137,136	159,492	**214,807**
Profit/(loss) before taxation	(2,122)	4,526	1,418	10,521	**(10,757)**
Profit/(loss) for the financial year/period	(2,489)	1,497	618	8,940	**(10,279)**
Profit/(loss) for the financial year/period attributable to Owners of the Company	(1,116)	1,354	370	9,299	**(10,329)**
Shareholders' Funds	110,394	108,670	107,702	**120,020**	**134,683**
Gross earnings/(loss) per share (sen) -Basic	(2.20)	4.68	1.47	10.89	**(4.37)**
Net earnings/(loss) per share (sen) -Basic	(1.15)	1.40	0.38	9.62	**(4.20)**









CORPORATE GOVERNANCE **OVERVIEW STATEMENT**

The Board recognises the importance of corporate governance and is committed to ensure that the principles and best practices in corporate governance as set out in the Malaysian Code on Corporate Governance ("**MCCG**") and Corporate Governance Guide are observed and practised throughout the Group so that the affairs of the Group are conducted with integrity and professionalism, in compliance with the law, regulatory requirements and rules, and ethically with the objective of safeguarding shareholders' investment and ultimately enhancing shareholders' value as well as sustainable development.

This statement outlines the following principles and recommendations which the Group has comprehended and applied with the best practices outlined in the MCCG:

1) Board Leadership and Effectiveness
2) Effective Audit and Risk Management
3) Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

This statement is prepared in compliance with Main Market of Listing Requirements of Bursa Malaysia Securities Berhad and it is meant to be read together with the Corporate Governance Report. The Corporate Governance Report provides details on how the Group has applied each practice as set out in the MCCG, a copy of which is available on the Group's website at www.bslcorp.com.my as well as via an announcement on Bursa Securities website.

The Board will continue to take measures to improve compliance with the principles and recommended best practices along with our course of business.

PRINCIPAL A: BOARD LEADERSHIP AND EFFECTIVENESS

I. BOARD RESPONSIBILITIES

1. Board of Directors

BSL Corporation Berhad ("**the Company**") and its subsidiaries (collectively referred to as "**the Group**") acknowledge the pivotal role played by the Board of Directors ("**the Board**") in the stewardship of its directions and operations, and ultimately the enhancement of long-term shareholders' value. To fulfil this role, the Board plays a critical role in setting the appropriate tone at the top and is charged with leading and managing the Group in an effective, good governance and ethical manner. The directors individually have a legal duty to act in the best interest of the Group and are also collectively aware of their responsibilities to the stakeholders for the manner in which the affairs of the Group are managed. The Board's responsibilities, amongst others include the following:

a) Develop, review and monitor the Group's strategic plan and director and ensure that resources are available to meet its objectives.

b) Identify and review principal risks and ensure the implementation of appropriate systems to manage these risks.

c) Supervise the operation of the Group to evaluate whether established targets are achieved.

d) Monitor the compliance with legal, regulatory requirements and ethical standards.

e) Promote better investor relations and shareholder communications

f) Ensure that the Group's core values, vision and mission; and shareholders' interests are met.

g) Review the adequacy and the integrity of the Group's internal control systems including systems for compliance with applicable laws, regulations, rules, directives and guidelines.

h) Establish such committees, policies and procedures to effectively discharge the Board's roles and responsibilities.

i) Initiate a Board self-evaluation program and follow up action to deal with issues arising and arrange for directors to attend courses seminars and participate in development programs as the Board deems appropriate.

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

I. BOARD RESPONSIBILITIES (CONT'D)

1. Board of Directors (Cont'd)

j) Implement and ensure that the Company has appropriate corporate governance structures in place including standards of ethical behaviour and promoting a culture of corporate responsibility.

To assist in the discharge of its responsibilities, the Board has established the following Board Committees to perform certain of its functions and to provide recommendations and advice:

(i) Nomination Committee ("**NC**")
(ii) Remuneration Committee ("**RC**")
(iii) Audit and Risk Management Committee ("**ARMC**")
(iv) Employee Share Option Scheme ("**ESOS**") Committee

Each Board Committee operates within their approved terms of reference set by the Board which are periodically reviewed. The Board appoints the Chairman and members of each Board Committee.

The Chairman of the respective Board Committees will report to the Board on the outcome of any discussions and make recommendations thereon to the Board. The ultimate responsibility for the final decision on all matters, however, lies with the Board.

The Board may form other committees delegated with specific authorities to act on their behalf. These committees will operate under approved terms of reference or guidelines and are formed whenever required.

Board meeting agenda includes statutory matters, governance and management reports, which include strategic risks, strategic projects and operational items. The Board approves an annual performance contract setting the priorities director and performance targets for the Group within the parameters of the corporate plan.

The profile of each Director is presented in the Annual Report of the Company.

2. Separation of position of the Chairman and Chief Executive Officer

The Board has established clear roles and responsibilities in discharging its fiduciary and leadership functions. The roles of the Chairman and Chief Executive Officer of the Company are separately held and each has clearly accepted division of responsibilities and accountability to ensure a balance of power and authority. This segregation of roles also facilitates a healthy open, exchange of views between the Board and Management in their deliberation of the business, strategic aims and key activities of the Company.

The Chairman of the Board leads the Board with focus on governance and compliance and acts as a facilitator at Board meetings to ensure that relevant views and contributions from Directors are forthcoming on matters being deliberated and that no Board member dominates the discussion. The Chairman's key responsibility, amongst others, includes the following:

a) Leadership of the Board;

b) Overseeing the effective discharge of the Board's supervisory role;

c) Facilitating the effective contribution of all Directors;

d) Conducting the Board's function and meetings;

e) Briefing all Directors in relation to issues arising at meetings;

f) Scheduling regular and effective evaluations of the Board's performance; and

g) Promoting constructive and respectful relations between Board members and between the Board and the Management.

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

I. BOARD RESPONSIBILITIES (CONT'D)

2. Separation of position of the Chairman and Chief Executive Officer (Cont'd)

Presently, the Company has not appointed a Chairman of the Board and will endeavor to identify a suitable candidate to be appointed as Chairman of the Board.

The Board delegates the Chief Executive Officer, Hoo Wai Keong, and the Management, to oversee the day-to-day management of the Group's business operations and implementation of policies and strategies adopted by the Board to achieve the Group's objective of creating long term value for its shareholders

3. Supply of and Access to Information

All Directors have full and unrestricted access to all information pertaining to the Group's businesses and affairs in a timely manner to enable them to discharge their duties effectively.

Procedures have been established for timely dissemination of Board and Board Committee papers to all Directors and Board Committees in advance of the scheduled meetings. Notices of meetings are sent to Directors at least seven (7) days before the meetings. Management provides the Board with detailed meeting materials at least seven (7) days in advance of the Board or Board Committees' meetings. Senior Management may be invited to join the meetings to brief the Board and Board Committees on the requisite information on matters being discussed, where necessary.

Technology is effectively used in the meetings of Board and Board Committees and in communication with the Board, where the Directors may receive agenda and meeting materials online and participate in meetings via audio or video conferencing.

4. Commitment of the Board

The Board would meet at least four (4) times a year, at quarterly intervals which are scheduled at the onset of the financial year to help facilitate the Directors in planning their meeting schedule for the year. Additional meetings are convened where necessary to deal with urgent and important matters that require attention of the Board. All Board meetings are furnished with proper agendas with due notice given and Board papers are prepared by the Management and circulated to all Directors prior to the meetings.

All pertinent issues discussed at the Board meetings are properly recorded by the Company Secretaries.

The Board met six (6) times during the financial period ended 31 December 2022 ("**FYE2022**"). The attendance of each Director at the Board Meeting held during the FYE2022 is as follow:

Directors	Number of meetings attended	%
Hoo Wai Keong	6/6	100%
Andrew Ho Tho Kong	6/6	100%
Chong Kwang Fock	6/6	100%
Johari Shukri Bin Jamil[1]	3/3	100%
Chew Khai Liong[4]	6/6	100%
Loh May Ann[2]	1/1	100%
Wong Boon Peng[3]	5/5	100%

Note:
[1] Appointed as a Director of the Company with effect from 1 February 2022
[2] Appointed as a Director of the Company with effect from 1 September 2022
[3] Resigned as a Director of the Company with effect from 13 October 2022
[4] Resigned as a Director of the Company with effect from 31 March 2023.

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

I. BOARD RESPONSIBILITIES (CONT'D)

4. Commitment of the Board (Cont'd)

The Board is satisfied with the level of time commitment given by the Directors towards fulfilling their roles and responsibilities which is evidenced by the satisfactory attendance record of the Directors at each Board meeting.

It is the Board's policy for Directors to notify the Board before accepting any new directorship notwithstanding that the Main Market Listing Requirements ("**MMLR**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**") allow a Director to sit on the board of a maximum of five (5) listed issuers. Such notification is expected to include an indication of time that will be spent on the new appointment. At present, all Directors of the Company have complied with the MMLR where they do not sit on the board of more than five (5) listed issuers.

5. Continuous Development of the Board

The Board, via the NC, continues to identify and attend appropriate briefings, seminars, conferences and courses to keep abreast of changes in legislations and regulations affecting the Group.

All Directors have completed the Mandatory Accreditation Programme. The Directors are mindful that they would continue to enhance their skills and knowledge to maximize their effectiveness as Directors during their tenure. Throughout their period in office, the Directors are continually updated on the Group's business and the regulatory requirements.

Details of training programmes attended by the Directors during the financial year under review are as follows:

No.	Name of Director	Type of Training
1.	Hoo Wai Keong	• Webinar Series: Critical Thinking for Executives • Webinar Series: Purchasing Cost Reduction Strategies
2.	Andrew Ho Tho Kong	• Audit Oversight Board's Conversation with Audit Committees • Reuters Conference – Environmental, Social and Governance ("ESG") Data Reliability: Issues of quality and reliability for stakeholders • Net Zero Delivery Summit – Reuters Conference • Climate Change Summit • Conversation with Audit Committees (Session 1) • Sustainability Reporting – Changes to the Listing Requirements

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

I. BOARD RESPONSIBILITIES (CONT'D)

5. Continuous Development of the Board (Cont'd)

Details of training programmes attended by the Directors during the financial year under review are as follows: (Cont'd)

No.	Name of Director	Type of Training
3.	Chong Kwang Fock	• MIA Webinar Series: Determining Materiality in Audit • Deferred Tax under MFRS 112 • MFRS Updates 2021 • Webinar – Comparative Analysis between MFRS and MPERS Frameworks • Construction account, ISQC 1 and stocktake briefing • Webinar – Audit Planning • Mandatory Accreditation Programme • MFRS 15 Disclosures - Best Practices • MFRS 16 Disclosures - Best Practices • MFRS 9: Financial Instruments - Basics (Part 1) • Course 1: Foundation Course on Sustainability • MFRS 13 Fair Value Measurement • Course 2: ESG Risk Identification and Materiality • Course 3: ESG and Enterprise Risk Management • MFRS 9: Financial Instruments - Basics (Part 2) • Course 4: Business and Human Rights and Environment • Digital Transformation in Small and Medium Practices • MFRS 15 Revenue from Contracts with Customers - The Essentials • Stocktake briefing • Property Development and Construction Account under MFRS And MPERS Requirement • Overview of ISQM and the Differences as Compared to ISQC 1, Understanding of the Management Letter and How to Write a Good Management Letter, and Different Types of Audit Opinion
4.	Johari Shukri Bin Jamil	• Mandatory Accreditation Programme • ESG Oversight: Role of the Board • Sukuk: Principle, Application and Challengers in the Capital Markets • Financial Essentials for Non-Finance Directors
5.	Loh May Ann	• Mandatory Accreditation Programme

The Company Secretaries also highlights the relevant guidelines on statutory and regulatory requirements from time to time to the Board. The external auditors on the other hand, briefed the Board on changes to the Malaysian Financial Reporting Standards that affect the Group's financial statements during the year.

6. Board Committees

ARMC

The ARMC monitors internal control policies and procedures designed to safeguard the Group's assets and to maintain the integrity of financial reporting. The ARMC maintains direct, unfettered access to the Company's external auditor, internal auditor and management.

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

I. BOARD RESPONSIBILITIES (CONT'D)

6. Board Committees (Cont'd)

ARMC (Cont'd)

The ARMC comprises of three (3) members, all of whom are Independent Non-Executive Directors. The present members of the ARMC are as follows:

Director	Designation
Chong Kwang Fock	Chairman
Johari Shukri Bin Jamil	Member
Loh May Ann	Member

A copy of the ARMC's Terms of Reference can be found in the Company's website at www.bslcorp.com.my.

NC

The NC oversees matters related to the nomination of new Directors, annually reviews the required mix of skills, experience and other requisite qualities of Directors as well as the annual assessment of the effectiveness of the Board as a whole, its Committees and the contribution of each individual Director as well as identify candidates to fill board vacancies, and nominating them for approval by the Board.

The NC comprises three (3) members, all of whom are Independent Non-Executive Directors. The present members of the NC are as follows:

Director	Designation
Loh May Ann	Chairperson
Chong Kwang Fock	Member
Johari Shukri Bin Jamil	Member

During the FYE2022, the NC held two (2) meeting. Below is a summary of the key activities undertaken by the NC in discharge of its duty:

(a) Reviewed the composition of the Board and Board Committees with regards to the mix of skills, independence and diversity in accordance with its policy.
(b) Determined the Directors who stand for re-election and re-appointment by rotation.
(c) Assessed the effectiveness and performance of the Board and its committees. This is carried out through a self-assessment document that is completed by each Director. The assessment criteria include the following:
- Board composition
- Board process
- Performance of Board Committees
- Information provided to the Board
- Role of the Board in strategy and planning
- Risk management framework
- Accountability and standard of conduct of Directors

(d) Reviewed the term of office and performance of the AC and each of its members to ascertain that the ARMC and its member have carried out their duties in accordance with the ARMC's Terms of Reference
(e) Assessed and reviewed the independence and continuing independence of the Independent Directors.
(f) Reviewed and recommend the appointment of Independent Non-Executive Director.

A copy of the NC's Terms of Reference can be found in the Company's website at www.bslcorp.com.my.

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

I. BOARD RESPONSIBILITIES (CONT'D)

6. Board Committees (Cont'd)

<u>RC</u>

The RC is responsible for recommending to the Board the remuneration principles and the framework for members of the Board and Senior Management.

The RC comprises three (3) members, all of whom are Independent Non-Executive Directors. The present members of the RC are as follows:

Director	Designation
Johari Shukri Bin Jamil	Chairman
Chong Kwang Fock	Member
Loh May Ann	Member

During the FYE2022, the RC held one (1) meeting and all members registered full attendance. Below is a summary of the key activities undertaken by the RC in discharge of its duty:

(a) Reviewed, assessed and recommended the remuneration packages of the Executive Directors and Senior Management.
(b) Reviewed the remuneration package of Non-Executive Directors and their Meeting Allowances.

A copy of the RC's Terms of Reference can be found in the Company's website at www.bslcorp.com.my.

<u>ESOS Committee</u>

The ESOS Committee was established on 23 November 2021. The ESOS Committee is primarily responsible for administering the Company's ESOS Option in accordance with the approved ESOS By-Laws and regulations. The present members of the ESOS Committee are as follows:

Director	Designation
Andrew Ho Tho Kong	Chairman
Hoo Wai Keong	Member
Chen Huei Ping	Member

The ESOS Committee meets as and when required. No meeting was held during the financial year. Approval on matter requiring the sanction of the ESOS Committee was sought by way of written resolution.

7. Board Charter

The Company has established a Board Charter to promote high standards of corporate governance and the Board Charter is designed to provide guidance and clarity for Directors and Management with regard to the role of the Board and its committees. The Board Charter clearly sets out the key values and principles of the Company and further sets out the duties and responsibilities of the Board, and the Board Committees. The Board Charter also provides structure guidance and ethical standards for the Board in discharging their duties towards the Group as well as its operating practices. The Board Charter further entails the following issues and decisions reserved for the Board:

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

I. BOARD RESPONSIBILITIES (CONT'D)

7. Board Charter (Cont'd)

a) Conflict of interest issues relating to a substantial shareholder or a Director including approving related party transactions;
b) Material acquisitions and disposition of assets not in the ordinary course of business including significant capital expenditures;
c) Strategic investments, mergers and acquisitions and corporate exercises;
d) Authority levels;
e) Treasury policies;
f) Risk management policies; and
g) Key human resource issues.

The Board Charter is reviewed annually by the Board to ensure it complies with legislations and best practices, and remains effective and relevant to the Board's objectives.

A copy of the Board Charter can be found in the Company's website at www.bslcorp.com.my.

8. Code of Conduct and Code of Ethics

The Company has established a Code of Conduct and Code of Ethics which is also enshrined in the Board Charter to promote a corporate culture which engenders ethical conduct that permeates throughout the Group. The Code of Conduct is based on principles in relation to trust, integrity, responsibility, excellence, loyalty, commitment, dedication, discipline, diligence and professionalism. Where else the Code of Ethics is based on the principles in relation to integrity, transparency, accountability and corporate social responsibility.

The Board is focused on creating corporate culture which engenders ethical conduct that permeates throughout the Company. The Group practices the relevant principles and values in the Group's dealings with employees, customers, suppliers and business associates. The Directors, officers and employees of the Group are also required to observe, uphold and maintain high standards of integrity in carrying out their roles and responsibilities and to comply with the relevant laws and regulations as well as the Group's policies. Ongoing training is provided to staff on the Code of Conduct, Ethics and general workplace behavior to ensure they continuously uphold high standard of conduct when performing their duties.

The Board is provided guidance through the Code of Conduct and Ethics on disclosure of conflict of interest and other disclosure information/requirements to ensure that the Directors comply with the relevant regulations and practices. In order to address and manage possible conflicts of interest that may arise between Directors' interests and those of the Group, the Company has put in place appropriate procedures including requiring such Directors to abstain from participating in deliberations during meetings and abstaining from voting on any matter in which they may also be interested or conflicted. The Directors of the Group are also required to disclose and confirm their directorships and shareholdings in the Group and any other entities where they have interests.

Notices on the closed period for trading in the Company's shares are sent to Directors, principal officers and the relevant employees on a quarterly basis specifying the timeframe during which they are prohibited from dealing in the Company's shares, unless they comply with the procedures for dealings during closed period as stipulated in the MMLR.

Details of the Code of Conduct and Code of Ethics can be found in the Company's website at www.bslcorp.com.my.

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

I. BOARD RESPONSIBILITIES (CONT'D)

9. Whistleblowing Policy and Procedure

The Company has adopted a Whistleblowing Policy as the Board believes that a sound whistleblowing system will strengthen, support good management and at the same time, demonstrate accountability, good risk management and sound corporate governance practices. The policy is to encourage reporting of any major concerns over any wrongdoings within the Group.

The policy outlines the relevant procedures such as when, how and to whom a concern may be properly raised about the genuinely suspected or instances of wrongdoing at the Company and its subsidiaries. The identity of the whistleblower is kept confidential and protection is accorded to the whistleblower against any form of reprisal or retaliation.

10. Company Secretaries

The Board is assisted by qualified and competent Company Secretaries who play a vital role in advising the Board in relation to the Group's Constitution, policies, procedures and compliance with the relevant regulatory requirements, codes, guidance and legislations. All the Directors have unrestricted access to the advice and services of the Company Secretaries for the purpose of the conduct of the Board's affairs and the business.

The Company Secretaries constantly keep themselves abreast of the evolving capital market environment, regulatory changes and developments in corporate governance through attendance at relevant conferences and training programmes. The Company Secretaries have also attended the relevant continuous professional development programmes as required by the Companies Commission of Malaysia or the Malaysian Institute of Chartered Secretaries and Administrators for practising company secretaries. The Board is satisfied with the performance and support rendered by the Company Secretary in discharging its functions.

In addition, the Company Secretaries are also accountable to the Board and is responsible for the following:

- Advising the Board on its roles and responsibilities.
- Advising the Board on matters related to corporate governance and the MMLR.
- Ensuring that Board procedures and applicable rules are observed.
- Maintaining records of the Board and ensuring effective management of the Company's statutory records.
- Preparing comprehensive minutes to document Board proceedings and ensuring conclusions are accurately recorded.
- Assisting communications between the Board and Management.
- Providing full access and services to the Board and carrying out other functions deemed appropriate by the Board from time to time.
- Preparing agendas and co-coordinating the preparation of Board papers.

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

II. BOARD COMPOSITION

1. Composition and Diversity

The Directors are of the opinion that the current Board size and composition is adequate for facilitating effective decision making given the cope and nature of the Group's businesses and operations. The Board maintains an appropriate balance of expertise, skills and attributes among the Directors which is reflected in the diversity of backgrounds and competencies of the Directors. Such competencies include finance, accounting, legal, digital and other relevant industry knowledge, entrepreneurial and management experience and familiarity with regulatory requirements and risk management.

The NC ensures that the composition of the Board is refreshed periodically while the tenure, performance and contribution of each Director is assessed by the NC through the Board Evaluation. In addition, each of the retiring Directors will provide their annual declaration/confirmation on their fitness and propriety as well as independence, where applicable.

As at the date of this Statement, the Board consists of three (3) Independent Non-Executive Directors, and two (2) Executive Directors. The composition of the Board ensures that the Independent Non-Executive Directors will be able to exercise independent judgment on the affairs of the Company.

The Board of Directors' profile can be found in the Annual Report of the Company.

2. Independency of Independent Directors

The Independent Directors play a crucial role in corporate accountability and provide unbiased views and impartiality to the Board's deliberations and decision-making process. In addition, the Independent Directors ensure that matters and issues brought to the Board are given due consideration, fully discussed and examined, taking into account the interest of all stakeholders. The Board, via the NC assesses each Director's independence to ensure on-going compliance with this requirement annually. The NC is satisfied that the Independent Directors are independent of Management and free from any business or other relationships which could interfere with the exercise of independent judgement, objectivity and the ability to act in the best interest of the Company.

The Board has limited the tenure of the Independent Directors to nine (9) years and they may continue to serve on the Board subject to their re-designation as Non-Independent Directors.

As at the date of this statement, none of the Independent Directors has exceeded a cumulative term of nine (9) years.

3. Appointment of Board and Senior Management

The Board of Directors comprise of a collective of individuals having an extensive complementary knowledge and competencies, as well as expertise to make an active, informed and positive contribution to the management of the Group in terms of the business' strategic direction and development. The appointment of the Board and its Senior Management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.

The NC will assess the suitability of the candidates before formally considering and recommending them for appointment to the Board or Senior Management. In proposing its recommendation, the NC will consider and evaluate the candidates' required skills, knowledge, expertise, competence, experience, characteristics, professionalism. For appointment of Independent Directors, considerations will also be given on whether the candidates meet the requirements for independence as defined in MMLR of Bursa Securities and time commitment expected from them to attend to matters of the Company in general, including attending meetings of the Board, Board Committees and Annual General Meeting (**"AGM"**).

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

II. BOARD COMPOSITION (CONT'D)

4. Gender Diversity

While the Board of Directors acknowledge the need to promote gender diversity within its composition and endeavour to increase female participation in the Board and Senior Management, it has decided not to set any specific targets as the Board believes that it is more important to have the right mix and skills for such positions.

The Company has adopted a diversity policy which outlines its approach to achieving and maintaining diversity (including gender diversity) on its Board and in Senior Management positions. This includes requirements for the Board to establish measurable objectives for achieving diversity on the Board and in management positions, and for the appropriate Board Committees to monitor the implementation of the policy, assess the effectiveness of the Board nomination process and the appointment process for management positions at achieving the objectives of the policy.

5. Identifying Suitable Candidates

The Board has scrutinised the Company's requirement in relation to the Board's appointment of Independent Directors in order to identify directors which has the right mix of skills and experience and able to contribute positively to the Board. In order to achieve such outcome, the Board had sourced suitable candidates through various means such as recommendation from the existing Board, Senior Management, directors' registry and the use of independent search firms.

6. Chairman of the NC

The NC is led by Loh May Ann, the Independent Non-Executive Director, who directs the NC for succession planning and appointment of Board members and Senior Management by conducting annual review of board effectiveness and skill assessments. This provides the NC with relevant information of the Group's needs, allowing them to source for suitable candidates when the need arises.

7. Annual Evaluation

The NC is responsible in evaluating performance and effectiveness of the entire Board, the Board Committees and individual Director on a yearly basis. The evaluation process is led by the NC Chairman and supported by the Company Secretary via questionnaires. The NC reviews the outcome of the eval-uation and recommends to the Board on areas for continuous improvement and also for them to form the basis of recommending relevant Directors for re-election at the AGM.

The assessment criteria used in the assessment of Board and individual Directors include mix of skills, knowledge, Board diversity, size and experience of the Board, core competencies and contribution of each Director. The Board Committees were assessed based on their roles and responsibilities, scope and knowledge, frequency and length of meetings, supply of sufficient and timely information to the Board and also overall effectiveness and efficiency in discharging their function.

The Board evaluation comprises Performance Evaluation of the Board and various Board Committees, Directors' Peer Evaluation and Assessment of the independence of the Independent Directors. The assessment is based on four (4) main areas relating to Board Structure, Board Operations, Board and Chairman's roles and responsibilities and Board Committees' role and responsibilities.

For Directors' Peer Evaluation, the assessment criteria include abilities and competencies, calibre and personality, technical knowledge, objectivity and the level of participation at Board and Committee meetings including his/her contribution to Board processes.

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

II. BOARD COMPOSITION (CONT'D)

7. Annual Evaluation (Cont'd)

Any appointment of a new Director to the Board or Board Committee is recommended by the NC for consideration and approval by the Board. In accordance with the Company's Constitution, one-third (1/3) of the Directors for the time being shall retire from office at each AGM. A retiring director shall be eligible for re-election. The Constitution also provides that all directors shall retire at least once every three (3) years.

During the year, the Board conducted an internally facilitated Board assessment. The results and recommendations from the evaluation of the Board and Committees are reported to the Board for full consideration and action. The Board was comfortable with the outcome and that the skills and experience of the current Directors satisfy the requirements of the skills matrix and that the Chairman possesses the leadership to safeguard the stakeholders' interest and ensure the development of the Group.

The NC also considered the results of the evaluation when considering the re-election of Directors and recommended to the Board for endorsement the Directors standing for re-election at forthcoming AGM of the Company.

III. REMUNERATION

The objective of the Group's internal remuneration policy is to provide fair and competitive remuneration to its Board and Senior Management in order for the Company to attract and retain Board and Senior Management of calibre to run the Group successfully. The responsibilities for developing the remuneration policy and determining the remuneration packages of Executive Directors and Senior Management lie with the RC. Nevertheless, it is ultimately the responsibility of the Board to approve the remuneration of Executive Directors and Senior Management.

Based on the remuneration framework, the remuneration packages for the Executive Directors and Senior Management compose of a fixed component (i.e. salary, allowance and etc.) and a variable component (i.e. bonus, benefit-in kind-and etc.) which is determined by the Group's overall financial performance in each financial year which is designed to support our strategy and provides a balance between motivating and challenging our Senior Management to deliver our business priorities, as set out by Executive Directors, and strong performance while also driving the long-term sustainable success of the Group.

The level of remuneration of Non-Executive Directors reflects their experience and level of responsibility undertaken by them. The fees for Directors are determined by the Board with the approval from shareholders at the AGM and no Director is involved in deciding his/her own remuneration.

During the financial year under review, the RC had reviewed the remuneration for the Executive Directors and Senior Management which reflects their level of responsibilities as well as the performance of the Group, and considered their remuneration packages are comparable within the industry norm. The RC further discussed the annual salary review for the Executive Directors and Senior Management in line with the budget salary increase for the rest of the organisation. When approving payments for annual bonus, the RC considered the overall performance of the business and of the Executive Directors and Senior Management against this, as well as their individual targets. Bonus payments made to Executive Directors and Senior Management reflected the large proportion of collective measures for the year, in support of focusing on teamwork and simplicity within the pay arrangements.

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

III. REMUNERATION (CONT'D)

The detailed disclosure on named basis for the remuneration of individual Directors that includes fees, salary, bonus, benefits in-kind and other emoluments from the Company and the Group for the FYE2022 are set out in the Corporate Governance Report. While the details of the remuneration of the senior management on an aggregate basis in bands of RM50,000 are set out below:

Remuneration Bands	Number of Senior Management
Below RM50,000	–
RM50,000 – RM100,000	1
RM100,001 – RM150,000	1
RM200,000 above	2

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I. ARMC

Presently, the ARMC consists of three (3) Independent Non-Executive Directors and all of them are financial literate and have sufficient understanding of the Group's business. All the members of the ARMC undertook continuous professional development to keep abreast of relevant developments in accounting and auditing standards, practices and rules.

The Chairman of the ARMC is not the Chairman of the Board, ensuring that the impairment of objectivity on the Board's review of the ARMC's findings and recommendation remains intact.

The ARMC has adopted a Terms of Reference which sets out its goals, objectives, duties, responsibilities and criteria on the composition of the ARMC which includes a former key audit partner of the Group to observe a cooling-off period of at least three (3) years before being able to be appointed as a member of the ARMC.

In presenting the annual audited financial statements and interim financial statements on a quarterly basis to the shareholders, the Board is responsible to present a clear, balanced and understandable assessment of the Group's performance and position. The ARMC is entrusted to provide assistance to the Board in reviewing the Group's financial reporting process and accuracy of its financial results, and scrutinising information for disclosure to ensure accuracy, adequacy, completeness and compliance with the accounting standards.

The Board places great emphasis on the objectivity and independence of the external auditors. Through the ARMC, the Board maintains a transparent relationship with the external auditors in seeking professional advice on the internal control and ensuring compliance with the appropriate accounting standards. The ARMC is empowered to communicate directly with the external auditors to highlight any issues of concern at any point in time.

The ARMC ensures the External Audit function is independent of the activities it audits and reviews the contracts for the provision of non-audit services by the external auditors in order to make sure that it does not give rise to conflict of interests. The excluded contracts would include management consulting, internal audit and standard operating policies and procedures documentation.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

I. ARMC (CONT'D)

For the FYE2022, fees paid to the external auditors, Messrs Chengco PLT and its affiliated firms by the Company and the Group are stated in the table below:

Nature of Services	Group (RM)	Company (RM)
Total Audit fees	**288,268**	**124,000**
Non-Audit:		
Review of the Statement on Risk Management and Internal Control	5,000	5,000
Total Non-audit fees	**5,000**	**5,000**

The External Auditors have confirmed to the ARMC that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the independence criteria set out by the Malaysian Institute of Accountants.

Further information on the roles and responsibilities of the ARMC may be found in the Annual Report of the Company.

II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

The Board assumes ultimate responsibility for the effective management of risk across the Group, determining its risk appetite as well as ensuring that each business area implements appropriate internal controls. In order to achieve such objective, a risk management framework has been adopted by the Group. The Group's risk management systems are designed to manage and eliminate risks (where possible) to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board has delegated its responsibility for reviewing the effectiveness of the Group's systems of internal control to the ARMC. This covers all material controls including financial, operational, compliance and risk management systems. The ARMC is further supported by a number of sources of internal assurance within the Group in order to determine the adequacy and effectiveness of the framework.

The Group has outsourced the internal audit function as being the most cost effective means of implementing an internal audit function. The independent third-party service provider of the internal audit services, which reported directly to the ARMC as specified in the Terms of Reference of the ARMC. The internal auditor carries out is function in accordance with the approved annual Internal Audit Plan approved by the ARMC.

Further information may be found in the Statement on Risk Management and Internal Control and the Management Discussion and Analysis of this Annual Report.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

I. COMMUNICATION WITH STAKEHOLDERS

The Board believes that stakeholders' communication is an essential requirement of the Group's sustainability. In view thereof, stakeholders are informed of all material business events and risks of the Group in a factual, timely and widely available manner. The Board has formalised a corporate disclosure policy and procedure not only to comply with the discourse requirements as stipulated in the MMLR, but also sets out the persons authorised and responsible to approve and disclose material information to all stakeholders.

The Group has set up an investor relations program to facilitate effective two-way communication with investors and analyst to provide a greater understanding of the Group's vision, strategies, developments and financial prospects. A variety of engagement initiatives including direct meetings and dialogues with stakeholders are constantly conducted to learn about their needs enabling sustainability and growth of the Group.

The Group's financial performance, major corporate developments and other relevant information are promptly disseminated to shareholders and investors via announcements of its quarterly results, annual report, corporate announcements to Bursa Securities and press conferences. It is the Group's practice that any material information for public announcement, including annual, quarterly financial statements, press releases, and presentation to investors, analyst and media are factual and reviewed internally before issuance to ensure accuracy and is expressed in a clear and objective manner.

The Company's corporate website includes a dedicated Investor Relations section which provides all relevant information on the Group, including announcements to Bursa Securities, share price information as well as the corporate and governance structure of the Group. Stakeholders are also able to subscribe to e-mail alerts from the Group via the Investor Relation page.

II. CONDUCT OF GENERAL MEETINGS

The AGM is the principal forum for dialogue with shareholders, allowing shareholders to review the Group's performance via the Company's Annual Report and pose questions to the Board for clarification. To ensure shareholders have sufficient time to go through the Annual Report, it is circulated at least twenty-eight (28) clear days before the date of the AGM. Shareholders are encouraged to vote on the proposed motions by appointing a proxy in the event they are unable to attend the meeting.

During the AGM, a presentation was shown to the shareholders on the Group's performance and major activities which were carried out during the financial year under review. The Board also encourages participation from shareholders by having "question and answer" session during the AGM during which the Directors (inclusive of the Chairman of the ARMC, NC and RC) are available to provide meaningful response to questions raised by the shareholders.

In line with the MMLR, the Company has implemented and will continue to implement poll voting for all proposed resolutions set out in the notice of any general meeting. An independent scrutineer will also be appointed to validate the votes cast at any general meeting of the Company.

ADDITIONAL **COMPLIANCE INFORMATION**

1. UTILISATION OF PROCEEDS

a) Private Placement

The status of the utilisation of proceeds as at 31 December 2022 raised from the private placement amounting to RM12.7 million, which was completed on 28 March 2022 following the listing and quotation of 19,030,800 ordinary shares on the Main Market of Bursa Securities are as follows:

Purposes of Utilisation	Timeframe for Utilisation	Approved Utilisation RM'mil	Actual Utilisation RM'mil	Balance to be Utilised RM'mil
Manufacturing expansion	Within 24 months	10.6	6.1	4.5
Expenses for the corporate exercises	Immediate	2.1	0.6	1.5
		12.7	6.7	6.0

(b) Rights Issue

On 15 March 2023, the Group announced that the Rights Issue of Shares with Warrants ("Rights Issue with Warrants") proposed on 28 June 2022 has been completed following the listing and quotation for 1,654,156,234 Rights Shares, 689,231,637 Warrants B and 69,875,106 additional Warrants A on the Main Market of Bursa Securities. The Group has received a total of RM90.98 million from the exercise. Following is the breakdown utilization of the Rights Issue with Warrants proceeds as at 31 March 2023.

Purposes of Utilisation	Timeframe for Utilisation	Approved Utilisation (RM'000)	Actual Utilisation (RM'000)	Balance to be Utilised (RM'000)
Manufacturing expansion	Within 24 months	26,000		26,000
Upgrading of Existing Facilities and Technologies	Within 24 months	17,500		17,500
Funding for Raw Materials	Within 24 months	14,500		14,500
Repayment of Borrowings	Within 24 months	3,000		3,000
Working Capital	Within 24 months	29,206		29,206
Expenses for the Right Issue with Warrants	Immediate	850		850
	TOTAL (RM):	**91,056**	**–**	**91,056**

2. MATERIAL CONTRACTS

There were no material contracts entered into by the Company and/or its subsidiaries involving Directors' and major shareholders' interests during the financial year.

3. CONTRACT RELATED TO LOANS

There were no material contracts relating to loans entered into by the Group during the financial year involving Directors and major shareholders.

Additional Compliance Information (Cont'd)

4. RECURRENT RELATED PARTY TRANSACTIONS ("RRPT")

The Company did not enter into any RRPT which exceeded the threshold limits allowed under the Main Market Listing Requirements of Bursa Malaysia Securities Berhad during the financial period.

5. EMPLOYEES' SHARE OPTION SCHEME ("ESOS")

The ESOS of the Company is governed by the ESOS By-Laws and was approved by shareholders on 22 October 2021. The ESOS options granted may be exercised any time upon the satisfaction of vesting conditions of each offer. The ESOS is in force for a period of five (5) years effective from 23 November 2021 which would expire on 22 November 2026.

A brief detail on the number of ESOS Options granted, exercised, forfeited and outstanding since commencement to 31 December 2022 are set out in the table below:

Description	Number of Options	
	Grand Total	Directors and Chief Executives
Granted	41,295,910	–
Exercised	622,000	–
Forfeited	40,673,910	–
Outstanding	–	–

The percentages of options applicable to Directors and Senior Management under the ESOS during the financial period and since its commencement up to 31 December 2022 are set out below:

Directors and Senior Management	Percentage	
	During the financial year	Since commencement up to 31 December 2022
Aggregate maximum allocation	40%	40%
Actual options granted	0.24%	0.24%

The details of the options offered to and exercised by the Non-Executive Directors of the Company pursuant to the ESOS in respect of the financial period are as follows:

Name	Number of Options	
	Number of Options Granted	Number of Options Exercised
Chong Kwang Fock	–	–
Chew Khai Liong	–	–
Johari Shukri Bin Jamil	–	–
Loh May Ann	–	–
Wong Boon Peng	–	–

STATEMENT ON
RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board is committed to maintaining a sound system of internal control in the Group and is pleased to provide the Statement on Risk Management and Internal Control (**"Statement"**), which outlines the nature and scope of risk management and internal control of the Company and its subsidiaries (**"the Group"**) during the financial period ended 31 December 2022 (**"FYE2022"**).

This Statement is made by the Board pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and after taking into consideration of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers ("**Guidelines**") and taking into consideration the recommendations of the Malaysian Code on Corporate Governance.

BOARD'S RESPONSIBILITIES

The Board acknowledges its overall responsibility towards maintaining a sound system of risk management and internal control, and reviewing its adequacy and effectiveness to ensure shareholders' interest and the Group's assets are safeguarded.

Given the inherent limitations in the risk management and internal control system, such a system put into effect by the Management is designed to identify, evaluate, manage and monitor risks rather than eliminate risks that may impede the Group's achievement of the corporate objectives. Therefore, such a system can only provide reasonable and not absolute assurance against any material misstatement or loss, contingencies, fraud or irregularities

RISK MANAGEMENT FRAMEWORK

The Board acknowledges that the management of principal risks plays an important and integral part in achieving the Group's corporate objectives. The Group has an ongoing process for identifying, evaluating and managing the significant risks faced by the Group. This is to ensure that all potential risks are adequately addressed at various levels within the Group including but not limited to the effects of natural disasters, rioting by workers, fire, acts of sabotage and other debilitating incidents.

The Board believes that the sound system of risk management and internal control is built on a clear understanding and appreciation of the Group's risk management framework with the following key elements:

- risk management is embedded in the Group's management and operational framework and the employees are exposed and subjected to trainings on the Group's policies and procedures;
- risk management processes applied should aim to take advantage of opportunities, manage uncertainties and minimise threats; and
- regular reporting and monitoring activities emphasise accountability and responsibility for managing risks.

The Board appointed an outsourced and independent internal audit firm to assist the management in improving the current Risk Management Framework.

INTERNAL AUDIT FUNCTION

The Group has appointed an outsourced internal audit service provider, to carry out the internal audit function. The pointed internal audit firm has discharges its independent assessment of the effectiveness and adequacy of the Group's system of internal control. This provides the Audit and Risk Management Committee (**"ARMC"**) and Board with a reasonable assurance of adequacy of the scope, functions and resources of the internal audit function and internal control.

INTERNAL AUDIT FUNCTION (CONT'D)

The assessment of the adequacy and effectiveness of the internal controls established by the management in mitigating risks is conducted regularly through interviews and discussions with key management staff, review of the relevant established policies and procedures, and authority limits and observing and testing of the internal controls on a sample basis. The results of the internal audit reviews including action plans to be taken by the management to address the identified weaknesses and recommendation of enhancement opportunities are then reported to the ARMC, which in turn reports these matters to the Board.

During the FYE2022, internal audit works were carried out in accordance with the risk based on internal audit plan which has been reviewed and approved by the ARMC. The results of the audit reviews were discussed with the management and subsequently, the audit findings, including the recommendations for improvement were reported to the ARMC at the quarterly meetings.

Based on the internal audit reviews conducted, none of the weaknesses noted have resulted in any material losses, contingencies or uncertainties that would require separate disclosure in this report. The total costs incurred for the internal audit function for FYE2022 was approximately RM26,500.00 (excluding service tax and disbursements).

OTHER KEY ELEMENTS OF INTERNAL CONTROLS

The other key elements of the Group's internal control systems are:

a) Quarterly review of the financial performance of the Group by the ARMC and the Board.
b) Clearly defined and structured lines of reporting and responsibility.
c) Operations review meetings are held to monitor the progress of business operations, deliberate significant issues and formulate corrective measures.
d) Documented internal policies as set out in a series of memorandums to various departments within the Group.
e) Whistle Blowing Policy which provides an avenue for employees to report suspected malpractices, misconduct or violations of the Company's policies and regulations in a secured and confidential manner.

REVIEW OF STATEMENT BY EXTERNAL AUDITORS

As required by Paragraph 15.23 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the External Auditors have reviewed this Statement for inclusion in the Annual Report of the Group for the FYE2022.

Their review was performed in accordance with Audit and Assurance Practice Guide (AAPG) 3: Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants. Based on external auditor review, nothing has come to their attention that cause them to believe that this statement is not prepared, in all respects, in accordance with the disclosures required by Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers to be set out, nor is factually inaccurate.

CONCLUSION

The Board is of the view that the risk management and internal control system in place for the year under review and up to the date of issuance of the financial statements is adequate and effective to safeguard the shareholders' investment, the interests of customers, regulators and employees, and the Group's assets.

The Board has received assurance from the Executive Directors that, to the best of their knowledge, the Group's risk management and internal control system is operating adequately and effectively, in all material aspects, based on the risk management and internal control system of the Group.

CONCLUSION (CONT'D)

During the financial year under review, the Board is satisfied that no material losses, deficiencies or errors were arising from any inadequacy or failure of the Group's internal control system that will require disclosure in the Annual Report.

The Board will continue to take measures to strengthen the system of internal control maintained by the Group and ensure shareholders' investment and the Group's assets are consistently safeguarded.

This Statement is made in accordance with the resolution of the Board dated 17 April 2023.

AUDIT AND
RISK MANAGEMENT COMITTEE'S REPORT

OBJECTIVE

The purpose of establishing the Audit and Risk Management Committee (**"ARMC"** or **"the Committee"**) is to assist the Board of Directors in discharging its responsibilities to safeguard the Company's assets, maintain adequate accounting records, develop and maintain effective systems of internal control with the overall objective of ensuring the Management creates and maintain an effective control environment in the Group. The Committee also provides a communication channel between the Board of Directors, Management, External Auditors and Internal Auditors.

COMPOSITION OF MEETING ATTENDANCE

The present ARMC members comprise of three (3) members, all of whom are Independent Non-Executive Directors.

During the financial period ended 31 December 2022 (**"FYE2022"**), the ARMC held six (6) meetings and the records of the attendance of ARMC members are as follow:

Directors	Designation	Number of meetings attended	%
Chong Kwang Fock[1]	Chairman	6/6	100%
Johari Shukri Bin Jamil[2]	Member	2/2	100%
Loh May Ann[3]	Member	1/1	100%
Chew Khai Liong[4]	Member	4/4	100%
Wong Boon Peng[5]	Member	5/5	100%

Note:
[1] Member of the Malaysian Institute of Accountants
[2] Appointed as a Member of the ARMC of the Company with effect from 15 June 2022
[3] Appointed as a Member of the ARMC of the Company with effect from 13 October 2022
[4] Resigned as a Member of the ARMC of the Company with effect from 15 June 2022
[5] Resigned as a Member of the ARMC of the Company with effect from 13 October 2022

TERMS OF REFERENCE

The scope of duties and responsibilities of the ARMC stated in the Terms of Reference ("**TOR**") is made available on the Company's website, website at www.bslcorp.com.my. The Board has reviewed and assessed the performance of the ARMC and is satisfied that the ARMC has discharged its functions, duties and responsibilities in accordance with its TOR.

SUMMARY OF ACTIVITIES OF THE ARMC

A brief summary and an overview of the activities of the ARMC in discharging their duties and responsibilities during the FYE2022 are as follows:

a) Reviewed the unaudited quarterly financial results of the Group including the announcements pertaining thereto, before recommending to the Board for approval and release the results to Bursa Malaysia Securities Berhad (**"Bursa Securities"**);

b) Reviewed with the External Auditors on their Audit Planning Memorandum for the FYE2022;

c) Reviewed the Audited Financial Statements of the Company and its subsidiaries (**"the Group"**) for the FYE2022 before recommending to the Board for approval and release of the results to Bursa Securities;

d) Reviewed and discussed with the External Auditors of their audit findings inclusive of system evaluation, audit fees, issues raised, audit recommendations and management's response to these recommendations;

SUMMARY OF ACTIVITIES OF THE ARMC (CONT'D)

A brief summary and an overview of the activities of the ARMC in discharging their duties and responsibilities during the FYE2022 are as follows: (Cont'd)

e) Evaluated the performance of the External Auditors for the FYE2022 covering areas such as caliber, quality processes, audit team, audit scope, audit communication, audit governance and independence and considered and recommended the re-appointment of the External Auditors;

f) Reviewed and approved the non-audit services provided/to be provided by the External Auditors and its affiliates to ensure the provision of the non-audit services does not impair their independence or objectivity as External Auditors of the Group and the Company;

g) Reviewed and assessed the adequacy of the scope and functions of the internal audit plan;

h) Reviewed the internal audit reports presented and considered the findings of internal audit through the review of the internal audit reports tabled and management responses thereof;

i) Reviewed and approved on the Internal Audit Planning Memorandum for the FYE2022 to ensure adequate scope and coverage of the activities of the Group and the Company which was prepared based on risk-based approach;

j) Reviewed the effectiveness of the Group's system of internal control;

k) Reviewed the proposed fees for the External Auditors and Internal Auditors in respect of their audit of the Company and the Group;

l) Reviewed related party transactions and conflict of interest situation that may arise within the Group and/or the Company, to ensure that transactions entered into were on arm's length basis and on normal commercial terms;

m) Reviewed the Company's compliance with the Main Market Listing Requirements, applicable Approved Accounting Standards and other relevant legal and regulatory requirements;

n) Report to the Board on its activities and significant findings and results.

o) Reviewed and verify the allocation of the Employee Share Option Scheme options in accordance with the Main Market Listing Requirements.

p) Reviewed the ARMC Report and Statement on Risk Management and Internal Control before recommending to the Board for approval and inclusion in the Annual Report; and

q) Reviewed the valuation report of the investment property.

INTERNAL AUDIT FUNCTION

The internal audit function is designed based on a risk-based approach to evaluate and enhance the Group's risk management, controls and governance processes to assist the Senior Management in achieving its corporate goals.

During the FYE2022, the internal audit function of the Group is outsourced to an independent internal audit professional firm, which reports directly to the ARMC and assists the Board in monitoring and managing risks and internal controls. The ARMC is satisfied that the internal auditor's independence have been maintained as adequate measures are in place. The ARMC is contented that the internal audit firm has sufficient resources and is able to access information to undertake its duties effectively.

Audit and Risk Management Committee's Report (Cont'd)

INTERNAL AUDIT FUNCTION (CONT'D)

The internal audit reviews were carried out in accordance with the approved internal audit plan which covered the adequacy and effectiveness of the operational controls in mitigating risks, compliance with established policies and procedures, authority limits and applicable laws. The results of the reviews were formally reported to the ARMC and in this regard, Senior Management has taken note of the findings and duly acted upon the recommendations made by the appointed internal auditor. The internal audit reviews did not reveal any significant weaknesses and consequential provides reasonable assurance on the effectiveness of the Group's systems of internal control and the adequacy of these systems to mitigate business risks and to safeguard the Group's assets and resources.

The total cost incurred for the internal audit function for the financial year under review was approximately RM26,500.00 (excluding service tax and disbursements). Further details of the internal audit function are set out in the Risk Management and Internal Control Statement of the Annual Report.

STATEMENT OF DIRECTORS' RESPONSIBILITY IN RESPECT OF THE AUDITED FINANCIAL STATEMENTS

The Directors are required by the Companies Act 2016 to prepare the financial statements for each financial year which have been made out in accordance with the applicable approved accounting standards in Malaysia.

The Directors are responsible to ensure that the financial statements give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year and of the results of the Group and of the Company for the financial year then ended.

In preparing those financial statements, the Directors of the Company have:

- oversee the company's business conduct and that of the group;
- adopted suitable accounting policies and then applied them consistently;
- made judgments and estimates that are prudent and reasonable;
- ensured applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepared the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2016 and applicable approved accounting standards. The Directors are also responsible for the assets of the Group and of the Company and, hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are satisfied that in preparing the financial statements of the Group and the Company or the financial period ended 31 December 2022, appropriate accounting policies were used and applied consistently, and adopted to include new and revised Malaysian Financial Reporting Standards where applicable. The Directors are also of the view that relevant approved accounting standards have been followed in the preparation of these financial statements.

FINANCIAL STATEMENTS

DIRECTORS' REPORT

DIRECTORS' REPORT

The directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial period from 1 September 2021 to 31 December 2022.

CHANGE OF FINANCIAL YEAR

The financial year end of the Company has been changed from 31 August to 31 December. Accordingly, the current financial statements are prepared on a 16-months basis from 1 September 2021 to 31 December 2022. As a result, the comparative figures are non-comparable.

PRINCIPAL ACTIVITIES

The principal activity of the Company is an investment holding company. The principal activities of the subsidiary companies are disclosed in Note 8.

There have been no significant changes in the nature of these principal activities during the financial period.

RESULTS

	Group RM	Company RM
(Loss)/Profit for the financial period, net of tax	(10,279,058)	22,330
Attributable to:		
Owners of the Company	(10,328,678)	22,330
Non-controlling interest	49,620	–
	(10,279,058)	22,330

DIVIDENDS

There were no dividends paid or declared by the Company since the end of the previous financial year. The directors do not recommend the payment of any dividend in respect of the current financial period.

RESERVES AND PROVISIONS

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

ISSUE OF SHARES AND DEBENTURES

During the financial period, the Company increases its share capital from RM 50,767,230 to RM 75,607,522 by way of:

Date	Pursuant to	Issue Price (RM)	Ordinary Shares (Unit)	RM
26.11.2021	Exercise of Warrant	0.5000	40,000	20,000
30.11.2021	Exercise of Warrant	0.5000	658,050	329,025
08.12.2021	Exercise of Warrant	0.5000	1,310,500	655,250
15.12.2021	Exercise of Warrant	0.5000	352,700	176,350
22.12.2021	Exercise of Warrant	0.5000	2,118,100	1,059,050
29.12.2021	Exercise of Warrant	0.5000	5,728,100	2,864,050
06.01.2022	Exercise of Warrant	0.5000	5,756,517	2,878,259
13.01.2022	Exercise of Warrant	0.5000	5,499,831	2,749,916
24.01.2022	Exercise of Warrant	0.5000	2,139,000	1,069,500
27.01.2022	Exercise of Warrant	0.5000	400,000	200,000
08.02.2022	Exercise of Warrant	0.5000	30,000	15,000
03.03.2022	Private Placement	0.2553	28,990,700	7,401,326
09.03.2022	Private Placement	0.2119	9,960,000	2,110,524
10.03.2022	Exercise of Warrant	0.5000	20,000	10,000
25.03.2022	Private Placement	0.1680	19,030,800	3,197,174
05.05.2022	ESOS	0.1686	622,000	104,869

The newly issued shares rank pari passu in respect with the previously issued shares. There was no issue of any debentures by the Company during the financial period.

TREASURY SHARES

As at 31 December 2022, the Company held a total of 2,728,226 treasury shares.

During the financial period, there was no share buy-back, resale and cancellation of treasury shares.

EMPLOYEES' SHARE OPTION SCHEME ("ESOS")

The ESOS scheme is governed by the By-Laws approved by the shareholders at an Extraordinary General Meeting held on 22 October 2021. The ESOS was implemented on 20 April 2022 and is in force for a period of five (5) years.

The salient features of the ESOS are as follows:

a. The total number of shares to be issued under the ESOS shall not exceed, in aggregate, fifteen percent (15%) of the issued share capital (excluding treasury shares) of the Company at any point of time during the tenure of the ESOS for the eligible persons of the Company and its subsidiary companies who fulfil the eligibility criteria for participation in the ESOS. In addition, not more than ten percent (10%) of the shares available under the ESOS shall be allocated to any eligible person who, either individually or collectively through either individually or collectively through persons connected with the eligible person, holds twenty percent (20%) or more in the issued share capital of the Company (excluding treasury shares);

EMPLOYEES' SHARE OPTION SCHEME ("ESOS") (CONT'D)

The salient features of the ESOS are as follows: (cont'd)

b. Each share option entitles the eligible person to subscribe for one hundred (100) new ordinary shares in the Company at the price to be determined by the Board upon recommendation of the ESOS Committee, shall be based on the five (5)-day volume weighted average market price of the share, as quoted on Main Market of Bursa Malaysia Securities Berhad ("Bursa Malaysia"), immediately preceding the date of offer with a discount of not more than ten percent (10%), or such other percentage of discount in accordance with any prevailing guidelines, rules or regulations issued by Bursa Malaysia or any other relevant authorities, as amended from time to time;

c. Any share options which have not been exercised shall automatically lapse and be of no further legal effect if acceptance is not received on or before the exercise period; and

d. All new ordinary shares issued pursuant to the ESOS will rank pari passu in all respects with the then existing issued ordinary shares of the Company, except that the new ordinary shares so issued will not be entitled to any dividends, rights, allotments and/or other distributions declared, made or paid to shareholders prior to the date of allotment of such new ordinary shares, and will be subjected to all the provisions of the Constitution of the Company relating to transfer, transmission or otherwise.

As at 31 December 2022, the ESOS offered to take up unissued ordinary shares and the exercise prices are as follows:

			Number of options			
Date of offer	Exercise price	At 1.9.2021	Granted	Lapsed	Exercise	At 31.12.2022
20 April 2022	0.1686	–	41,295,910	(40,673,910)	(622,000)	–

During the financial period, the Company increases its issued share capital by issuance of 622,000 new ordinary shares pursuant to exercise of the ESOS.

WARRANT

Warrant 2021/2024
On 17 November 2021, the Company listed and quoted 96,635,887 Warrants pursuant to the Bonus Issue of Warrants Exercise on the basis of one (1) Warrant for every two (2) Existing Ordinary Shares ("Warrants A").

The Warrants A are constituted by the Deed Poll dated 27 October 2021 ("Deed Poll A").

The salient features of the Warrants A are as follows:

(a) Each Warrant A entitles the registered holder thereof ("Warrant holder(s)") to subscribe for one (1) new ordinary share in the Company at an exercise price of RM0.50 during the 3-year period expiring on 21 October 2024 ("Exercise Period"), subject to the adjustments as set out in the Deed Poll A;

(b) At the expiry of the Exercise Period, any Warrants A which have not been exercised shall automatically lapse and cease to be valid for any purposes; and

(c) Warrant holders must exercise the Warrants A in accordance with the procedures set out in the Deed Poll A and shares allotted and issued upon such exercise shall rank pari passu in all respects with the then existing shares of the Company, and shall be entitled to any dividends, rights, allotments and/or other distributions after the issue and allotment thereof.

WARRANT (CONT'D)

The movement of the Warrants A are as follows:

		Entitlement for ordinary shares		
	At 1.9.2021	Issued	Exercised	At 31.12.2022
Warrants A	–	96,635,887	(24,052,798)	72,583,089

During the financial period, the Company increases its issued share capital by issuance of 24,052,798 new ordinary shares, pursuant to exercise of the Warrant A.

OPTIONS GRANTED OVER UNISSUED SHARES

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

DIRECTORS

The directors in office during the financial period and during the period from the end of the financial period to the date of the report are:

Hoo Wai Keong	
Andrew Ho Tho Kong	
Chong Kwang Fock	
Johari Shukri Bin Jamil	(Appointed on 1 February 2022)
Loh May Ann	(Appointed on 1 September 2022)
Chew Khai Liong	(Resigned on 31 March 2023)
Wong Boon Peng	(Resigned on 13 October 2022)

DIRECTORS OF SUBSIDIARY COMPANIES

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

Lim Chi Haur	
Dato' Sri Azlan Bin Azmi	
Dato' Sri Wong Sze Chien	
Tan Ai Peng	
Chen Huei Ping	(Appointed on 8 June 2022 and 1 July 2022)
Ngiam Tee Yang	(Resigned on 3 January 2022)
Ngiam Tee Wee	(Appointed on 3 January 2022 and resigned on 8 June 2022)
Chay Jiun Yee	(Resigned on 8 June 2022)
Tan Ai Nee	(Resigned on 1 July 2022)
Tan Ai Yong	(Resigned on 1 July 2022)

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings required to be kept by the Company under Section 59 of the Companies Act 2016 in Malaysia, the interests of directors in office at the end of the financial period in shares in the Company and its related corporations during the financial period were as follows:

	Number of ordinary shares			
	As At 1.9.2021	Bought	Sold	As At 31.12.2022
Direct Interest:				
Hoo Wai Keong	–	40,000	–	40,000
Chew Khai Leong	–	20,000	–	20,000

Other than as stated above, none of the other directors in office at the end of the financial period had any interest in ordinary shares of the Company or its related corporations during the financial period.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors as disclosed in directors' remuneration in this report) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

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

DIRECTORS' REMUNERATION

	Group		Company	
	1.9.2021 to 31.12.2022 RM	1.9.2020 to 31.8.2021 RM	1.9.2021 to 31.12.2022 RM	1.9.2020 to 31.8.2022 RM
Executive:				
Fee	96,000	118,092	96,000	118,092
Other emoluments	1,239,606	875,749	–	–
Total executive directors'	1,335,606	993,841	96,000	118,092
Non-executive:				
Fee	170,400	126,198	170,400	126,198
Other emoluments	–	5,400	–	5,400
Total non-executive directors' remuneration	170,400	131,598	170,400	131,598
Total directors' remuneration	1,506,006	1,125,439	266,400	249,690

DIRECTORS' REMUNERATION (CONT'D)

The number of directors of the Group whose total remuneration during the financial period fell within the following bands is analysed below:

	Number of directors	
	1.9.2021 to 31.12.2022 RM	1.9.2020 to 31.8.2022 RM
Executive directors:		
RM50,001 - RM100,000	1	–
RM100,001 - RM150,000	1	–
RM150,001 - RM200,000	1	–
RM250,001 - RM300,000	1	–
RM300,001 - RM350,000	1	–
Non-executive directors:		
RM1 - RM50,000	5	–

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps:

(a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and had satisfied themselves that there are no known bad debts to be written off and that no allowance for doubtful debts was necessary, and

(b) to ensure that any current assets, which were unlikely to be realised in the ordinary course of business including the values of current assets as shown in accounting records of the Group and of the Company have been written down to an amount which the current assets might be expected so to realise.

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

(a) which would necessitate the amount written off of bad debts or the provision of the allowance for doubtful debts in the financial statements of the Group and of the Company; 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 and 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 the 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 period which secures the liabilities of any other person, except as disclosed in Note 40 to the financial statements; or

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

OTHER STATUTORY INFORMATION (CONT'D)

In the opinion of the directors:

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 period 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 period and the date of this report which is likely to affect substantially the results of the operations of the Group and of the Company for the financial period in which this report is made.

AUDITORS' REMUNERATION

The auditors' remuneration of the Group and of the Company are amounted to RM288,268 and RM124,000 (31.08.2021: RM171,726 and RM50,000) during the financial period.

SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO THE END OF THE FINANCIAL PERIOD

Details of significant events during and subsequent to the end of the financial period are disclosed in Note 43 and Note 44 of the financial statements.

AUDITORS

The auditors, CHENGCO PLT, have expressed their willingness to continue in office.

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

....

HOO WAI KEONG
Director

....

ANDREW HO THO KONG
Director

Kuala Lumpur,
Date: XXXX 2023

INDEPENDENT
AUDITORS' REPORT
TO THE MEMBERS OF BSL CORPORATION BERHAD

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of BSL Corporation Berhad, which comprise the statements of financial position as at 31 December 2022, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the financial period from 1 September 2021 to 31 December 2022 of the Group and of the Company, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, as set out on pages 76 to 158.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2022, and of their financial performance and their cash flows for the financial period from 1 September 2021 to 31 December 2022 in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

Basis of Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial period. The key audit matters for the audit of the financial statements of the Group are described below. These matters were addressed in the context of our audit of the financial statements of the Group as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis of our audit opinion on the accompanying financial statements.

1. Impairment of trade receivables

The Group's trade receivables amounting to RM21,837,347, representing approximately 23% of the Group's total current assets as at 31 December 2022.

The assessment of recoverability of receivables involved judgements and estimation uncertainty in analysing historical bad debts, customer concentration, customer creditworthiness and customer payment terms.

In addressing this, we have involved the group auditors in performing, amongst others, the following audit procedures:

- We obtained and evaluated the Group's credit risk policy, and tested the processes used by management to assess credit exposures;
- We assessed the recoverability of trade receivables by checking past payment trend and assessing the receipts during the financial period and subsequent to period end collections;
- We have reviewed the appropriateness of the disclosures made in the financial statements.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Key Audit Matters (Cont'd)

2. Impairment assessment of property, plant and equipment

The Group's property, plant and equipment amounting to RM91,506,491, representing approximately 45% of the total assets as at 31 December 2022. There is a risk the future performance of the assets may not lead to their carrying values being recoverable in full.

In addressing this, we have involved the group auditors in performing, amongst others, the following audit procedures:

- We reviewed the measurement method adopted by the Group in accordance to the requirements of MFRS 136 Impairment of Assets;
- We performed test on the accuracy and completeness of the data used by management to assess the impairment;
- We obtained and assessed the discounted cash flow by comparing the cash flow projections to available business plan; and comparing the actual results with previous budget to assess the performance of the business and reliability of forecasting process.

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

Responsibilities of the Directors for the Financial Statements

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

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and the Company to express an opinion on the financial statements of the Group and of the Company. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Section 266(2)(c) of Companies Act, 2016 in Malaysia, we also report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 8 to the financial statements.

Independent Auditors' Report
(Cont'd)

OTHER MATTERS

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

The financial statements for the financial year ended 31 August 2021 were audited by another firm of certified public accountants whose report dated 20 December 2021 expressed an unqualified opinion on those statements.

CHENGCO PLT
201806002622
(LLP0017004-LCA) & AF0886
Chartered Accountants

NG KEE SIANG
03643/03/2024 J
Chartered Accountant

Kuala Lumpur,
Date: XXXX 2023

STATEMENTS OF
FINANCIAL POSITION
AS AT 31 DECEMBER 2022

		Group		Company	
		31.12.2022	**31.8.2021**	**31.12.2022**	**31.8.2021**
	Note	**RM**	**RM**	**RM**	**RM**
ASSETS					
Non-current assets					
Property, plant and equipment	5	91,506,491	91,165,241	630,590	–
Right-of-use assets	6	3,328,361	1,079,745	–	–
Goodwill	7	2,925,074	–	–	–
Investments in subsidiary companies	8	–	–	57,088,228	50,828,830
Investment in associate	9	–	–	–	–
Investment in joint venture	10	–	–	–	–
Other investments	11	11,233,916	5,797,500	6,632,600	–
		108,993,842	98,042,486	64,351,418	50,828,830
Current assets					
Inventories	12	15,608,188	22,607,677	–	–
Trade receivables	13	21,837,347	24,231,083	–	–
Contract assets	14	–	522,782	–	–
Other receivables, deposits and prepayments	15	23,374,894	7,014,015	13,779,773	18,433
Amount owing from subsidiary companies	16	–	–	5,679	2,410
Current tax asset		2,019,803	740,294	7,709	7,973
Short-term deposits with licensed banks	17	19,104,607	3,987,106	17,250,285	–
Cash and bank balances	18	11,502,207	14,098,543	393,388	219,333
		93,447,046	73,201,500	436,834	248,149
TOTAL ASSETS		202,440,888	171,243,986	788,252	51,076,979
EQUITY AND LIABILITIES					
EQUITY					
Share capital	19	75,607,522	50,767,230	75,607,522	50,767,230
Treasury shares	20	(459,316)	(459,316)	(459,316)	(459,316)
Reserves	21	59,534,761	69,711,895	694,565	672,235
Equity attributable to owners of the Company		134,682,967	120,019,809	75,842,771	50,980,149
Non-controlling interests		2,713,158	(461,376)	–	–
TOTAL EQUITY		137,396,125	119,558,433	75,842,771	50,980,149

The accompanying notes form an integral part of these financial statements.

Statements of Financial Position
as at 31 December 2022
(Cont'd)

		Group		Company	
	Note	31.12.2022 RM	31.8.2021 RM	31.12.2022 RM	31.8.2021 RM
LIABILITIES					
Non-current liabilities					
Hire purchase liabilities	22	1,470,330	765,502	–	–
Lease liabilities	23	2,297,849	964,130	–	–
Term loans	24	4,714,219	3,157,070	–	–
Deferred tax liabilities	25	5,787,625	6,986,663	16,103	–
		14,270,023	11,873,365	16,103	–
Current liabilities					
Trade payables	26	20,546,565	27,926,218	–	–
Other payables and accruals	27	6,461,522	6,531,144	3,235,546	96,830
Amount owing to subsidiary companies	16	–	–	16,693,832	–
Current tax liabilities		324,555	1,614	–	–
Provision	28	11,331,511	200,000	–	–
Contract liabilities	14	–	204,574	–	–
Hire purchase liabilities	22	1,046,870	1,512,897	–	–
Lease liabilities	23	1,111,330	161,049	–	–
Bank borrowings	29	1,720,000	1,602,000	–	–
Term loans	24	8,232,387	1,672,692	–	–
		50,774,740	39,812,188	19,929,378	96,830
TOTAL LIABILITIES		65,044,763	51,685,553	19,945,481	96,830
TOTAL EQUITY AND LIABILITIES		202,440,888	171,243,986	95,788,252	51,076,979

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2021 TO 31 DECEMBER 2022
(WITH COMPARATIVE FIGURES FROM 1 SEPTEMBER 2020 TO 31 AUGUST 2021)

		Group		Company	
	Note	1.9.2021 to 31.12.2022 RM	1.9.2020 to 31.8.2021 RM	1.9.2021 to 31.12.2022 RM	1.9.2020 to 31.8.2021 RM
Revenue	30	214,806,611	159,491,733	–	–
Cost of sales		(202,565,586)	(147,657,463)	–	–
Gross profit		12,241,025	11,834,270	–	–
Other income	31	8,361,345	6,998,307	2,825,424	91,893
General and administrative expenses		(30,194,294)	(12,118,564)	(2,128,690)	(2,700,114)
Loss on disposal of subsidiary		(530,659)	–	–	–
Finance costs	32	(634,489)	(442,945)	(639,028)	(617)
Share of results of former associate		–	4,250,366	–	–
(Loss)/Profit before tax	33	(10,757,072)	10,521,434	57,706	(2,608,838)
Taxation	35	478,014	(1,581,470)	(35,376)	(9,647)
(Loss)/Profit for the financial period/year		(10,279,058)	8,939,964	22,330	(2,618,485)
Other comprehensive income:					
Items that will not be subsequently reclassified to profit or loss					
Revaluation gain on property, plant and equipment		–	2,294,265	–	–
Deferred tax on revaluation gain on property, plant and equipment		–	723,377	–	–
Items that will be subsequently reclassified to profit or loss					
Exchange differences on translation of foreign operations		151,544	1,528	–	–
Other comprehensive income, net of tax		151,544	3,019,170	–	–
Total comprehensive (loss)/ income for the financial period/year		(10,127,514)	11,959,134	22,330	(2,618,485)

The accompanying notes form an integral part of these financial statements.

Statements of Profit or Loss and Other Comprehensive Income
for the financial period from 1 September 2021 to 31 December 2022
(Cont'd)

		Group		Company	
	Note	1.9.2021 to 31.12.2022 RM	1.9.2020 to 31.8.2021 RM	1.9.2021 to 31.12.2022 RM	1.9.2020 to 31.8.2021 RM
(Loss)/Profit for the financial period/year attributable to:					
Owners of the Company		(10,328,678)	9,298,731	22,330	(2,618,485)
Non-controlling interests		49,620	(358,767)	–	–
		(10,279,058)	8,939,964	22,330	(2,618,485)
Total comprehensive (loss)/ income for the financial period/year attributable to:					
Owners of the Company		(10,177,134)	12,317,901	22,330	(2,618,485)
Non-controlling interests		49,620	(358,767)	–	–
		(10,127,514)	11,959,134	22,330	(2,618,485)
(Loss)/Earnings per share:					
Basic (sen)	36(a)	(4.20)	9.62		
Diluted (sen)	36(b)	(3.15)	9.62		

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF
CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2021 TO 31 DECEMBER 2022

			Non-distributable						
	Non-distributable – Share capital RM	Distributable – Treasury shares RM	Fair value reserve RM	Revalution reserve RM	Foreign currency translation reserve RM	Distributable – Retained earnings RM	Total RM	Non-controlling interests RM	Total equity RM
Group									
At 1 September 2020	50,767,230	(459,316)	(3,152,081)	32,310,110	(1,130,084)	29,366,049	107,701,908	(102,609)	107,599,299
Realisation of revaluation reserve	–	–	–	(161,699)	–	161,699	–	–	–
Profit/(loss) for the financial year	–	–	–	–	–	9,298,731	9,298,731	(358,767)	8,939,964
Other comprehensive income, net of tax	–	–	–	3,017,642	1,528	–	3,019,170	–	3,019,170
Total comprehensive income/(loss) for the financial year	–	–	–	3,017,642	1,528	9,298,731	12,317,901	(358,767)	11,959,134
At 31 August 2021	50,767,230	(459,316)	(3,152,081)	35,166,053	(1,128,556)	38,826,479	120,019,809	(461,376)	119,558,433

The accompanying notes form an integral part of these financial statements.

Statements of Changes in Equity
for the financial period from 1 September 2021 to 31 December 2022
(Cont'd)

	Non-distributable – Share capital RM	Distributable – Treasury shares RM	Non-distributable: Fair value reserve RM	Non-distributable: Revalution reserve RM	Non-distributable: Foreign currency translation reserve RM	Distributable – Retained earnings RM	Total RM	Non-controlling interests RM	Total equity RM
Group									
At 1 September 2021	50,767,230	(459,316)	(3,152,081)	35,166,053	(1,128,556)	38,826,479	120,019,809	(461,376)	119,558,433
Acquisition of subsidiary company	–	–	–	–	–	–	–	2,729,600	2,729,600
Disposal of a subsidiary company	–	–	–	–	–	–	–	395,314	395,314
Realisation of revaluation reserve	–	–	–	(17,316)	–	17,316	–	–	–
(Loss)/Profit for the financial period	–	–	–	–	–	(10,328,678)	(10,328,678)	49,620	(10,279,058)
Other comprehensive income, net of tax	–	–	–	–	151,544	–	151,544	–	151,544
Total comprehensive income/(loss) for the financial period	–	–	–	–	151,544	(10,328,678)	(10,177,134)	49,620	(10,127,514)
Transactions with owners:									
Issuance of shares in pursuant to:									
- Warrant exercised @ RM0.50	12,026,399	–	–	–	–	–	12,026,399	–	12,026,399
- Private placement	12,709,024	–	–	–	–	–	12,709,024	–	12,709,024
- ESOS exercised	104,869	–	–	–	–	–	104,869	–	104,869
At 31 December 2022	75,607,522	(459,316)	(3,152,081)	35,148,737	(977,012)	28,515,117	134,682,967	2,713,158	137,396,125

The accompanying notes form an integral part of these financial statements.

Statements of Changes in Equity
for the financial period from 1 September 2021 to 31 December 2022
(Cont'd)

	Non distributable – Share capital RM	Distributable Treasury shares RM	Distributable Retained earnings RM	Total equity RM
Company				
At 1 September 2020	50,767,230	(459,316)	3,290,720	53,598,634
Loss for the financial year	–	–	(2,618,485)	(2,618,485)
Other comprehensive income, net of tax	–	–	–	–
Total comprehensive loss for the financial year	–	–	(2,618,485)	(2,618,485)
At 31 August 2021 and 1 September 2021	50,767,230	(459,316)	672,235	50,980,149
Loss for the financial period	–	–	22,330	22,330
Other comprehensive income, net of tax	–	–	–	–
Total comprehensive income for the financial period	–	–	22,330	22,330
Transactions with owners :				
Issuance of shares in pursuant to:				
- Warrant exercised @ RM0.50	12,026,399	–	–	12,026,399
- Private placement	12,709,024	–	–	12,709,024
- ESOS exercised	104,869	–	–	104,869
At 31 December 2022	75,607,522	(459,316)	694,565	75,842,771

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF
CASH FLOWS

FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2021 TO 31 DECEMBER 2022
(WITH COMPARATIVE FIGURES FROM 1 SEPTEMBER 2020 TO 31 AUGUST 2021)

	Note	Group		Company	
		1.9.2021 to 31.12.2022 RM	**1.9.2020 to 31.8.2021 RM**	**1.9.2021 to 31.12.2022 RM**	**1.9.2020 to 31.8.2021 RM**
Cash flows from operating activities					
(Loss)/Profit before tax		(10,757,072)	10,521,434	57,706	(2,608,838)
Adjustments for:					
Depreciation of property, plant and equipment		4,907,483	3,811,372	79,983	–
Depreciation of right-of-use assets		666,421	165,799	–	–
Fair value gain on former associate		–	(1,085,043)	–	–
Fair value changes on other investment (loss/(gain))					
- Quoted investment		(1,302,980)	–	(1,302,980)	–
- Unquoted investment		1,387,388	–	–	–
Finance costs		634,489	442,945	639,028	617
Gain on disposal of property, plant and equipment		(504,991)	(190,070)	–	–
Loss on disposal of subsidiary		530,659	–	2,499	–
Impairment of investment in subsidiary companies		–	–	–	110,000
Interest income from short-term deposits		(463,148)	(59,879)	(423,365)	–
Interest income from subsidiary companies		–	–	(57,385)	(91,893)
Provision for lawsuit		11,131,511	–	–	–
Loss allowance:					
- Trade receivables		–	116,217	–	–
- Subsidiary company		–	–	–	1,827,753
Net unrealised gain on foreign exchange		(225,278)	(11,346)	-	-
Written off:					
- Property, plant and equipment		145,139	–	–	–
- Inventories		5,204	78,501	–	–
Reversal of loss allowance:					
- Trade receivables		(262,262)	(233,988)	–	–
- Former associate		–	(462,091)	–	–
- Subsidiary companies		–	–	(1,041,694)	–
Reversal of write-down of inventories, net		–	(154,223)	–	–
Share of results of former associate		–	(4,250,366)	–	–
Operating profit/(loss) before working capital changes		5,892,563	8,689,262	(2,046,208)	(762,361)
Changes in:					
Inventories		8,233,188	(7,400,565)	–	–
Receivables		(16,737,439)	(1,816,432)	(13,761,340)	(8,672)
Payables		(2,217,047)	7,824,097	3,138,715	(194,536)
Cash (used in)/generated from operations		(4,828,735)	7,296,362	(12,668,833)	(965,569)

The accompanying notes form an integral part of these financial statements.

Statements of Cash Flows
for the financial period from 1 September 2021 to 31 December 2022
(Cont'd)

		Group		Company	
	Note	1.9.2021 to 31.12.2022 RM	1.9.2020 to 31.8.2021 RM	1.9.2021 to 31.12.2022 RM	1.9.2020 to 31.8.2021 RM
Cash (used in)/generated from operations (Cont'd)		(4,828,735)	7,296,362	(12,668,833)	(965,569)
Income tax paid		(2,358,419)	(1,510,443)	(19,009)	(28,716)
Interest paid		(18,977)	(5,595)	(18,976)	–
Net cash (used in)/ generated from operating activities		(7,206,131)	5,780,324	(12,706,818)	(994,285)
Cash flows from investing activities					
Dividend received		–	–	–	1,250,000
Proceeds from disposal of property, plant and equipment		520,338	190,073	–	–
Proceeds from disposal of subsidiary		400,000	–	400,000	–
Additions to property, plant and equipment	(a)	(3,992,752)	(1,384,987)	(710,573)	–
Increase in short term placements		(5,329,620)	–	(5,329,620)	–
Cash paid for acquisition of subsidiary company		(6,661,897)	–	(6,661,897)	–
Acquisition of subsidiary, net of cash		2,438,239	–	–	–
Interest received		450,660	50,109	480,750	–
Net cash (used in)/generated from investing activities		(12,175,032)	(1,144,805)	(11,821,340)	1,250,000
Cash flows from financing activities					
Advances from/(Repayment to) subsidiary companies	(b)	–	–	17,732,257	(100,783)
Drawdown of bank borrowings	(b)	1,720,000	1,602,000	–	–
Interest paid	(b)	(615,513)	(437,350)	(620,052)	–
Issuance of share capital		24,840,292	–	24,840,292	–
Repayment of hire purchase liabilities	(b)	(1,692,118)	(1,677,085)	–	–
Payment of lease liabilities	(b)	(631,036)	(143,657)	–	–
Drawdown of term loans	(b)	12,184,392	-	–	–
Repayment of term loans	(b)	(4,067,548)	(1,708,596)	–	–
Net cash generated from/ (used in) financing activities		31,738,469	(2,364,688)	41,952,498	(100,783)

The accompanying notes form an integral part of these financial statements.

Statements of Cash Flows
for the financial period from 1 September 2021 to 31 December 2022
(Cont'd)

		Group		Company	
	Note	1.9.2021 to 31.12.2022 RM	1.9.2020 to 31.8.2021 RM	1.9.2021 to 31.12.2022 RM	1.9.2020 to 31.8.2021 RM
Net changes in cash and cash equivalents		12,357,306	2,270,831	17,424,340	154,932
Effect of exchange rate changes		151,370	1,528	–	–
Cash and cash equivalents at beginning of of the financial period/year		17,522,466	15,250,107	219,333	64,401
Cash and cash equivalents at end of the financial period/year	18	30,031,142	17,522,466	17,643,673	219,333

Note (a):
During the financial period, the Group and the Company acquired property, plant and equipment through the following arrangements:

	Group		Company	
	1.9.2021 to 31.12.2022 RM	1.9.2020 to 31.8.2021 RM	1.9.2021 to 31.12.2022 RM	1.9.2020 to 31.8.2021 RM
Total cost of property, plant and equipment acquired	5,923,671	2,350,807	710,573	–
Less: Purchase consideration satisfied by hire purchase arrangements	(1,930,919)	(965,820)	–	–
Cash payments	3,992,752	1,384,987	710,573	–

Statements of Cash Flows
for the financial period from 1 September 2021 to 31 December 2022
(Cont'd)

Note (b):
Reconciliation of liabilities arising from financing activities

Group	**Hire purchase liabilities RM**	**Term loans RM**	**Bank borrowings RM**	**Lease liabilities RM**	**Total RM**
31.12.2022					
At beginning of financial period	2,278,399	4,829,762	1,602,000	1,125,179	9,835,340
Cash flows:					
Repayment of hire purchase liabilities	(1,692,118)	–	–	–	(1,692,118)
Net drawdown of term loans	–	12,184,392	–	–	12,184,392
Repayment of term loans	–	(4,067,548)	–	–	(4,067,548)
Net drawdown of bank borrowings	–	–	1,720,000	–	1,720,000
Repayment of lease liabilities	–	–	–	(631,036)	(631,036)
Interest paid	(109,400)	(231,325)	(175,646)	(99,142)	(615,513)
	(1,801,518)	7,885,519	1,544,354	(730,178)	6,898,177
Non-cash changes:					
Addition	1,930,919	–	–	3,024,548	4,955,467
Written off	–	–	–	(109,512)	(109,512)
Disposal of subsidiary	–	–	(1,602,000)	–	(1,602,000)
Interest expenses	109,400	231,325	175,646	99,142	615,513
At the end of financial period	2,517,200	12,946,606	1,720,000	3,409,179	20,592,985

	Amounts owing (from)/ to subsidiary companies RM
Company	
31.12.2022	
At beginning of financial period	(2,410)
Cash flows:	
Advanves from subsidiary companies	17,732,257
	17,729,847
Non-cash changes:	
Reversal of loss allowance of subsidiary companies	(1,041,694)
Interest expenses	620,052
Interest paid	(620,052)
At end of financial period	16,688,153

The accompanying notes form an integral part of these financial statements.

Statements of Cash Flows
for the financial period from 1 September 2021 to 31 December 2022
(Cont'd)

Group	**Hire purchase liabilities RM**	**Term loans RM**	**Bank borrowings RM**	**Lease liabilities RM**	**Total RM**
31.8.2021					
At beginning of financial year	2,989,664	6,538,358	–	1,024,059	10,552,081
Cash flows:					
Repayments of hire purchase liabilities	(1,677,085)	–	–	–	(1,677,085)
Repayments of term loans	–	(1,708,596)	–	–	(1,708,596)
Net drawdown of bank borrowings	–	–	1,602,000	–	1,602,000
Repayment of lease liabilities	–	–	–	(143,657)	(143,657)
Interest paid	(141,174)	(207,498)	(27,535)	(61,143)	(437,350)
	(1,818,259)	(1,916,094)	1,574,465	(204,800)	(2,364,688)
Non-cash changes:					
Addition	–	–	–	244,777	244,777
Purchase of property, plant and equipment	965,820	–	–	–	965,820
Interest expenses	141,174	207,498	27,535	61,143	437,350
At the end of financial year	2,278,399	4,829,762	1,602,000	1,125,179	9,835,340

Company	**Amounts owing to subsidiary companies RM**
31.8.2021	
At beginning of financial year	100,166
Cash flows:	
Repayment of subsidiary companies	(100,783)
	(617)
Non-cash changes:	
Interest expenses	617
At end of financial year	–

The accompanying notes form an integral part of these financial statements.

NOTES TO THE
FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 SEPTEMBER 2021 TO 31 DECEMBER 2022

1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of the Bursa Malaysia Securities Berhad. The principal place of business of the Company is located at Lot 4220, Persimpangan Jalan Batu Arang/Lebuhraya PLUS, 48000 Rawang, Selangor Darul Ehsan and registered office of the Company is located at E-10-4, Megan Avenue 1, 189, Jalan Tun Razak, 50400 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur, Malaysia.

The financial year end of the Company has been changed from 31 August to 31 December. Accordingly, the current financial statements are prepared on an 16-month basis from 1 September 2021 to 31 December 2022. As a result, the comparative figures are non-comparable.

The principal activity of the Company is an investment holding company. The principal activities of the subsidiary companies are disclosed in Note 8. There have been no significant changes in these activities during the financial period.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on

2. BASIS OF PREPARATION

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

The financial statements of the Company have been prepared under the historical cost basis except as otherwise disclosed in the accounting policies below.

2.1 Basis of measurement

The financial statements, which are presented in Ringgit Malaysia ("RM"), have been prepared under the historical cost except as disclosed in the accounting policies below.

2.2 Adoption of new and amended standards

The Group and the Company have adopted the following MFRS and Interpretations (collectively referred to as "MFRSs'), issued by the Malaysian Accounting Standards Board ("MASB") and effective for the financial periods beginning on or after 1 January 2021;

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2021

- Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform - Phase 2

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2022

- Amendments to MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2018-2020 Cycle)
- Amendments to MFRS 3, Reference to the Conceptual Framework, (Business Combinations)
- Amendments to MFRS 9, Financial Instruments (Annual Improvements to MFRS Standards 2018-2020 Cycle)
- MFRS 116, Property, Plant and Equipment – Proceeds Before Intended Use
- Amendments to MFRS 137, Onerous Contracts – Cost of Fulfilling a Contract
- Amendments to MFRS 141, Agriculture (Annual Improvements to MFRS Standards 2018-2020 Cycle)

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) did not have any material impact on the Group's and on the Company's financial statements.

2. BASIS OF PREPARATION (CONT'D)

2.3 Standards issued but not yet effective

The Group and the Company have not adopted the following standards that have been issued as at the reporting date but are not yet effective:

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2023

- MFRS 17, Insurance Contracts
- Amendments to MFRS 17, Insurance Contracts
- Amendments to MFRS 108, Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates
- Amendments to MFRS 101, Presentation of Financial Statements – Disclosures of Accounting Estimates
- Amendments to MFRS 112, Income Tax – Deferred Tax related to Assets and Liabilities arising from a Single Transaction

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2024

- Amendments to MFRS 16, Lease Liability in a Sale and Leaseback
- Amendments to MFRS 101, Non-current Liabilities with Covenants

MFRSs, Interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

- Amendments to MFRS 10 and MFRS 128, Consolidated Financial Statements and Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

2.4 Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which they operate ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Unless otherwise stated, the following accounting policies have been applied consistently to all the financial period/years presented in the financial statements of the Group and of the Company.

3.1 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. The financial statements of the subsidiaries and associates used in the preparation of the consolidated financial statements are prepared for the same reporting period as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Basis of consolidation (Cont'd)

(a) Subsidiaries and business combination

Subsidiaries are entities (including structure entities) over which the Group is exposed, or has rights, to variable returns from its involvement with the acquirees and has the ability to affect those returns through its power over the acquirees.

The financial statements of subsidiaries are included in the consolidated financial statements from the date the Group obtains control of the acquirees until the date the Group loses control of the acquirees.

The Group applies the acquisition method to account for business combinations from the acquisition date.

For a new acquisition, goodwill is initially measured at cost, being the excess of the following:

- the fair value of the consideration transferred, calculated as the sum of the acquisition date fair value of assets transferred (including contingent consideration), the liabilities incurred to former owners of the acquiree and the equity instruments issued by the Group. Any amounts that relate to pre-existing relationships or other arrangements before or during the negotiations for the business combination, that are not part of the exchange for the acquiree, will be excluded from the business combination accounting and be accounted for separately; plus
- the recognised amount of any non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date (the choice of measurement basis is made on an acquisition-by-acquisition basis); plus
- if the business combination is achieved in stages, the acquisition-date fair value of the previously held equity interest in the acquiree; less
- the net fair value of the identifiable assets acquired and the liabilities (including contingent liabilities) assumed at the acquisition date.

The accounting policy for goodwill is set out in Note 3.22 to the financial statements.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

If the business combination is achieved in stages, the Group remeasures the previously held equity interest in the acquiree to its acquisition-date fair value, and recognises the resulting gain or loss, if any, in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss or transferred directly to retained earnings on the same basis as would be required if the acquirer had disposed directly of the previously held equity interest.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the business combination occurs, the Group uses provisional fair value amounts for the items for which the accounting is incomplete. The provisional amounts are adjusted to reflect new information obtained about facts and circumstances that existed as of the acquisition date, including additional assets or liabilities identified in the measurement period. The measurement period for completion of the initial accounting ends as soon as the Group receives the information it was seeking about facts and circumstances or learns that more information is not obtainable, subject to the measurement period not exceeding one year from the acquisition date.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Basis of consolidation (Cont'd)

(a) Subsidiaries and business combination (Cont'd)

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the former subsidiary, any non-controlling interests and the other components of equity related to the former subsidiary from the consolidated statement of financial position. Any gain or loss arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the former subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an associate, a joint venture or a financial asset.

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The difference between the Group's share of net assets before and after the change, and the fair value of the consideration received or paid, is recognised directly in equity.

(b) Non-controlling interests

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company and are presented separately in the consolidated statements of financial position within equity.

Losses attributable to the non-controlling interests are allocated to the non-controlling interests even if the losses exceed the non-controlling interests.

(c) Associates

Associates are entities over which the Group has significant influence, but not control, to the financial and operating policies.

Investment in associates is accounted for in the consolidated financial statements using the equity method.

Under the equity method, the investment in associates is initially recognised at cost. The cost of investment includes transaction costs. Subsequently, the carrying amount is adjusted to recognise changes in the Group's share of net assets of the associate.

When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest including any long-term investments is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the associate.

When the Group ceases to have significant influence over an associate, any retained interest in the former associate at the date when significant influence is lost is measured at fair value and this amount is regarded as the initial carrying amount of a financial asset. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

When the Group's interest in an associate decrease but does not result in a loss of significant influence, any retained interest is not remeasured. Any gain or loss arising from the decrease in interest is recognised in profit or loss. Any gains or losses previously recognised in other comprehensive income are also reclassified proportionately to the profit or loss if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Basis of consolidation (Cont'd)

(d) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements.

Unrealised gains arising from transactions with equity-accounted associates are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

3.2 Separate financial statements

In the Company's statement of financial position, investment in subsidiaries and associates are measured at cost less any accumulated impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs. The policy for the recognition and measurement of impairment losses shall be applied on the same basis as would be required for impairment of non-financial assets as disclosed in Note 3.5 to the financial statements.

Contributions to subsidiaries are amounts for which the settlement is neither planned nor likely to occur in the foreseeable future is, in substance, considered as part of the Company's investment in the subsidiaries.

3.3 Foreign currency transactions and operations

(a) Translation of foreign currency transactions

Foreign currency transactions are translated to the respective functional currencies of the Group entities using the exchange rates prevailing at the transaction dates.

At the end of each reporting date, monetary items denominated in foreign currencies are retranslated at the exchange rates prevailing at the reporting date.

Non-monetary items denominated in foreign currencies that are measured at fair value are retranslated at the rates prevailing at the dates the fair values were determined. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated at the historical rates as at the dates of the initial transactions.

Foreign exchange differences arising on settlement or retranslation of monetary items are recognised in profit or loss except for monetary items that are designated as hedging instruments in either a cash flow hedge or a hedge of the Group's net investment of a foreign operation. When settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, exchange differences are recognised in profit or loss in the separate financial statements of the parent company or the individual financial statements of the foreign operation. In the consolidated financial statements, the exchange differences are considered to form part of a net investment in a foreign operation and are recognised initially in other comprehensive income until its disposal, at which time, the cumulative amount is reclassified to profit or loss.

The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Foreign currency transactions and operations (Cont'd)

(b) Translation of foreign operations

The assets and liabilities of foreign operations denominated in the functional currency different from the presentation currency, including goodwill and fair value adjustments arising on acquisition, are translated into the presentation currency at exchange rates prevailing at the reporting date. The income and expenses of foreign operations are translated at exchange rates at the dates of the transactions.

Exchange differences arising on the translation are recognised in other comprehensive income. However, if the foreign operation is a non-wholly owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests.

When a foreign operation is disposed of such that control, significant influence is lost, the cumulative amount in foreign exchange translation reserves related to that foreign operation is reclassified to profit or loss. For a partial disposal not involving loss of control of a subsidiary that includes a foreign operation, the proportionate share of cumulative amount in foreign exchange translation reserve is reattributed to non-controlling interests. For partial disposals of associates that do not result in the Group losing significant influence, the proportionate share of the cumulative amount in foreign exchange translation reserve is reclassified to profit or loss.

3.4 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Subsequent to initial recognition, property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.5 to the financial statements. When significant parts of property, plant and equipment are required to be replaced in intervals, the Company recognise such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Freehold land and buildings are measured at fair value, based on valuations by external independent valuers, less accumulated depreciation and any accumulated impairment recognised after the date of revaluation. Valuations are performed with sufficient regularity to ensure that the fair value of the freehold land and buildings do not differ materially from the carrying amount. Any accumulated depreciation as at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

A revaluation surplus is recognised in other comprehensive income and credited to the revaluation reserve. However, the increase shall be recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss. If an asset's carrying amount is decreased as a result of a revaluation, the decrease shall be recognised in profit or loss. However, the decrease shall be recognised in other comprehensive income to the extent of any credit balance existing in the revaluation reserve in respect of that asset.

The revaluation reserve is transferred to retained earnings as the assets are used. The amount of revaluation reserve transferred is the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 Property, plant and equipment (Cont'd)

Freehold land has an unlimited useful life and therefore is not depreciated. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Leasehold land	100 years
Buildings	50 years
Plant and machinery	5 - 20 years
Office equipment, computer equipment, furniture, fittings, renovation, factory upgrade and factory equipment	5 - 50 years
Motor vehicles	5 - 10 years

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual values, useful lives and depreciation methods are reviewed at the end of each reporting period and adjusted prospectively, if applicable.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognised in profit or loss.

3.5 Impairment of assets

(a) Impairment of financial assets and contract assets

Financial assets measured at amortised cost, lease receivables, contract assets, and financial guarantee contracts will be subject to the impairment requirement in MFRS 9 *Financial Instruments* which is related to the accounting for expected credit losses on the financial assets. Expected credit losses are the weighted average of credit losses with the respective risks of a default occurring as the weights.

The Group and the Company measure loss allowance at an amount equal to lifetime expected credit loss, except for the following, which are measured as 12-month expected credit loss:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

For trade receivables and contract assets, the Company applies the simplified approach permitted by MFRS 9 to measure the loss allowance at an amount equal to lifetime expected credit losses.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Group and the Company assume that the credit risk on a financial asset has increased significantly if it is more than 90 days past due.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.5 Impairment of assets (Cont'd)

(a) Impairment of financial assets and contract assets (Cont'd)

The Group and the Company consider a financial asset to be in default when:

- the borrower is unable to pay its credit obligations to the Company in full, without taking into account any credit enhancements held by the Company; or
- the contractual payment of the financial asset is more than 90 days past due unless the Company have reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of lifetime expected credit losses that represent the expected credit losses that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company are exposed to credit risk.

Expected credit losses are a probability-weighted estimate of credit losses (i.e. the present value of all cash shortfalls) over the expected life of the financial instrument. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

Expected credit losses are discounted at the effective interest rate of the financial assets.

At each reporting date, the Group and the Company assess whether financial assets carried at amortised cost is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired include observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default of past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
- the disappearance of an active market for that financial asset because of financial difficulties; or the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

The amount of expected credit losses (or reversal) shall be recognised in profit or loss, as an impairment gain or loss.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determine that the debtor does not have assets or source of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedure for recovery of amounts due.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.5 Impairment of assets (Cont'd)

(b) Impairment of non-financial assets

The carrying amounts of non-financial assets (except for inventories, contract assets and deferred tax assets) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the Company make an estimate of the asset's recoverable amount.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of non-financial assets or cash-generating units ("CGUs"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to a CGU or a group of CGUs that are expected to benefit from the synergies of business combination.

The recoverable amount of an asset or a CGU is the higher of its fair value less costs of disposal and its 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 or CGU. In determining the fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Where the carrying amount of an asset exceed its recoverable amount, the carrying amount of asset is reduced to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss, except for assets that were previously revalued with the revaluation surplus recognised in other comprehensive income. In the latter case, the impairment is recognised in other comprehensive income up to the amount of any previous revaluation.

Impairment losses in respect of goodwill are not reversed. For other assets, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. An impairment loss is reversed only if there has been a change in the estimates used to determine the assets recoverable amount since the last impairment loss was recognised. Reversal of impairment loss is restricted by the asset's carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

3.6 Financial instruments

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

Except for the trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the financial instruments are recognised initially at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset and financial liability. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under MFRS 15.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.6 Financial instruments (Cont'd)

An embedded derivative is recognised separately from the host contract and accounted for as a derivative if, and only if, it is not closely related to the economic characteristics and risks of the host contract; it is a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured as fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with the policy applicable to the nature of the host contract.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

(a) Subsequent measurement

The Group and the Company categorise the financial instruments as follows:

(i) Financial assets

For the purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost
- Financial assets at fair value through other comprehensive income with recycling of cumulative gains and losses upon derecognition
- Financial assets designated at fair value through other comprehensive income with no recycling of cumulative gains and losses upon derecognition
- Financial assets at fair value through profit or loss

The classification depends on the entity's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

The Group and the Company reclassify financial assets when and only when their business models for managing those assets change.

<u>Debt instruments</u>

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classify their debt instruments:

- **Amortised cost**

  Financial assets that are held for collection of contractual cash flows and those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. The policy for the recognition and measurement of impairment is in accordance with Note 3.5 to the financial statements. Gains and losses are recognised in profit or loss when the financial asset is derecognised, modified or impaired.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.6 Financial instruments (Cont'd)

(a) Subsequent measurement (Cont'd)

The Group and the Company categorise the financial instruments as follows: (Cont'd)

(i) Financial assets (Cont'd)

Debt instruments (Cont'd)

- **Fair value through other comprehensive income ("FVOCI")**

  Financial assets that are held for collection of contractual cash flows and for selling the financial assets, and the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. For debt instruments at FVOCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. The policy for the recognition and measurement of impairment is in accordance with Note 3.5 to the financial statements. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to profit or loss. The Company have not designated any financial asset as financial assets at FVOCI.

  Financial assets at FVPL include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at FVOCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

  Financial assets at fair value through profit or loss are carried in the statements of financial position at fair value with net changes in fair value recognised in the profit or loss.

Equity instruments

Upon initial recognition, the Group and the Company can make an irrevocable election to classify its equity investments that is not held for trading as equity instruments designated at FVOCI. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are not recycled to profit or loss. Dividends are recognised as other income in the profit or loss when the right of payment has been established, except when the Company benefit from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity instruments designated at FVOCI are not subject to impairment assessment. The Company have not designated any equity instruments designated as FVOCI.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.6 Financial instruments (Cont'd)

(a) Subsequent measurement (Cont'd)

The Company categorise the financial instruments as follows: (Cont'd)

(ii) Financial liabilities

The Group and the Company classify their financial liabilities in the following measurement categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading, including derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument) or financial liabilities designated into this category upon initial recognition.

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value with the gain or loss recognised in profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in MFRS 9 *Financial Instruments* are satisfied. The Group and the Company have not designated any financial liability as at fair value through profit or loss.

Financial liabilities at amortised cost

Subsequent to initial recognition, other financial liabilities are measured at amortised cost using effective interest method. Gains and losses are recognised in profit or loss when the financial liabilities are derecognised and through the amortisation process.

(b) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, the liability is measured at the higher of the amount of the loss allowance determined in accordance with Section 5.5 of MFRS 9 and the amount initially recognised, when appropriate, the cumulative amount of income recognised in accordance with the principles of MFRS 15.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.6 Financial instruments (Cont'd)

(c) Derecognition

A financial asset or a part of it is derecognised when, and only when:

(i) the contractual rights to receive the cash flows from the financial asset expire; or
(ii) the Company have transferred their rights to receive cash flows from the asset or have assumed an obligation to pay the received cash flows in full without material delay to a third party; and either (a) the Company have transferred substantially all the risks and rewards of the asset, or (b) the Company have neither transferred nor retained substantially all the risks and rewards of the asset, but have transferred control of the asset.

The Group and the Company evaluate if, and to what extent, they have retained the risks and rewards of ownership. When they have neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continue to recognise the transferred asset to the extent of their continuing involvement. In that case, the Company also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company have retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

On derecognition of a financial asset, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expired. On derecognition of a financial liability, the difference between the carrying amount and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(d) Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is presented in the statements of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

In accounting for a transfer of a financial asset that does not qualify for derecognition, the entity shall not offset the transferred asset and the associated liability.

3.7 Cash and cash equivalents

For the purpose of the statements of cash flows, cash and cash equivalents comprise cash in hand, bank balances and deposits and other short-term, highly liquid investments with a maturity of three months or less, that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.8 Contract assets/liabilities

Contract asset is the right to consideration for goods or services transferred to the customers when that right is conditioned on something other than the passage of time (for example, the Company's future performance).

The policy for the recognition and measurement of impairment losses is in accordance with Note 3.5 to the financial statements.

Contract liability is the obligation to transfer goods or services to customer for which the Company has received the consideration or has billed the customer.

3.9 Inventories

Inventories are measured at the lower of cost and net realisable value.

Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

- raw materials: purchase costs on a first-in first-out basis.
- finished goods and work-in-progress: costs of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. These costs are assigned on a weighted average cost basis.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

3.10 Provisions

Provisions are recognised when the Group and the Company have a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

If the effect of the time value of money is material, provisions that are determined based on the expected future cash flows to settle the obligation are discounted using a current pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provisions due to passage of time is recognised as finance costs.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed.

3.11 Leases

(a) Definition of lease

At inception of a contract, the Group and the Company assess whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group and the Company assess whether:

- the contract involves the use of an identified asset;
- the Group and the Company have the right to obtain substantially all the economic benefits from use of the asset throughout the period of use; and
- the Group and the Company have the right to direct the use of the asset.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.11 Leases (Cont'd)

(b) Lessee accounting

At the lease commencement date, the Group and the Company recognise a right-of-use asset and a lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets.

The Group and the Company present right-of-use assets and lease liabilities as separate lines in the statements of financial position.

Right-of-use asset

The right-of-use asset is initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently measured at cost less accumulated depreciation and any accumulated impairment losses and adjust for any remeasurement of the lease liabilities. The right-of-use asset is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The depreciation starts from the commencement date of the underlying asset. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.5 to the financial statements.

Long term leasehold land is measured at fair value, based on valuations by external independent valuers, less accumulated depreciation and any accumulated impairment recognised after the date of revaluation. Valuations are performed with sufficient regularity to ensure that the fair value of the long term leasehold land does not differ materially from the carrying amount. Any accumulated depreciation as at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group and the Company use their incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- the exercise price of a purchase option, if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability and by reducing the carrying amount to reflect the lease payments made.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.11 Leases (Cont'd)

(b) Lessee accounting (Cont'd)

Lease liability (Cont'd)

The Group and the Company remeasure the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The Group and the Company have elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

Short-term leases and leases of low value assets

The Group and the Company have elected not to recognise right-of-use assets and lease liabilities for short-term leases and leases of low value assets. The Group and the Company recognise the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

(c) Lessor accounting

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. All other leases that do not meet this criterion are classified as operating leases.

When the Group and the Company are intermediate lessors, they account for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease. If a head lease is a short-term lease to which the Group applies the exemption described in Note 3.11(b), then it classifies the sub-lease as an operating lease.

If an entity in the Group is a lessor in a finance lease, it derecognises the underlying asset and recognises a lease receivable at an amount equal to the net investment in the lease. Finance income is recognised in profit or loss based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the finance lease.

If an entity in the Group is a lessor in an operating lease, the underlying asset is not derecognised but is presented in the statements of financial position according to the nature of the asset. Lease income from operating leases is recognised in profit or loss on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished.

When a contract includes lease and non-lease components, the Group and the Company apply MFRS 15 *Revenue from Contracts with Customers* to allocate the consideration under the contract to each component.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.12 Share capital

(a) Ordinary shares

Ordinary shares are equity instruments. An equity instrument is a contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

(b) Treasury shares

When share capital recognised as equity is repurchased, the amount of consideration paid is recognised directly in equity. Repurchased shares that have not been cancelled including any attributable transaction costs are classified as treasury shares and presented as a deduction from total equity.

When treasury shares are sold or reissued subsequently, the difference between the sales consideration and the carrying amount is presented as a movement in equity.

3.13 Borrowing costs

Borrowing costs are interests and other costs that the Group and the Company incur in connection with borrowing of funds.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

The Group and the Company begin capitalising borrowing costs when the Group and the Company have incurred the expenditures for the asset, incurred related borrowing costs and undertaken activities that are necessary to prepare the asset for its intended use or sale.

3.14 Earnings per share

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

3.15 Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The management of the Group, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the chief operating decision maker that makes strategic decisions.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.16 Fair value measurements

Fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For a non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Group and the Company use observable market data as far as possible. Fair value is categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group and the Company can access at the measurement date.
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3: Unobservable inputs for the asset or liability.

There were no transfers between levels of the fair value hierarchy during the financial period.

3.17 Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group and of the Company.

Contingent liability is also referred as a present obligation that arises from past events but is not recognised because:

(a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
(b) the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities and assets are not recognised in the statements of financial position.

3.18 Revenue and other income

The Group and the Company recognised revenue that depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Group and the Company expect to be entitled in exchange for those goods or services.

Revenue recognition of the Group and of the Company are applied for each contract with a customer or a combination of contracts with the same customer (or related parties of the customer).

The Group and the Company measure revenue from sale of good or service at its transaction price, being the amount of consideration to which the Group and the Company expect to be entitled in exchange for transferring promised good or service to a customer, excluding amounts collected on behalf of third parties such as goods and service tax, adjusted for the effects of any variable consideration, constraining estimates of variable consideration, significant financing components, non-cash consideration and consideration payable to customer. If the transaction price includes variable consideration, the Group and the Company use the expected value method by estimating the sum of probability-weighted amounts in a range or possible consideration amounts, or the most likely outcome method, depending on which method the Group and the Company expect to better predict the amount of consideration to which it is entitled.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.18 Revenue and other income (Cont'd)

(i) Construction contracts

Revenue is recognised over time, if a customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs.

Revenue is recognised using an input method to measure progress towards complete satisfaction of the services.

(ii) Sale of goods

The Group measures revenue from sale of good at its transaction price, being the amount of consideration to which the Group expects to be entitled in exchange for transferring promised good or service to a customer, excluding amounts collected on behalf of third parties such as sales and service tax, adjusted for the effects of any variable consideration.

Revenue from sale of goods are recognised at a point in time when control of the products has been transferred, being when the customer accepts the delivery of the goods.

Sales are made with a credit term range of 30 to 90 days, which is consistent with market practice, therefore, no element of financing is deemed present. A receivable is recognised when the customer accepts the delivery of the goods as the consideration is unconditional other than the passage of time before the payment is due.

Revenue is recognised based on the price specified in the contract.

(iii) Renewable energy income

Energy fee derived from the conversion electricity of renewable energy resources is recognised as revenue upon actual delivery of such converted energy.

(iv) Contract balances arising from revenue recognition

Contract assets are the right to consideration in exchange for goods or services transferred to customers. If goods or services are transferred to customers before the customers pay consideration that is conditional. Trade receivables represent the entity's right to an amount of consideration that is un conditional.

Contract liabilities are the the obligation to transfer goods or services to customers for which the entity has received consideration (or an amount of consideration is due) from the customers. If the customers, contract liabilities are recognised when the payment is made or the payment is due (whichever is earlier).

(v) Other income is recognised as follows:

Interest income is recognised using the effective interest method.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.19 Income tax

Income tax expense in profit or loss comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

(a) Current tax

Current tax is the expected taxes payable or receivable on the taxable income or loss for the financial year, using the tax rates that have been enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

(b) Deferred tax

Deferred tax is recognised using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts in the statements of financial position. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences, unutilised tax losses and unused tax credits, to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax is not recognised if the temporary differences arise from the initial recognition of assets and liabilities in a transaction which is not a business combination and that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, except where the Group is able to control the reversal timing of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if 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 on the same taxable entity, or on different tax entities, but they intend to settle their income tax recoverable and income tax payable on a net basis or their tax assets and liabilities will be realised simultaneously.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.20 Employee benefits

(a) Short-term employee benefits

Short-term employee benefit obligations in respect of wages, salaries, social security contributions, annual bonuses, paid annual leave, sick leave and non-monetary benefits are recognised as an expense in the financial period where the employees have rendered their services to the Company.

(b) Defined contribution plans

As required by law, the Company contribute to the Employees Provident Fund ("EPF"), the national defined contribution plan. Such contributions are recognised as an expense in the profit or loss in the period in which the employees render their services.

(c) Employee share option plans

Employees of the Group and of the Company receive remuneration in the form of share options as consideration for services rendered. The cost of these equity-settled transactions with employees is measured by reference to the fair value of the options at the date on which the options are granted. This cost is recognised in profit or loss, with a corresponding increase in the employee share option reserve over the vesting period. The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's and the Company's best estimate of the number of options that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in cumulative expense recognised at the beginning and end of that period.

No expense is recognised for options that do not ultimately vest, except for options where vesting is conditional upon a market or non-vesting condition, which are treated as vested irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied. The employee share option reserve is transferred to retained earnings upon expiry of the share options. When the options are exercised, the employee share option reserve is transferred to share capital if new shares are issued, or to treasury shares if the options are satisfied by the reissuance of treasury shares.

3.21 Goodwill

Goodwill arising from business combinations is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. After initially recognition, goodwill is measured at cost less any accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.5 to the financial statements.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with MFRSs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of the revenue and expenses during the reporting period. It also requires directors to exercise their judgement in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgement are based on the directors' best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity that have the most significant effect on the Group's and the Company's financial statements, or areas where assumptions and estimates that have a significant risk of resulting in a material adjustment to the Group's and the Company's financial statements within the next financial year are disclosed as follows:

(a) Classifications of joint venture (Note 10)

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

(b) Classification of other investment (Note 11)

The Group holds 25% equity interest in Hongze Steel Tube Co., Ltd ("Hongze"). The Group has no power to participate in the financial and operating policies of Hongze. On this basis, the Group concludes that it does not has significant influence over Hongze and thus recognized as other investment.

(c) Provision

As mentioned in Note 28, as a result of the demand made by the relevant authority against BSL Electronics & Technologies Sdn. Bhd. *(formerly known as Crestronics (M) Sdn. Bhd.) ("BSLET")*, a wholly owned subsidiary company, for the payment of unpaid sales tax and import duty, the Group made a provision of RM11,331,511 (31.8.2021: RM200,000). The provision was made based on directors' best judgement and estimates based on information currently available and the advice of a consultant. As the amount of the claim is still subject to appeal, the amount of the claim that may ultimately be payable may differ from the provision made and the difference may be material.

<u>Key sources of estimation uncertainty</u>

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

Determining the loss allowance for trade receivables and contract assets

Management assesses the ECL of trade receivables and contract assets at each reporting date. Credit losses are the difference between the contractual cash flows that are due to the entity and the cash flows that it actually expects to receive.

In determining the ECL, management assesses whether there has been any significant increase in credit risk since initial recognition of a receivable. Where there has not been a significant increase in credit risk since initial recognition, management determines the loss allowance by estimating an amount equal to 12-month ECL of that receivable. For those credit exposures for which there has been a significant increase in the likelihood or risk of a default occurring since initial recognition (instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring), management measures a loss allowance for credit losses expected over the remaining life of that receivable.

The ECL on trade receivables as at the current reporting date is primarily based upon the historical credit loss experience. The carrying amount of trade receivables and contract assets are disclosed in Notes 13 and 14 respectively.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONT'D)

Key sources of estimation uncertainty (Cont'd)

Determining the loss allowance for non-trade receivables

Management assesses the ECL of receivables (other than trade receivables and contract assets) at each reporting date. Credit losses are the difference between the contractual cash flows that are due to the entity and the cash flows that it actually expects to receive. In determining the ECL, management assesses whether there has been any significant increase in credit risk since initial recognition of a receivable. Where there has not been a significant increase in credit risk since initial recognition, management determines the loss allowance by estimating an amount equal to 12-month ECL of that receivable. For those credit exposures for which there has been a significant increase in the likelihood or risk of a default occurring since initial recognition (instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring), management measures a loss allowance for credit losses expected over the remaining life of that receivable. Management exercise considerable judgement in these estimations, using historical credit loss experience as well as reasonable and supportable information that may include forecasts of future economic conditions when estimating the ECL. The carrying amount of other receivables is disclosed in Note 15.

Depreciation of property, plant and equipment

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

The carrying amount of the Group's and the Company's property, plant and equipment at the end of the reporting period is disclosed in Note 5.

Impairment of assets

Determining whether assets are impaired requires an estimation of the recoverable amounts of the assets. As of 31 December 2022, the Group and the Company recognised accumulated impairment losses in respect of the following:

	Group		Company	
	1.9.2021 to 31.12.2022 RM	1.9.2020 to 31.8.2021 RM	1.9.2021 to 31.12.2022 RM	1.9.2020 to 31.8.2021 RM
Property, plant and equipment	2,874,978	2,874,978	–	–
Investment in joint venture	4,689,586	4,689,586	–	–
Investment in subsidiary companies	–	–	21,486,262	21,596,262

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

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

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

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONT'D)

Key sources of estimation uncertainty (Cont'd)

Fair value of other investments

Where fair values of financial instruments recorded on the statements of financial position cannot be derived from active markets, they are determined using valuation techniques, including the justified price to book method. The inputs to these models are derived from observable market data where possible, but where this is not feasible, a degree of judgement is required in establishing the fair values. The judgements include considerations of liquidity and model inputs regarding the future financial performance of the investee, the risk profile and economic assumptions regarding the industry and geographical jurisdiction in which the investee operates. Changes in assumptions about these factors could affect the reported fair value of financial instruments. The carrying amount of other investments is disclosed in Note 11.

Contingent liabilities

Contingent liabilities is based on management's view of the expected outcome of the contingencies, and if necessary, after consulting legal counsel and internal and external experts of the Group for matters in the ordinary course of business. Details of contingent liabilities are disclosed in Note 40.

Fair value of property, plant and equipment

The Group measures its freehold land, leasehold land and buildings at revaluated amounts with any change in revaluation amount recognised in the revaluation reserve account. Significant judgement is required in the determination of revaluation amount which may be derived based on different valuation methods. The Group engages an independent professional valuer to determine the revaluation amount on an open market value basis using comparison method. Information regarding the valuation techniques and inputs used in determining the revaluation is disclosed in Note 5.

Impairment loss and write down of inventories

Inventories are stated at the lower of cost and net realisable value. The Group estimates the net realisable value of inventories based on an assessment of expected selling prices. Inventories are reviewed on a regular basis and the Group will make a provision for excess or obsolete inventories based primarily on historical trends and management estimates of expected and future product demand and related pricing. Demand levels, technological advances and pricing competition could change from time to time. If such factors result in an adverse effect on the Group's products, the Group might be required to reduce the value of its inventories and additional impairment losses for slow moving inventories may be required. The carrying amount of the Group's inventories is disclosed in Note 12.

Lease liabilities

Management estimates the lease term as the non-cancellable period of a lease together with both periods covered by an option to extend the lease and an option to terminate the lease. In assessing whether it is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, management exercises judgement by considering all relevant facts and circumstances that create an economic incentive to exercise the option to extend the lease, or not to exercise the option to terminate the lease.

Management measures the lease liability as the present value of the lease payments that are not paid at commencement date. The lease payments are discounted using the incremental borrowing rate.

The lease terms and discount rate are determined using certain assumptions and they represent management's best estimation. The assumptions on which it is based relate to the future. Actual outcome may be different from the estimation and the variation could be material.

The carrying amount of lease liabilities is disclosed in Note 23.

Measurement of income taxes

Significant judgement is required in determining the Company's provision for current and deferred taxes because the ultimate tax liability for the Company is uncertain. When the final outcome of the taxes payable is determined with the tax authorities, the amount might be different from the initial estimates of the taxes payable. Such differences may impact the current and deferred taxes in the financial period when such determination is made. The Company will adjust for the differences as over- or under- provision of current or deferred taxes in the current financial period in which those differences arise.

5. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land RM	Leasehold land RM	Freehold buildings RM	Plant and machinery RM	Office equipment, computer equipment, furniture, fittings, renovation, factory upgrade and factory equipment RM	Motor vehicles RM	Total RM
Cost/Valuation							
At 1 September 2020	35,000,000	3,900,000	35,000,000	84,994,292	8,797,550	4,763,101	172,454,943
Addition	–	–	–	1,723,168	420,526	207,113	2,350,807
Disposal	–	–	–	(943,421)	–	(258,921)	(1,202,342)
Written off	–	–	–	(5,795,336)	(1,566,704)	–	(7,362,040)
Revaluation surplus/(deficit)	9,100,000	120,505	(6,926,240)	–	–	–	2,294,265
Adjustment on revaluation	–	(120,505)	(2,173,760)	–	–	–	(2,294,265)
At 31 August 2021 and 1 September 2021	44,100,000	3,900,000	25,900,000	79,978,703	7,651,372	4,711,293	166,241,368
Addition	–	–	–	2,147,906	2,705,539	1,070,227	5,923,671
Disposal	–	–	–	(5,139,246)	(180,590)	(1,379,486)	(6,699,321)
Written off	–	–	–	(215,900)	(543,420)	-	(759,320)
At 31 December 2022	44,100,000	3,900,000	25,900,000	76,771,463	9,632,901	4,402,034	164,706,398

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

Group	Freehold land RM	Leasehold land RM	Freehold buildings RM	Plant and machinery RM	Office equipment, computer equipment, furniture, fittings, renovation, factory upgrade and factory equipment RM	Motor vehicles RM	Total RM
Cost/Valuation							
Accumulated depreciation							
At 1 September 2020	–	87,640	1,580,916	66,436,126	6,270,386	3,865,782	78,240,850
Charges for the financial year	–	45,174	747,484	2,167,696	490,632	360,386	3,811,372
Disposals	–	–	–	(943,419)	–	(258,920)	(1,202,339)
Written off	–	–	–	(4,787,765)	(1,566,704)	–	(6,354,469)
Adjustment on revaluation	–	(120,505)	(2,173,760)	–	–	–	(2,294,265)
At 31 August 2021/ 1 September 2021	–	12,309	154,640	62,872,638	5,194,314	3,967,248	72,201,149
Charges for the financial period	–	58,427	882,046	2,851,195	689,417	426,397	4,907,483
Disposals	–	–	–	(5,132,210)	(66,090)	(1,374,148)	(6,572,447)
Acquisition of subsidiary	–	–	–	–	178,808	224,117	402,925
Written off	–	–	–	(129,167)	(485,013)	–	(614,181)
At 31 December 2022	–	70,736	1,036,686	60,462,456	5,511,437	3,243,613	70,324,928

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

Group	Freehold land RM	Leasehold land RM	Freehold buildings RM	Plant and machinery RM	Office equipment, computer equipment, furniture, fittings, renovation, factory upgrade and factory equipment RM	Motor vehicles RM	Total RM
Accumulated impairment losses							
At 1 September 2020	–	–	–	3,882,549	–	–	3,882,549
Written off	–	–	–	(1,007,571)	–	–	(1,007,571)
At 31 August 2021 1 September 2021 and 31 December 2022	–	–	–	2,874,978	–	–	2,874,978
Net carrying amount							
At 31 August 2021	44,100,000	3,887,691	25,745,360	14,231,087	2,457,058	744,045	91,165,241
At 31 December 2022	44,100,000	3,829,264	24,863,314	13,434,028	4,121,465	1,158,421	91,506,491

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

Company	Office equipment, computer equipment, furniture, fittings, renovation RM	Total RM
Cost		
At 1 September 2020, 31 August 2021 and 1 September 2021	–	–
Addition	710,573	710,573
At 31 December 2022	710,573	710,573
Accumulated depreciation		
At 1 September 2020, 31 August 2021 and 1 September 2021	–	–
Charges for the financial period	79,983	79,983
At 31 December 2022	79,983	79,983
Net carrying amount		
At 31 August 2021	–	–
At 31 December 2022	630,590	630,590

The leasehold land, freehold land and buildings have been revalued as at 31 May 2021 based on valuations performed by accredited independent valuer. The valuations are based on the comparison method whereby the value attributable to the properties is obtained by comparison to values realised for properties similar in nature, with particular reference to location, accessibility, land area, built-up area, category of land use, terrain, land shape, nature of land and building type, building condition and improvements made, which is categorised as Level 2 in the fair value hierarchy. Adjustments are made for the differences between the properties being compared. If the freehold land, leasehold land and buildings were measured using the cost model, the carrying amounts would be:

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

	Group	
	31.12.2022 RM	**31.8.2021 RM**
Freehold land:		
- Cost/Net carrying amount	8,200,000	8,200,000
Leasehold land:		
- Cost	3,633,020	3,633,020
- Accumulated depreciation	(375,668)	(337,426)
Net carrying amount	3,257,352	3,295,594
Buildings:		
- Cost	27,676,866	27,676,866
- Accumulated depreciation	(5,882,531)	(5,350,865)
Net carrying amount	21,794,335	22,326,001

(a) Included in property, plant and equipment of the Group are the following assets required under hire purchase arrangements:

	Group	
	31.12.2022 RM	**31.8.2021 RM**
Net carrying amount:		
- Plant and machinery	3,375,212	4,365,149
- Motor vehicles	344,230	363,094
	3,719,442	4,728,243

(b) As at end of financial period/year, the following property, plant and equipment are charged to licensed banks as securities for term loans and other credit facilities, as mentioned in Notes 24 and 29, granted to the Group:

	Group	
	31.12.2022 RM	**31.8.2021 RM**
At net carrying amount:		
- Freehold land	44,100,000	44,100,000
- Leasehold land	3,829,264	3,887,691
- Buildings	24,863,314	25,745,360
- Plant and machinery	3,375,212	5,662,013
	76,167,790	79,395,064

6. RIGHT-OF-USE ASSETS

The Group as a Lessee

	Building RM	Total RM
Group		
Cost, unless otherwise stated:		
At 1 September 2020	1,053,164	1,053,164
Additions	244,777	244,777
At 31 August 2021 and 1 September 2021	1,297,941	1,297,941
Additions	3,024,549	3,024,549
Written off	(109,512)	(109,512)
At 31 December 2022	4,212,978	4,212,978
Accumulated depreciation, unless otherwise stated:		
At 1 September 2020	52,397	52,397
Depreciation charge for the financial year	165,799	165,799
At 31 August 2021 and 1 September 2021	218,196	218,196
Depreciation charge for the financial period	666,421	666,421
At 31 December 2022	884,617	884,617
Net carrying amount		
At 31 August 2021	1,079,745	1,079,745
At 31 December 2022	3,328,361	3,328,361

The leases of buildings are typically made for periods of 2 to 22 years. The lessors do not impose any covenants.

The lease payments associated with short-term leases or leases of low-value assets are recognised as an expense on a straight-line basis over the lease term. No right-of-use assets and lease liabilities are recognised for these leases. At the reporting date, the Group committed to RM215,945 (31.8.2021: RM212,960) for the short-term leases.

Total cash outflows for the Group for leases during the current financial period including (fixed, short-term and low-value assets lease payments) amounted to RM1,498,292 (31.8.2021: RM417,760).

7. GOODWILL

	Group	
	31.12.2022 RM	31.8.2021 RM
Goodwill arising on acquisition of subsidiary		
At beginning of financial period	–	–
Additional	2,925,074	–
At end of financial period	2,925,074	–

7. GOODWILL (CONT'D)

The recoverable amount of CGUs has been determined based on value-in-use calculations using cash flows projection from financial budgets and forecasts approved by management covering a five year period.

The key assumptions used for value-in-use calculations are:

	31.8.2021
Gross margin	
Manufacturing	5% - 8%
Gross rate	
Manufacturing	64% - 66%

8. INVESTMENT IN SUBSIDIARY COMPANIES

	Company	
	31.12.2022 RM	**31.8.2021 RM**
Unquoted shares at cost	78,574,490	72,425,092
Less: Accumulated impairment losses	(21,486,262)	(21,596,262)
	57,088,228	50,828,830

Name of subsidiary companies	**Effective equity interest 2022 %**	**Effective equity interest 2021 %**	**Country of incorporation/ Principal place of business**	**Principal activities**
Direct subsidiary companies				
BSL Manufacturing Sdn. Bhd. (formerly known as Ban Seng Lee Industries Sdn. Bhd.)	100	100	Malaysia	Stamping and manufacturing of precision metal parts, fabrication of tools and dies and fabrication and forging of base metal components
BSL Electronics & Technologies Sdn. Bhd. (formerly known as Crestronics (M) Sdn. Bhd.) ("BSLET")	100	100	Malaysia	Printed circuit board assembly and assembly of all types of electronic and electrical components, devices and system
Unique Forging & Components Sdn. Bhd.	100	100	Malaysia	Investment holding
BSL (HK) Limited *	100	100	Hong Kong, People's Republic of China	Investment holding

8. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

Name of subsidiary companies	Effective equity interest 2022 %	2021 %	Country of incorporation/ Principal place of business	Principal activities
Direct subsidiary companies (cont'd)				
BSL Eco Energy Sdn. Bhd.	–	51	Malaysia	Photovoltaic (PV) solar energy solution provider
BSL Development Sdn. Bhd.	51	51	Malaysia	Property development and related trading activities
BSL Unify Pte. Ltd. * (formerly known as SD Unify Pte. Ltd.)	51	–	Singapore	Manufacture and repair of semiconductor foundry equipment
Indirect subsidiary companies				
Matahari Suria Sdn. Bhd. **	100	–	Malaysia	Generation of renewable energy
Suria Solar Tech Sdn. Bhd. *#	–	51	Malaysia	Dormant
BSL Unify (M) Sdn. Bhd. ***	100	–	Malaysia	Stamping and manufacturing of precision metal parts, fabrication of tools and ie and fabrication and forging of base metal components

* Audited by a firm of auditors other than ChengCo Plt.
** Held through Unique Forging & Components Sdn. Bhd.
*** Held through BSL Manufacturing Sdn. Bhd. (formerly known as Ban Seng Lee Industries Sdn. Bhd.)
\# Held through BSL Eco Energy Sdn. Bhd.

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

Name of subsidiary company	Proportion of ownership interest and voting right held by non-controlling interests 31.12.2022 %	31.8.2021 %	Profit /(Loss) allocated to non-controlling interests 31.12.2022 RM	31.8.2021 RM	Accumulated non-controlling interests 31.12.2022 RM	31.8.2021 RM
BSL Unify Pte. Ltd. (formerly known as SD Unify Pte. Ltd.)	49	–	20,602	–	2,714,886	–
Individually immaterial susbsidiary companies with non-controlling interests			24,915	(8,852)	1,728	(20,603)
			49,620	(358,767)	2,713,158	(461,376)

8. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

(a) Acquisition of subsidiary companies

BSL Unify Pte. Ltd. (formerly known as "SD Unify Pte Ltd")

On 28 June 2022, the Group acquisition of 51,000 ordinary shares in the share capital of BSL Unify Pte. Ltd. (formerly known as SD Unify Pte. Ltd.), representing 51% of the share capital of BSL Unify Pte. Ltd. (formerly known as SD Unify Pte. Ltd.) for a total cash consideration of SGD1,785,000 (approximately RM5,766,086) only has been completed, and that BSL Unify Pte. Ltd. (formerly known as SD Unify Pte. Ltd.) has become a subsidiary of BSL Corporation Berhad.

The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the acquisition date:

	28.6.2022 At date of acquisition RM
Property, plant and equipment	81,824
Right-of-use assets	238,444
Trade receivables	1,518,697
Inventories	1,421,887
Deposits and prepayments	166,285
Cash and cash equivalents	3,327,847
Trade payables	(541,951)
Accruals	(1,600)
Lease liability	(240,053)
Provision for taxation	(400,770)
Total identified assets acquired and liabilities assumed	5,570,610
Non-controlling interest	(2,729,598)
Goodwill arising from acquisistion	2,925,074
Purchase consideration settled in cash	5,766,086
Cash and cash equivalents acquired	3,327,847
Net cash inflows arising from acquisition of a subsidiary company	2,438,239

8. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

(b) Disposal of subsidiary company

On 12 November 2021, the Group entered into a Share Sale Agreement with Matahari Kencana Sdn. Bhd. for the disposal of 510,000 ordinary shares in BSL Eco Energy Sdn. Bhd. ("BSLE"), representing approximately 51% of the total issued and paid-up ordinary shares of BSLE, for a total consideration of RM400,000.

The identified assets and liabilities in relation to the above disposal are as follows:

	12.11.2021 At date of disposal RM
Property, plant and equipment	111,526
Inventories	182,984
Trade receivables	1,204,175
Contract assets	522,782
Other receivables, deposits and prepaid expenses	2,390,712
Tax recoverable	26,324
Short-term deposits with licensed banks	1,116,186
Cash and bank balances	244,910
Deferred tax liabilities	253,732
Trade payables	(668,888)
Other payables and accrued expenses	(2,258,104)
Bank borrowings	(1,602,000)
Amount due to customer on contract	(593,680)
Net Assets disposed of	930,659
Loss on disposal of a subsidiary company	(530,659)
Proceeds from disposal	400,000
Cash and bank balances	(244,910)
Short-term deposits with licensed banks	(1,116,186)
Net cash flow outflow from disposal	(961,096)
Loss attributable to	
- Owners of the Company	500,028
- Non-controlling interests	30,631
	530,659

8. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

(c) Material partly-owned subsidiary company

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

	31.12.2022 RM	31.8.2021 RM
BSL Unify Pte. Ltd. (formerly known as SD Unify Pte. Ltd.)		
Non-current assets	1,237,379	–
Current assets	6,173,095	–
Non-current liabilities	534,794	–
Current liabilities	1,335,097	–
Equity attributable to owners of the Company	5,540,583	–
Revenue	3,774,458	–
Profit for the financial period/year	42,045	–
Profit attributable to owners of the Company	21,443	–
Profit attributable to the non-controlling interests	20,602	–
Profit for the financial period/year	42,045	–
Total comprehensice income attributable to owner of the Company	21,443	–
Total comprehensice income attributable to the non-controlling interest	20,602	–
Total comprehensice income for the financial period/year	42,045	–
Net cash inflow from operating activities	1,614,282	–
Net cash outflow from investing activities	(424,943)	–
Net cash outflow from financing activities	(539,592)	–
Net cash inflow	649,746	–

9. INVESTMENT IN ASSOCIATE

	Group	
	31.12.2022 RM	31.8.2021 RM
Unquoted shares at cost	–	35
Share of post-acquisition losses	–	(35)
	–	–

9. INVESTMENT IN ASSOCIATE (CONT'D)

The details of the associate, which is incorporated and having its principal place of business in Malaysia, are as follows:

Name of company	Effective equity interest 31.12.2022 %	31.8.2021 %	Principal activity
BSL Bersepadu Sdn. Bhd.	17	17	Investment holding

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

10. INVESTMENT IN JOINT VENTURE

	Group 31.12.2022 RM	31.8.2021 RM
Unquoted shares at cost	4,502,444	4,502,444
Share of post-acquisition reserve	187,142	187,142
	4,689,586	4,689,586
Impairment loss recognised	(4,689,586)	(4,689,586)
	–	–

The Group's share of the current financial period's losses of joint venture has not been recognised in the Group's statement of profit or loss and other comprehensive income as equity accounting had ceased when the Group's share of losses of the joint venture exceeded the carrying amount of its investment in the joint venture.

The details of the joint venture company, which is incorporated and having its principal place of business in Hong Kong, are as follows:

Name of company	Effective equity interest 31.12.2022 %	31.8.2021 %	Principal activity
Petapak Holdings Ltd. ("PHL")	22.5	22.5	Investment holding

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

The income, expenses, assets and liabilities of the joint venture is not material to the Group.

10. INVESTMENT IN JOINT VENTURE (CONT'D)

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

	Group	
	31.12.2022 RM	**31.8.2021 RM**
Net assets of the joint venture	–	–
Goodwill	4,689,586	4,689,586
Carrying amount of the Group's interest in the joint venture	4,689,586	4,689,586
Impairment loss recognised	(4,689,586)	(4,689,586)
	–	–

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

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

As the directors deemed the recoverable amount is zero, a full impairment loss had been recognised in 2018.

11. OTHER INVESTMENTS

		Group		Company	
	Notes	**31.12.2022 RM**	**31.8.2021 RM**	**31.12.2022 RM**	**31.8.2021 RM**
Equity instruments designated at FVTOCI					
- Quoted shares	(a)	–	–	–	–
Equity instruments designated at FVTPL					
- Quoted shares	(b)	6,632,600	–	6,632,600	–
- Unquoted shares	(c)	5,797,500	5,797,500	–	–
- Less: fair value changes		(1,196,184)	–	–	–
		4,601,316	5,797,500	–	–
		11,233,916	5,797,500	6,632,600	-–

(a) As at the reporting, the market value of the quoted shares is at RM3,538,775 (31.8.2021: RM RM3,538,775).

The fair value of the quoted shares is Nil as the Group explored and deemed not possible in selling off the shares in the market.

11. OTHER INVESTMENTS (CON'TD)

(b) The quoted shares are stated at the market value and are Level 1 in the fair value hierarchy as these quoted shares are valued based on the observable market price as at the financial period ended.

(c) The Group holds 25% (31.8.2021: 25%) equity stake in Hongze.

The estimated fair value of the unquoted shares in Hongze is arrived at based on the directors' estimation at the fair values of the other investment. The above estimation is Level 3 in the fair value hierarchy as it is unobservable inputs.

12. INVENTORIES

	Group	
	31.12.2022 RM	**31.8.2021 RM**
Raw materials	9,911,186	14,528,649
Work-in-progress	1,724,484	3,590,539
Finished goods	3,972,518	4,488,489
	15,608,188	22,607,677

Cost of inventories recognised as expenses of the Group amounting to RM149,538,212 (31.8.2021: RM145,427,530).

The cost of inventories recognised as cost of sales in profit or loss includes RM5,204 (31.8.2021: RM 154,223) in respect of reversal of inventories write-downs to its net realisable value.

The cost of inventories recognised as cost of sales in profit or loss includes RM nil (31.8.2021: RM 78,501) in respect of inventories write-downs to its net realisable value.

The amount of inventories carried at net realisable value is RM nil (31.8.2021: RM19,260).

13. TRADE RECEIVABLES

	Group	
	31.12.2022 RM	**31.8.2021 RM**
Trade receivables	21,837,347	24,609,562
Less: Impariment loss for trade receivables	–	(378,479)
	21,837,347	24,231,083

Trade receivables

The Group's normal trade credit terms range within 30 to 90 days (31.8.2021: 30 to 90 days). Other credit terms are assessed and approved on a case-to-case basis.

13. TRADE RECEIVABLES (CONT'D)

The ageing analysis of the Group's trade receivables is as follows:

	Group	
	31.12.2022 RM	**31.8.2021 RM**
Neither past due nor impaired	12,006,340	18,689,303
1 to 30 days past due not impaired	4,332,328	4,058,059
31 to 60 days past due not impaired	2,487,805	369,228
61 to 90 days past due not impaired	1,389,416	28,461
91 to 120 days past due not impaired	593,529	6,309
More than 121 days past due not impaired	1,027,929	1,195,940
	9,831,007	5,657,997
Individually impaired	–	262,262
	21,837,347	24,609,562

<u>Receivables that are impaired</u>

The Group's trade receivables that are impaired at the reporting date and the reconciliation of movement for the impairment of trade receivables are as follows:

	Lifetime allowance RM	**Credit impaired RM**	**Loss allowance RM**
At 1 September 2020	–	761,463	761,463
Impairment loss recognised	116,217	–	116,217
Written-off	–	(265,557)	(265,557)
Reversal of impairment losses	–	(233,988)	(233,988)
Foreign exchange difference	–	344	344
At 31 August 2021 and 1 September 2021	116,217	262,262	378,479
Reversal of impairment losses	–	(262,262)	(262,262)
Disposal of subsidiary company	(116,217)	–	(116,217)
At 31 December 2022	–	–	–

The loss allowance account in respect of trade receivables is used to record loss allowance. Unless the Group is satisfied that recovery of the amount is possible, the amount considered irrecoverable is written off against the receivable directly.

14. CONTRACT ASSETS/(LIABILITIES)

	31.12.2022 RM	**31.8.2021 RM**
Group		
Contract assets relating to construction service contracts	–	522,782
Contract liabilities relating to construction service contracts	–	204,574

14. CONTRACT ASSETS/(LIABILITIES) (CONT'D)

(a) Significant changes in contract balances

	Contract assets increase/ (decrease)	Contract liabilities (increase)/ decrease	Contract assets increase/ (decrease)	Contract liabilities (increase)/ decrease
	31.12.2022		31.8.2021	
	RM	RM	RM	RM
Revenue recognised that was included in contract liability at the beginning of the financial period/year	–	–	3,935,201	–
Transfers from contract assets recognised at the beginning of the period/year to receivables	–	–	(3,465,985)	–
Advances received from customers	–	–	–	(72,574)

(b) Revenue recognised in relation to contract balances

	31.12.2022 RM	31.8.2021 RM
Revenue recognised that was included in contract liabilities at the beginning of the financial period/year	–	3,935,201

15. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	31.12.2022 RM	31.8.2021 RM	31.12.2022 RM	31.8.2021 RM
Other receivables	6,990,616	3,638,211	–	–
Redundable deposits	15,971,973	631,369	13,770,000	–
Goods and services tax recoverable	–	15,775	–	–
Prepayments	412,304	2,728,660	9,773	18,433
	23,374,894	7,014,015	13,779,773	18,433

16. AMOUNT OWING FROM/TO SUBSIDIARY COMPANIES

Amounts owing from/to subsidiary companies comprises of the following:

	Company	
	31.12.2022 RM	31.8.2021 RM
Amount owing from subsidiary companies		
- Non-trade related	55,182	1,879,666
Less: Loss allowance	(49,503)	(1,877,256)
	5,679	2,410
Amount owing to subsidiary companies		
- Non-trade related	16,693,832	–

The amounts owing from/to subsidiary companies arose mainly from advances granted which par interest ranged from 5% to 6% (31.8.2021: 5% to 6%) per annum and are unsecured and receivable/payable on demand.

17. SHORT-TERM DEPOSITS WITH LICENSED BANK

The short-term deposits of the Group bear interest at rates ranging from 1.80% to 2.50% (31.8.2021: 1.30% to 1.70%) per annum and have maturity period of 3 months (31.8.2021: 30 to 90 days).

Included in the short-term deposits with licensed banks are deposits amounting to RM575,672 (31.8.2021: RM563,183) pledged to a licensed bank as collateral for term loans granted to a subsidiary company as mentioned in Note 24.

18. CASH AND BANK BALANCES

	Group		Company	
	31.12.2022 RM	31.8.2021 RM	31.12.2022 RM	31.8.2021 RM
Cash and bank balances	11,502,207	14,098,543	393,388	219,333

For the purpose of the statements of cash flows, cash and cash equivalents comprise the following at the reporting date:

	Group		Company	
	31.12.2022 RM	31.8.2021 RM	31.12.2022 RM	31.8.2021 RM
Cash and bank balances	11,502,207	14,098,543	393,388	219,333
Short-term deposits with licensed banks	19,104,607	3,987,106	17,250,285	–
	30,606,814	18,085,649	17,643,673	219,333
Less: Pledged fixed deposits	(575,672)	(563,183)	–	–
	30,031,142	17,522,466	17,643,673	219,333

19. SHARE CAPITAL

	Group and Company			
	Number of ordinary shares		Amount	
	31.12.2022 Unit	31.8.2021 Unit	31.12.2022 RM	31.8.2021 RM
Issued and fully and fully paid	275,928,072	96,635,887	75,607,522	50,767,230
At the beginning of the financial period/year	96,635,887	96,635,887	50,767,230	50,767,230
Shares split	96,635,887	–	–	–
Shares issued during the financial period/year	82,656,298	–	24,840,292	-–
At the end of the financial period/year	275,928,072	96,635,887	75,607,522	50,767,230

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

(i) During the financial period, the Company undertook a share split involving the subdivision of every 1 existing ordinary share into 2 new ordinary shares which involved issuance of 96,635,887 additional ordinary shares.

(ii) During the financial period, the Company increase its share capital from RM50,767,230 to RM75,607,522 by way of:

Date	Pursuant to	Issue Price (RM)	Ordinary Shares (Unit)	RM
26.11.2021	Exercise of Warrant	0.5000	40,000	20,000
30.11.2021	Exercise of Warrant	0.5000	658,050	329,025
08.12.2021	Exercise of Warrant	0.5000	1,310,500	655,250
15.12.2021	Exercise of Warrant	0.5000	352,700	176,350
22.12.2021	Exercise of Warrant	0.5000	2,118,100	1,059,050
29.12.2021	Exercise of Warrant	0.5000	5,728,100	2,864,050
06.01.2022	Exercise of Warrant	0.5000	5,756,517	2,878,259
13.01.2022	Exercise of Warrant	0.5000	5,499,831	2,749,915
24.01.2022	Exercise of Warrant	0.5000	2,139,000	1,069,500
27.01.2022	Exercise of Warrant	0.5000	400,000	200,000
08.02.2022	Exercise of Warrant	0.5000	30,000	15,000
03.03.2022	Private Placement	0.2553	28,990,700	7,401,326
09.03.2022	Private Placement	0.2119	9,960,000	2,110,524
10.03.2022	Exercise of Warrant	0.5000	20,000	10,000
25.03.2022	Private Placement	0.1680	19,030,800	3,197,174
05.05.2022	ESOS	0.1686	622,000	104,869

Notes to the Financial Statements
for the financial period from 1 September 2021 to 31 December 2022
(Cont'd)

20. TREASURY SHARES

	Group and Company			
	Number of ordinary shares		Amount	
	31.12.2022 Unit	31.8.2021 Unit	31.12.2022 RM	31.8.2021 RM
Issued and fully and fully paid	2,728,226	1,364,113	459,316	459,316

During the financial period, the Company undertook a share split involving the subdivision of every 1 existing ordinary share into 2 new ordinary shares which involved issuance of 1,364,113 additional ordinary shares.

21. RESERVES

		Group		Company	
	Note	31.12.2022 RM	31.8.2021 RM	31.12.2022 RM	31.8.2021 RM
Non-distributable reserves:					
Foreign currency translation reserve	(i)	(977,012)	(1,128,556)	–	–
Fair value reserve	(ii)	(3,152,081)	(3,152,081)	–	–
Revaluation reserve	(iii)	35,148,737	35,166,053	–	–
		31,019,644	30,885,416	–	–
Distributable reserve:					
Retained earnings	(iv)	28,515,117	38,826,479	694,565	672,235
		59,534,761	69,711,895	694,565	672,235

(i) Foreign currency translation reserve

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

(ii) Fair value reserve

Fair value reserve arose from fair value changes in equity instruments designated at FVTOCI.

(iii) Revaluation reserve

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

(iv) Retained earnings

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

22. HIRE PURCHASE LIABILITIES

	Group	
	31.12.2022 RM	**31.8.2021 RM**
Present values of liabilities		
Current		
Not later than 1 year	1,046,870	1,512,897
Non-current		
Later than 1 year but not later 5 years	1,470,330	765,502
	1,470,330	765,502
	2,517,200	2,278,399
Future minimum lease payment		
Not later than 1 year	1,142,682	1,598,593
Later than 1 year but not later 5 years	1,697,575	797,434
	2,840,257	2,396,027
Lease: Future finance charges	(323,057)	(117,628)
	2,517,200	2,278,399

The term of the hire purchase liabilities is between 3 to 5 years and interest rates implicit in the hire purchase arrangements range from 5.83% to 8.21% (31.8.2021: 2.79% to 4.70%) per annum. The interest rates are fixed at the inception of the hire purchase arrangement.

23. LEASE LIABILITIES

	Group	
	31.12.2022 RM	**31.8.2021 RM**
Future minimum lease payment		
Not later than 1 year	1,197,423	218,200
Later than 1 year but not later 5 years	1,790,502	388,600
Later than 5 years	937,200	1,050,800
	3,925,125	1,657,600
Lease: Future finance charges	(515,946)	(532,421)
	3,409,179	1,125,179
Present values of liabilities		
Current		
Not later than 1 year	1,111,330	161,049
Non-current		
Later than 1 year but not later 5 years	1,594,566	964,130
Later than 5 years	703,284	–
	2,297,849	964,130
	3,409,179	1,125,179

The lease liabilities bear effective interest at rates ranging from 5.7% to 6.02% (31.8.2021: 5.7%) per annum.

24. TERM LOANS

	Group	
	31.12.2022	**31.8.2021**
	RM	**RM**
Present as:		
Current	8,232,387	1,672,692
Non-current	4,714,219	3,157,070
	12,946,606	4,829,762
Term loans		
Not later than 1 year	8,232,387	1,672,692
Later than 1 year but not later than 5 years	4,714,219	3,157,070
	12,946,606	4,829,762

The non-current portion of the term loans are repayable between 2 to 4 (31.8.2021: 2 to 4) years.

The Group has term loan facilities up to a combine limit RM18,304,391 (31.8.2021: RM16,230,533) obtained from licensed banks. The term loans of the Group bear interest at rates ranging from 4.00% to 5.07% (31.8.2021: 4.00% to 5.38%) per annum and the monthly repayment ranging from RM16,667 to RM966,667. The details of securities are as mentioned in Note 29.

25. DEFERRED TAX LIABILITIES

	Group		Company	
	31.12.2022	**31.8.2021**	**31.12.2022**	**31.8.2021**
	RM	**RM**	**RM**	**RM**
At 1 September	6,986,663	7,359,359	–	–
Recognised in profit or loss	(1,452,770)	350,681	16,103	–
Recognised in other comprehensive income	–	(723,377)	–	–
Disposal of subsidiary	253,732	–	–	–
At 31 December/31 August	5,787,625	6,986,663	16,103	–

25. DEFERRED TAX LIABILITIES (CONT'D)

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

	Group		Company	
	31.12.2022 RM	**31.8.2021 RM**	**31.12.2022 RM**	**31.8.2021 RM**
Tax effects of:				
- Excess of capital allowances claimed over accumulated depreciation on property, plant and equipment	3,952,776	4,983,257	16,103	–
- Unabsorbed capial allowances	(1,709,136)	(1,590,630)	–	–
- Unused tax losses	–	(207,212)	–	–
- Revaluation surplus on property, plant and equipment	4,054,611	4,552,775	–	–
- Leases	(14,823)	–	–	–
- Others	(495,803)	(751,527)	–	–
	5,787,625	6,986,663	16,103	–

26. TRADE PAYABLES

Trade payables comprise amounts outstanding for trade purchases and ongoing costs. The credit period granted to the Group on purchases of goods ranges from 30 to 90 days (31.8.2021: 30 to 90) days.

27. OTHER PAYABLES AND ACCRUALS

	Group		Company	
	31.12.2022 RM	**31.8.2021 RM**	**31.12.2022 RM**	**31.8.2021 RM**
Accrued expenses	1,809,647	4,604,160	144,269	92,079
Other payables	4,628,990	1,895,092	3,091,277	4,751
Interest payables	–	5,695	–	–
Sales and services tax payable	22,885	26,197	–	–
	6,461,522	6,531,144	3,235,546	96,830

28. PROVISION

	Group	
	31.12.2022	**31.8.2021**
	RM	**RM**
At the beginning of the period/year	200,000	200,000
Provision during the period/year	11,131,511	-
At the end of the period/year	11,331,511	200,000

The provision represents the demand made by the relevant authority against BSLET for the payment of unpaid sales tax and import duty, BSLET made a provision of RM11,131,511 (31.8.2021: RM200,000). The provision was made based on directors' best judgement and estimates based on information currently available and the advice of a consultant. As the amount of the claim is still subject to appeal, the amount of the claim that may ultimately be payable may differ from the provision made and the difference may be material.

29. BANK BORROWINGS

The bank borrowings represent the bankers' acceptance. This bank facility bears interest rate at 3.81% (31.8.2021: 3.55%) per annum.

In addition to the term loan facilities as mentioned in Note 24 as well as the bankers' acceptance of the Group are secured by way of:

(i) Fixed and floating charges over certain property, plant and equipment of a subsidiary company as mentioned in Note 5; and
(ii) Corporate guarantee by the Company.

30. REVENUE

	Group	
	1.9.2021 to 31.12.2022	**1.9.2020 to 31.8.2021**
	RM	**RM**
Revenue from contracts with customers		
(i) Recognised over time:		
- construction contract revenue	994,844	3,935,201
(ii) Recognised at a point in time:		
- Sale of goods	212,797,378	154,678,112
- Renewable energy income	1,014,389	878,420
	213,811,767	155,556,532
	214,806,611	159,491,733

30. REVENUE (CONT'D)

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) are as follows:

	Group	
	1.9.2021 to 31.12.2022 RM	1.9.2020 to 31.8.2021 RM
Revenue recognised over time:		
- within one year	–	744,721

31. OTHER INCOME

Included in other income of the Group and of the Company are:

	Group		Company	
	1.9.2021 to 31.12.2022 RM	1.9.2020 to 31.8.2021 RM	1.9.2021 to 31.12.2022 RM	1.9.2020 to 31.8.2021 RM
Reversal of loss allowance				
- Trade receivables	262,262	233,988	–	–
- Former associate	–	462,091	–	–
- Amount owing from subsidiary companies	–	–	1,041,694	–
Reversal of write-down of inventories	–	154,223	–	–
Fair value gain on former associate	–	1,085,043	–	–
Fair value changes on other investment	1,302,980	–	1,302,980	–
Gain on disposal of property, plant and equipment	504,991	190,070	–	–
Net gain on foreign exchange				
- realised	758,666	6,620	–	–
- unrealised	225,278	11,346	–	–
Interest income from short-term deposits	463,148	59,879	423,365	–
Interest income from subsidiary companies	–	–	57,385	91,893
Sale of scrap	3,195,822	4,768,724	–	–
Other income	1,371,485	26,323	–	–
Government grant	167,201	–	–	–
Waiver of lease payment	109,512	–	–	–
	8,361,345	6,998,307	2,825,424	91,893

32. FINANCE COSTS

	Group		Company	
	1.9.2021 to 31.12.2022 RM	1.9.2020 to 31.8.2021 RM	1.9.2021 to 31.12.2022 RM	1.9.2020 to 31.8.2021 RM
Interest expense on:				
Term loans	231,325	207,498	–	–
Hire purchase liabilities	109,400	141,174	–	–
Bankers' acceptance	175,646	27,535	–	–
Bank overdrafts	–	197	–	–
Other banking facilities	18,977	5,398	18,976	–
Lease liabilities	99,141	61,143	-	–
Advances from subsidiary company	–	–	620,052	617
	634,489	442,945	639,028	617

33. (LOSS)/PROFIT BEFORE TAX

Other than disclosed elsewhere in the financial statements, the following amounts have been included in arriving at (loss)/profit before taxation:

		Group		Company	
	Note	1.9.2021 to 31.12.2022 RM	1.9.2020 to 31.8.2021 RM	1.9.2021 to 31.12.2022 RM	1.9.2020 to 31.8.2021 RM
Auditors' remuneration					
- Statutory audit		288,268	171,726	124,000	50,000
- Non-statutory audit		5,000	5,000	5,000	5,000
Depreciation of property, plant and equipment	5	4,907,483	3,811,372	79,983	–
Depreciation of right-of-use assets	6	666,421	165,799	–	– –
Employee benefits expenses	34	21,107,876	30,935,505	266,400	249,690
Fair value changes on other investment (loss)					
- Unquoted investment		1,387,388	–	–	–
Impairment of:					
- Investment in subsidiary companies		–	–	–	110,000
Lease expenses for short-term leases and low-value assets:					
- Equipment and machine		149,703	93,460	–	–
- Premises		66,242	119,500	–	–
Loss allowance:					
- Trade receivables		–	116,217	–	–
- Subsidiary company		–	–	–	1,827,753
Loss on disposal of subsidiary		530,659	–	2,499	–
Property, plant and equipment written off		145,139	–	–	–
Write-down of inventories		5,204	78,501	–	–

34. EMPLOYEE BENEFITS EXPENSES

	Group		Company	
	1.9.2021 to 31.12.2022 RM	1.9.2020 to 31.8.2021 RM	1.9.2021 to 31.12.2022 RM	1.9.2020 to 31.8.2021 RM
Wages and salaries	14,614,602	20,178,283	266,400	244,290
Contributions to defined contibution plan	1,035,236	1,538,315	–	–
Other benefits	5,458,038	9,218,907	–	5,400
	21,107,876	30,935,505	266,400	249,690

Included in employee benefits expense of the Group and of the Company are executive directors' remuneration amounting to RM1,335,606 and RM96,000 (31.8.2021: RM993,841 and RM118,092) respectively.

35. TAXATION

	Group		Company	
	1.9.2021 to 31.12.2022 RM	1.9.2020 to 31.8.2021 RM	1.9.2021 to 31.12.2022 RM	1.9.2020 to 31.8.2021 RM
Current tax expense:				
- Current financial period/year	1,261,553	1,417,467	18,200	12,203
- Prior financial period/year	(286,797)	(186,678)	1,073	(2,556)
	974,756	1,230,789	19,273	9,647
Deferred tax:				
- Current financial period/year	284,074	437,997	16,103	–
- Prior financial period/year	(1,736,844)	(87,316)	–	–
	(1,452,770)	350,681	16,103	–
Total tax (income)/expense	(478,014)	1,581,470	35,376	9,647

35. TAXATION (CONT'D)

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

	Group		Company	
	1.9.2021 to 31.12.2022 RM	1.9.2020 to 31.8.2021 RM	1.9.2021 to 31.12.2022 RM	1.9.2020 to 31.8.2021 RM
(Loss)/profit before tax and share of results of former associate	(10,757,072)	6,271,068	57,706	(2,608,838)
Taxation at applicable tax rate of 24% (31.8.2021: 24%)	(2,581,697)	1,505,056	13,849	(626,121)
Tax effects arising from:				
- Expenses which are not deductible	4,976,427	473,630	10,320	638,902
- Income which are not taxable	(1,043,538)	(390,941)	–	(578)
- Depreciation for non-qualifying assets	223,628	–	10,095	–
Deferred tax assets not recognised	–	318,782	–	–
(Over)/Under provision in prior financial years	(2,023,641)	(273,994)	1,073	(2,556)
Crytallisation of deferred tax liability on revaluation surplus	(17,316)	(51,063)	–	–
Different tax rates in foreign jurisdictions	(25,403)	–	–	–
Others	13,526	–	39	–
	(478,014)	1,581,470	35,376	9,647

Income derived from Singapore is subjected to tax rate of 17% for the year of assessment 2022.

As at end of financial period/year, the tax-exempt income of the group is as follow:

	Note	Group 31.12.2022 RM	Group 31.8.2021 RM
Reinvestment allowances	(i)	17,534,630	17,534,630
Tax exempt income	(ii)	342,192	342,192
		17,876,822	17,876,822

(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.

35. TAXATION (CONT'D)

The above tax-exempt income, which is subject to approval by the tax authorities, is available for distribution of tax-exempt dividends to the shareholders of the said subsidiary company.

As explained in Note 3.19, the tax effects of deductible temporary differences, unused tax losses and unutilised tax credits which would give rise to net deferred tax assets are generally recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unutilised tax credits can be utilised for set-off.

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

	Group	
	31.12.2022	**31.8.2021**
	RM	**RM**
Unused tax losses	8,983,687	8,983,687
Unabsorbed capital allowances	11,048,107	11,048,107
Other deductible temporary differences	27,613	27,613
	20,059,407	20,059,407

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

Pursuant to the relevant tax legislation, the unused tax losses will expire as follows:

	Group	
	31.12.2022	**31.8.2021**
	RM	**RM**
Expiring in 2028	6,400,777	6,400,777
Expiring in 2029	1,797,122	1,797,122
Expiring in 2030	717,988	717,988
Expiring in 2031	67,800	67,800
	8,983,687	8,983,687

36. BASIC (LOSS)/ EARNINGS PER ORDINARY SHARE

a) (Loss)/Earnings per share

	Group	
	1.9.2021 to 31.12.2022	**1.9.2020 to 31.8.2021**
(Loss)/Profit attributable to owners of the Company (RM)	(10,328,678)	9,298,731
Weigtherd average number of ordinary shares in issue (Units)	246,108,729	96,635,887
Basic (loss)/earnings per ordinary share (sen)	(4.20)	9.62

The basic (loss)/earnings per ordinary share is calculated by dividing the (loss)/profit attributable to owners of the Company of RM10,328,678 (31.8.2021: RM9,298,731) by weighted average number of ordinary shares in issue during the financial period/year of 246,108,729 (31.8.2021: 96,635,887) shares.

b) Diluted (loss)/ earnings per share

The diluted (loss)/earning per share has been calculated based on the adjusted consolidated (loss)/earning for the financial period/year attributable to the owners of the Company and the weighted average number of ordinary shares in issue during the financial period/year have been adjusted for the dilutive effects of all potential ordinary shares as follows:

	Group	
	1.9.2021 to 31.12.2022	**1.9.2020 to 31.8.2021**
(Loss)/Profit attributable to owners of the Company (RM)	(10,328,678)	9,298,731
Weigtherd average number of ordinary shares in issue (Units)	246,108,729	96,635,887
Adjustment for incermental shares from assumed conversion:		
Warrants	81,332,831	–
Weighted average number of ordinary shares 31 December/31 August (diluted)	327,441,560	96,635,887
(Loss)/Earnings per ordinary share (sen)	(3.15)	9.62

37. RELATED PARTIES DISCLOSURES

(a) Identification of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operational decisions, or vice versa, or where the Group and the party are subject to common control. Related parties may be individuals or other entities.

Related parties of the Group include:

(i) Subsidiaries;
(ii) Associates;
(iii) Joint Venture;
(iv) Entities in which directors have substantial financial of interest; and
(v) Key management personnel of the Group and of the Company, comprise persons (including directors) having the authority and responsibility for planning, directing and controlling the activities directly or indirectly.

Related parties also included key management personnel defined as those group of persons having authority and responsibility for planning, directing, and controlling the activities of the Group and of the Company either directly or indirectly. The key management personnel include all the directors of the Group and of the Company, and certain members of senior management of the Group.

(b) Significant related party transactions

In addition to the related parties information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial period:

	Group	
	1.9.2021 to 31.12.2022 RM	1.9.2020 to 31.8.2021 RM
Expenses paid to companies in which certain directors of a subsidiary company are also directors		
- Matahari Kencana Sdn. Bhd.	–	24,000
- Eco Shaft (M) Sdn. Bhd.	–	33,000
Disposal of subsidiary		
- Matahari Kencana Sdn. Bhd.	40,000	–
	40,000	57,000

	Company	
	1.9.2021 to 31.12.2022 RM	1.9.2020 to 31.8.2021 RM
Interest receivables from subsidiary companies		
- BL Eco Energy Sdn. Bhd.	6,665	39,883
- BSL (HK) Limited	3,215	2,410
- Matahari Suria Sdn. Bhd.	47,504	49,600
	57,385	91,893

37. RELATED PARTIES DISCLOSURES (CONT'D)

(c) Compensation of key management personnel

The Group considers the directors to be the key management personnel. Disclosure of their remuneration is made in Directors' Remuneration section to the directors' report.

38. 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, fabrication of tools and dies and fabrication and forging of base metal components;

iii. Printed circuit board ("PCB") assembly and assembly of all types of electronics and electrical components, devices and systems;

iv. Renewable energy; and

v. Others (those subsidiary companies that are currently dormant and semi-active respectively).

Inter-segment sales are charged at cost plus a percentage of profit mark-up. Revenue from one major customer group contributed approximately RM46,807,000 (31.8.2021: RM31,652,000) of the Group's total revenue.

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

38. SEGMENT REPORTING (CONT'D)

Group 31.12.2022	Investment holding RM	Precision stamping and tooling RM	PCB and module assembly RM	Renewable energy RM	Others RM	Eliminations RM	Consolidated RM
Revenue							
External sales	–	196,813,639	15,982,819	2,010,153	–	–	214,806,611
Inter-segment sales	–	–	3,408,477	–	–	(3,408,477)	–
	–	196,813,639	19,391,296	2,010,153	–	(3,408,477)	214,806,611
Results:							
Segment results	215,979	6,735,491	(11,091,541)	191,116	2,397,448	(9,034,225)	(10,585,731)
Finance costs	(639,028)	(419,281)	(102,238)	(440,636)	(239,681)	1,206,376	(634,489)
Finance income	480,749	904,382	-	15,685	182,162	(1,119,830)	463,148
Profit/(Loss) before tax	57,701	7,220,592	(11,193,779)	(233,835)	2,339,929	(8,947,679)	(10,757,072)
Tax expense	(35,376)	140,896	–	45,013	–	327,481	478,014
Profit/(Loss) for the financial period	22,325	7,361,487	(11,193,779)	(188,822)	2,339,929	(8,620,198)	(10,279,058)

38. SEGMENT REPORTING (CONT'D)

Group 31.12.2022	Investment holding RM	Precision stamping and tooling RM	PCB and module assembly RM	Renewable energy RM	Others RM	Eliminations RM	Consolidated RM
Other information							
Capital additions	710,573	7,220,837	1,011,564	2,699	2,548	–	8,948,220
Depreciation of property, plant and equipemnt and right-of-use assets	79,983	4,521,471	837,339	722,051	58,452	(645,563)	5,573,732
Consolidate statement of financial position							
Assets							
Segment assets	95,780,542	161,143,257	6,874,288	8,107,391	14,137,086	(85,621,478)	200,421,085
Unallocated coporate assets	7,709	1,626,160	–	697	60,682	–	1,695,248
Consolidate total assets							202,116,333
Liabilities							
Segment liabilities	19,929,378	40,268,275	16,083,180	3,120,344	4,606,916	(25,075,511)	58,932,583
Unallocated coporate liabilities	–	6,295,848	–	(151,198)	139,991	(495,803)	5,787,625
Consolidatd total assets							64,720,2008

38. SEGMENT REPORTING (CONT'D)

Group 31.8.2021	Investment holding RM	Precision stamping and tooling RM	PCB and module assembly RM	Renewable energy RM	Others RM	Eliminations RM	Consolidated RM
Revenue							
External sales	–	140,661,472	13,881,666	4,948,595	–	–	159,491,733
Inter-segment sales	–	–	946,621	1,150,000	–	(2,096,621)	–
	–	140,661,472	14,828,287	6,098,595	–	(2,096,621)	159,491,733
Results:							
Segment results	(2,590,115)	3,402,703	108,347	(44,544)	(4,382,598)	10,160,341	6,654,134
Finance costs	(617)	(227,785)	(86,843)	(615,685)	(174,520)	662,505	(442,945)
Finance income	91,893	318,618	–	31,537	199,168	(581,337)	59,879
Share of profit of former associate	–	–	–	–	–	4,250,366	4,250,366
(Loss)/Profit before tax	(2,498,839)	3,493,536	21,504	(628,692)	(4,357,950)	14,491,875	10,521,434
Tax expense	(9,647)	(1,271,490)	–	(229,611)	(45,932)	(24,790)	(1,581,470)
(Loss)/Profit for the financial year	(2,508,486)	2,222,046	21,504	(858,303)	(4,403,882)	14,467,085	8,939,964

38. SEGMENT REPORTING (CONT'D)

Group 31.8.2021	Investment holding RM	Precision stamping and tooling RM	PCB and module assembly RM	Renewable energy RM	Others RM	Eliminations RM	Consolidated RM
Other information							
Capital additions	–	1,754,608	801,336	39,640	–	–	2,595,584
Depreciation of property, plant and equipemnt and right-of-use assets	–	3,231,934	584,538	603,208	45,174	(487,683)	3,977,171
Consolidate statement of financial position							
Assets							
Segment assets	51,179,006	145,652,873	9,579,879	16,049,323	5,050,783	(57,008,172)	170,503,692
Unallocated coporate assets	7,973	915,611	–	28,504	–	(211,798)	740,294
Consolidate total assets							171,243,986
Liabilities							
Segment liabilities	96,830	35,619,196	7,594,991	15,628,149	3,786,632	(18,028,522)	44,697,276
Unallocated coporate liabilities	–	7,586,705	–	(359,917)	141,605	(380,116)	6,988,277
Cosolidated total liablities							51,685,553

Notes to the Financial Statements
for the financial period from 1 September 2021 to 31 December 2022
(Cont'd)

39. CAPITAL COMMITMENT

As at end of financial period/year, the Group has the following capital commitment:

	Group 31.12.2022 RM	Group 31.8.2021 RM
Approved and contracted for:		
Purchased of plant and machinery and motor vehicles	2,869,080	1,277,835

40. CONTIGENT LIABILITIES

As at end of financial period/year, the Company has the following contingent liabilities:

	Company 31.12.2022 RM	Company 31.8.2021 RM
Unsecured corporate guarantees given to:		
Licensed bank for credit facilities granted to subsidiary companies	16,140,480	8,710,161

41. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

The following table analyses the financial instruments in the statements of financial position by the classes of financial instruments to which they are assigned:

(i) Amortised cost ("AC")
(ii) Fair value through profit or loss ("FVTPL")
(iii) Fair value through other comprehensive income ("FVTOCI")

	Carrying amount RM	AC RM	FVTPL RM	FVTOCI RM
Group				
31.12.2022				
Financial assets				
Trade receivables	21,837,347	21,837,347	–	–
Other receivables and deposits	22,962,589	22,962,589	–	–
Other investments	11,233,916	–	11,233,916	–
Short-term deposits with licensed bank	19,104,607	19,104,607	–	–
Cash and bank balances	11,502,207	11,502,207	–	–
	86,640,666	75,406,750	11,233,916	–

41. FINANCIAL INSTRUMENTS (CONT'D)

(a) Categories of financial instruments (Cont'd)

	Carrying amount RM	AC RM	FVTPL RM	FVTOCI RM
Group (Cont'd)				
31.12.2022				
Financial liabilities				
Trade payables	20,546,565	20,546,565	–	–
Other payables and accruals	6,438,637	6,438,637	–	–
Lease liabilities	3,409,179	3,409,179	–	–
Hire purchase liabilities	2,517,200	2,517,200	–	–
Bank borrowings	1,720,000	1,720,000	–	–
Term loans	12,946,606	12,946,606	–	–
	12,946,606	12,946,606	–	–

	Carrying amount RM	AC RM	FVTPL RM	FVTOCI RM
Group				
31.8.2021				
Financial assets				
Trade receivables	24,231,083	24,231,083	–	–
Other receivables and deposits	4,269,580	4,269,580	–	–
Other investments	5,797,500	–	5,797,500	–
Short-term deposits with licensed bank	3,987,106	3,987,106	–	–
Cash and bank balances	14,098,543	14,098,543	–	–
	52,383,812	46,586,312	5,797,500	–

	Carrying amount RM	AC RM	FVTPL RM	FVTOCI RM
Financial liabilities				
Trade payables	27,926,218	27,926,218	–	–
Other payables and accruals	6,504,947	6,504,947	–	–
Lease liabilities	1,125,179	1,125,179	–	–
Hire purchase liabilities	2,278,399	2,278,399	–	–
Bank borrowings	1,602,000	1,602,000	–	–
Term loans	4,829,762	4,829,762	–	–
	44,266,505	44,266,505	–	–

41. FINANCIAL INSTRUMENTS (CONT'D)

(a) Categories of financial instruments (Cont'd)

	Carrying amount RM	AC RM	FVTPL RM	FVTOCI RM
Company				
31.12.2022				
Financial assets				
Other receivables and deposits	13,770,000	13,770,000	–	–
Amount owing by subsidiary companies	5,679	5,679	–	–
Short-term deposits with licensed bank	17,250,285	17,250,285	–	–
Cash and bank balances	393,388	393,388	–	–
	31,419,352	31,419,352	–	–
Financial liabilities				
Other payables and accruals	3,235,546	3,235,546	–	–
Amount owing to subsidiary companies	16,693,832	16,693,832	–	–
	19,929,378	19,929,378	–	–

	Carrying amount RM	AC RM	FVTPL RM	FVTOCI RM
Company				
31.8.2021				
Financial assets				
Amount owing by subsidiary companies	2,410	2,410	–	–
Cash and bank balances	219,333	219,333	–	–
	221,743	221,743	–	–
Financial liabilities				
Other payables and accruals	96,830	96,830	–	–

41. FINANCIAL INSTRUMENTS (CONT'D)

(b) Fair value measurement

The carrying amounts of cash and cash equivalents, short-term receivables and payables and short-term borrowings reasonably approximate to their fair values due to the relatively short-term nature of these financial instruments.

	31.12.2022		31.8.2021	
	Carrying amount RM	Fair value RM	Carrying amount RM	Fair value RM
Group				
Financial asset				
Other invesment	11,233,916	11,233,916	5,797,500	5,797,500
Financial liabilities				
Hire purchase liabilities	2,517,200	2,631,577	2,278,399	2,480,906
Term loans	12,946,606	13,513,010	4,829,762	5,483,309
Total	15,463,806	16,144,588	7,108,161	7,964,215
Company				
Financial asset				
Other invesment	6,632,600	6,632,600	–	–

(c) Financial risk management objectives and policies

The Group's and the Company's activities are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk and foreign currency risk. The Group's and the Company's overall financial risk management objective is to optimise value for their shareholders.

The Board of Directors reviews and agrees policies and procedures for the management of these risks. The audit committee provides independent oversight to the effectiveness of the risk management process.

It is, and has been throughout the current financial period and previous financial year, the Group's and the Company's policy that no derivatives shall be undertaken except for the use as hedging instruments where appropriate and cost-efficient. The Group and the Company do not apply hedge accounting.

(i) Credit risk

Credit risk is the risk of a financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from the individual characteristics of each customer. The Company's exposure to credit risk arises principally from loans and advances to subsidiaries and financial guarantees given to banks for credit facilities granted to subsidiaries. There are no significant changes as compared to prior years.

<u>Trade receivables and contract assets</u>

The Group's and the Company's exposure to credit risk is monitored on an ongoing basis. The Group and the Company have credit risk policies in place to manage credit risk exposure. The risk is managed through the application of the Group's and the Company's credit management procedures which include regular monitoring and follow up procedures.

41. FINANCIAL INSTRUMENTS (CONT'D)

(c) Financial risk management objectives and policies (Cont'd)

(i) Credit risk (Cont'd)

Trade receivables and contract assets (Cont'd)

An impairment analysis is performed at each reporting date to measure the expected credit losses. The calculation reflects information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

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

The Group and the Company have no major concentration of credit risk except for amounts due from Nine (31.8.2021: Nine) trade receivables which constitute approximately RM15,192,000 (31.8.2021: RM18,960,000) or 70% (31.8.2021: 78%) of gross trade receivables at the end of the reporting period.

The Group and the Company carefully select the customers in which they intends to trade. The selection is based on criteria that are reviewed periodically to take into account developments in the market. The Group and the Company also manages their credit risk exposure by maintaining good business relationship with their customers and debtors. This approach has enabled the Group and the Company to manage their credit risk more effectively in addition to the above credit risk management procedures.

For other activities, the Group and the Company minimize and monitors their credit risk by dealing with credit worthy counterparties, setting credit limits on exposures, applying credit approval controls and obtaining collateral or security deposits where appropriate. Trade and financial receivables are monitored on an ongoing basis via group-wide management reporting procedures.

The ageing analysis of receivables as at the reporting date which is trade in nature is as follows:

	Gross carrying amount RM	Loss allowance RM	Carrying amount RM
31.12.2022			
Not past due	12,006,340	–	12,006,340
Less than 30 days past due	4,332,328	–	4,332,328
31 to 60 days past due	2,487,805	–	2,487,805
61 to 90 days past due	1,389,416	–	1,389,416
91 to 120 days past due	593,529	–	593,529
More than 121 days past due	1,027,929	–	1,027,929
Trade receivables	21,837,347	–	21,837,347

41. FINANCIAL INSTRUMENTS (CONT'D)

(c) Financial risk management objectives and policies (Cont'd)

(i) Credit risk (Cont'd)

	Gross carrying amount RM	Loss allowance RM	Carrying amount RM
31.12.2021			
Not past due	19,212,085	–	19,212,085
Less than 30 days past due	4,058,059	–	4,058,059
31 to 60 days past due	369,228	–	369,228
61 to 90 days past due	28,461	–	28,461
91 to 120 days past due	6,309	–	6,309
More than 121 days past due	1,195,940	(116,217)	1,079,723
Credit impaired			
Individually impaired	262,262	(262,262)	–
	25,132,344	(378,479)	24,753,865
Contract assets	522,782	–	522,782
Trade receivables	24,609,562	(378,479)	24,231,083
	25,132,344	(378,479)	24,753,865

Movement in loss allowance:

	31.12.2022 RM	31.8.2021 RM
At beginning of period/year	378,479	761,463
Additions	–	116,217
Reversal	(262,262)	(233,988)
Written-off	–	(265,557)
Foreign exchange difference	–	344
Disposal of subsidiary company	(116,217)	–
At ending of period/year	_	378,479

Ageing of impaired trade receivables:		
Past due more than 90 days	–	378,479

The Company is also exposed to credit risk in relation to corporate guarantees in respect of bank facilities granted to the subsidiary companies. The Company monitors the results of the subsidiary companies and their repayment on an on-going basis. The maximum exposure to credit risk is amounting to RM16,140,480 (31.8.2021: RM 8,710,161).

41. FINANCIAL INSTRUMENTS (CONT'D)

(c) Financial risk management objectives and policies (Cont'd)

(ii) Liquidity risk

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

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

The intra group financial guarantees have not been recognised since the fair value on initial recognition was not material as the financial guarantees provided by the Company did not contribute towards significant credit enhancement of the subsidiary companies' borrowings and other credit facilities. Furthermore, the requirements to reimburse is remote.

41. FINANCIAL INSTRUMENTS (CONT'D)

(c) Financial risk management objectives and policies (Cont'd)

(ii) Liquidity risk (Cont'd)

Maturity analysis

The maturity analysis of the Group's and the Company's financial liabilities by their relevant maturity at the reporting date are based on contractual undiscounted repayment obligations are as follows:

		Constructual cash flow			
	Carrying amount RM	On demand or within 1 year RM	Between 1 to 5 years RM	More than 5 years RM	Total RM
Group					
31.12.2022					
Non-derivative financial liabilities					
Trade payables	20,546,565	20,546,565	–	–	20,546,565
Other payables and accruals	6,461,522	6,461,522	–	–	6,461,522
Bank borrowings	1,720,000	1,720,000	–	–	1,720,000
Hire purchase liabilities	2,517,200	1,142,682	1,697,575	–	2,840,257
Term loans	12,946,606	8,712,013	5,353,158	–	14,065,170
	44,191,893	38,582,782	7,050,732	–	45,633,514
Lease liabilities	3,409,179	1,197,423	1,790,502	937,200	3,925,125
	47,601,073	39,780,205	8,841,234	937,200	49,558,639

41. FINANCIAL INSTRUMENTS (CONT'D)

(c) Financial risk management objectives and policies (Cont'd)

(ii) Liquidity risk (Cont'd)

Maturity analysis (Cont'd)

		--------------------Constructual cash flow	-------------------------		
	Carrying amount RM	On demand or within 1 year RM	Between 1 to 5 years RM	More than 5 years RM	Total RM
Group					
31.8.2021					
Non-derivative financial liabilities					
Trade payables	27,926,218	27,926,218	–	–	27,926,218
Other payables and accruals	6,531,144	6,531,144	–	–	6,531,144
Bank borrowings	1,602,000	1,602,000	–	–	1,602,000
Hire purchase liabilities	2,278,399	1,598,593	797,434	–	2,396,027
Term loans	4,829,762	1,824,855	3,363,781	–	5,188,636
	43,167,523	39,482,810	4,161,215	–	43,644,025
Lease liabilities	1,125,179	218,200	388,600	1,050,800	1,657,600
	44,292,702	39,701,010	4,549,815	1,050,800	45,301,625

		--------------------Constructual cash flow	-------------------------		
	Carrying amount RM	On demand or within 1 year RM	Between 1 to 5 years RM	More than 5 years RM	Total RM
Company					
31.12.2022					
Non-derivative financial liabilities					
Other payables and accruals	3,235,546	3,235,546	–	–	3,235,546
	3,235,546	3,235,546	–	–	3,235,546
31.8.2021					
Non-derivative financial liabilities					
Other payables and accruals	96,830	96,830	–	–	96,830
	96,830	96,830	–	–	96,830

41. FINANCIAL INSTRUMENTS (CONT'D)

(c) Financial risk management objectives and policies (Cont'd)

(iii) Interest rate risk

The Group and the Company are exposed to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates. Interest rate risk arises only from the Group's and the Company's term loans.

Interest rate risk

The financial impact arising from changes in interest rate is not expected to be significant. Accordingly, the sensitivity analysis has not been presented.

(iv) Foreign currency exchange risk

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

The carrying amount of material foreign currencies denominated monetary assets and monetary liabilities at the reporting date:

	Group	
	31.12.2022 RM	**31.8.2021 RM**
United States Dollar:		
Trade receivables	4,325,650	2,679,481
Other receivables	137,569	548,969
Cash and cash equivalents	3,790,029	1,238,508
Trade payables	–	(2,632,323)
	8,253,248	1,834,635
Singapore Dollar:		
Trade payables	(387,353)	–
Other payables	(3,184,814)	–
	(3,572,167)	–

The financial impact arising from changes in foreign exchange rates is not expected to be significant. Accordingly, the sensitivity analysis has not been presented.

42. CAPITAL MANAGEMENT

The primary objective of the Group's and the Company's capital management is to ensure that they maintain a strong credit rating and healthy capital ratios in order to support their business and maximise shareholder value.

The Group and the Company manage their capital structure and make adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group and the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial period ended 31 December 2022 and financial year ended 31 August 2021.

The Group and the Company monitor capital using a gearing ratio, which is net debt divided by capital. Net debt includes loans and borrowings, less cash and bank balances. Capital includes equity attributable to the owners of the Company.

	31.12.2022 RM	31.8.2021 RM
Group		
Debt:		
Term loans	12,946,606	4,829,762
Hire purchase liabilities	2,517,200	2,278,399
Bank borrowings	1,720,000	1,602,000
Lease liabilities	3,409,179	1,125,179
	20,592,985	9,835,340
Equity attributable to owners of the Company	134,682,967	120,019,809
Gearing ratio	15%	8%

43. SIGNIFICANT EVENTS DURING THE FINANCIAL PERIOD

(a) Acquisition of a subsidiary

On 10 November 2021, the Company had entered into a Share Sale Agreement with Jerry Tan Gim Moh and Tan Hoon Bee, for the acquisition of 51,000 ordinary shares in SD Unify Pte. Ltd. ("SDU"), a company incorporated in Singapore, representing 51% of the total issued and paid-up ordinary shares of SDU, for a total consideration of SGD1,785,000.

(b) Disposal of a subsidiary

On 12 November 2021, the Company entered into a Share Sale Agreement with Matahari Kencana Sdn. Bhd. for disposal of the Company's 51% equity interest held in BSL Eco Energy Sdn. Bhd. ("BSLE") comprising 510,000 ordinary shares in BSLE for a cash consideration of RM400,000 and consequently, BSLE ceased to be a subsidiary company of the Company.

43. SIGNIFICANT EVENTS DURING THE FINANCIAL PERIOD (CONT'D)

(c) On 17 August 2022, Unique Forging & Components Sdn. Bhd., a wholly owned subsidiary of the Company entered into a Share Sale Agreement ("SSA") with KAB Energy Holdings Sdn Bhd in relation to the disposal of 1,000,000 ordinary shares in Matahari Suria Sdn. Bhd. ("MSSB"), representing 100% of the total issued shares of MSSB for a total sale consideration of RM5,300,000 only, subject to the terms and conditions of the SSA ("the Disposal"). Upon completion of the Disposal, MSSB shall cease to be a sub-subsidiary of the Group.

(d) During the financial period, BSLET has made a provision of RM11,131,511 (as of 31.8.2021: RM200,000) in response to a demand made by the relevant authority for the payment of unpaid sales tax and import duty. This provision was based on the directors' best judgement and estimates, taking into account the information currently available and the advice of a consultant. However, since the claim amount is still under appeal, the final amount that may need to be paid could be different from the provision made. This difference could be significant, and should be taken into account.

44. SIGNIFICANT EVENT AFTER THE FINANCIAL PERIOD

On 3 April 2023, the Group had disposed its investment in foreign quoted share for a total consideration of RM200,517.

STATEMENT BY **DIRECTORS**
PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT, 2016

We, **Hoo Wai Keong** and **Andrew Ho Tho Kong**, being two of the directors of BSL CORPORATION BERHAD, do hereby state that in the opinion of directors, the financial statements as set out on pages 76 to 158, are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2022 and of the results of their financial performance and their cash flows of the Group and of the Company for the financial period from 1 September 2021 to 31 December 2022.

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

....	....
HOO WAI KEONG	**ANDREW HO THO KONG**
Director	Director

Kuala Lumpur,
Date: XXXX 2023

STATUTORY **DECLARATION**
PURSUANT TO SECTION 251(1)(b) OF THE COMPANIES ACT, 2016

I, **Andrew Ho Tho Kong**, being the director primarily responsible for the financial management of BSL CORPORATION BERHAD, do solemnly and sincerely declare that the financial statements of the Group and of the Company as set out on pages 76 to 158, are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared at)
)
on this)

Before me,

....
ANDREW HO THO KONG
Director

XXXXX
Commissioner for Oaths

LIST OF PROPERTIES

No.	Name of Registered Owner / Beneficial Owner		Location\Geran No.	Description/ Existing Use	Land / Built-up Area (sqm)	Approximate Age of Building (Years)	Date of Acquisition/ Revaluation	Net Book Value as at 31.12.2022 (RM)
1.	BSL Manufacturing Sdn. Bhd. *(formerly known as Ban Seng Lee Industries Sdn. Bhd.)*	a)	Lot 4220, Persimpangan Jalan Batu Arang / Lebuhraya PLUS, 48000 Rawang, Selangor Darul Ehsan Geran No. 50480, Lot No. 4220, Mukim Rawang, Daerah Gombak, Selangor Darul Ehsan	Freehold land built upon with 2-storey office building annexed to single-storey detached factory and ancillary building.	19,551/11,941	25	26 August 2009 / 31 May 2021	
		b)	Lot 4212, Persimpangan Jalan Batu Arang / Lebuhraya PLUS, 48000 Rawang, Selangor Darul Ehsan Geran No. 27631, Lot No. 4212, Mukim Rawang, Daerah Gombak, Selangor Darul Ehsan	Freehold land built upon with 2-storey office building annexed to single-storey detached factory and ancillary building.	24,995/11,148	10	20 September 2010 / 31 May 2021	68,963,000
2.	Unique Forging & Components Sdn. Bhd.		HSD 62650, Lot No. PT1985, Mukim Bandar Kundang, Daerah Gombak, Selangor Darul Ehsan	Vacant leasehold land	1,214 hectares	–	31 October 2012 / 31 May 2021	3,829,000

ANALYSIS OF SHAREHOLDINGS
AS AT 27 MARCH 2023

ORDINARY SHARES

Total Number of Issued Shares	:	1,932,812,532 (inclusive of 2,728,226 treasury shares)
Class of Shares	:	Ordinary Shares
Voting Rights	:	One vote per share

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%[3]
Less than 100	13	0.22	262	0.01
100 to 1,000	595	9.84	255,598	0.01
1,001 to 10,000	1,613	26.68	9,557,645	0.49
10,001 to 100,000	2,592	42.87	108,615,666	5.63
100,001 to 96,504,214[1]	1,227	20.29	938,447,734	48.62
96,504,215 and above[2]	6	0.10	873,207,401	45.24
TOTAL	**6,046**	**100.00**	**1,930,084,306**	**100.00**

Notes:

(1) *Less than 5% of issued shares.*
(2) *5% and above of issued shares.*
(3) *Excluding a total of 2,728,226 shares bought back by the Company and retained as treasury shares.*

SUBSTANTIAL SHAREHOLDERS

Name	Direct Interest No. of Shares Held	% [1]	Indirect Interest No. of Shares Held	%[1]
Dato' Sri Dr Pang Chow Huat	201,071,039	10.41	–	–
CFM Printing & Stationery Sdn. Bhd.	110,090,909	5.70	–	–
Computer Forms (Malaysia) Berhad	–	–	110,090,909[2]	5.70
BC Medicare Sdn. Bhd.	181,818,181	9.42	–	–
BCM Alliance Berhad	–	–	181,818,181[3]	9.42
Metronic Global Berhad	101,000,000	5.23	–	–
Sanichi Technology Berhad	273,727,272	14.18	–	–

Notes:

(1) *Excluding a total of 96,683,600 shares bought back by the Company and retained as treasury shares.*
(2) *Deemed interest by virtue of its shareholding in CFM Printing & Stationery Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016*
(3) *Deemed interest by virtue of its shareholding in BC Medicare Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016*

Analysis of Shareholdings as at 27 March 2023 (Cont'd)

DIRECTORS' SHAREHOLDINGS

Name	Direct Interest No. of Shares Held	% [(1)]	Indirect Interest No. of Shares Held	% [(1)]
Hoo Wai Keong	40,000	0.01	–	–
Andrew Ho Tho Kong	–	–	–	–
Chong Kwang Fock	–	–	–	–
Johari Shukri Bin Jamil	–	–	–	–
Loh May Ann	2,170,000	0.11	–	–

Notes:

[(1)] *Excluding a total of 2,728,226 shares bought back by the Company and retained as treasury shares.*

LIST OF TOP 30 SHAREHOLDERS AS AT 27 MARCH 2023

	Name of Shareholders	Holdings No. of Shares	%
1.	SANICHI TECHNOLOGY BERHAD	273,727,272	14.18
2.	BC MEDICARE SDN. BHD.	187,318,181	9.71
3.	CFM PRINTING & STATIONERY SDN. BHD.	110,090,909	5.70
4.	RHB NOMINEES (TEMPATAN) SDN. BHD. OSK CAPITAL SDN. BHD. FOR PANG CHOW HUAT	102,616,494	5.32
5.	METRONIC GLOBAL BERHAD	101,000,000	5.23
6.	PANG CHOW HUAT	98,454,545	5.10
7.	CITA REALITI SDN. BHD.	91,909,090	4.76
8.	M N C WIRELESS BERHAD	35,545,454	1.84
9.	PDZ HOLDINGS BHD	26,454,545	1.37
10.	JOHNNY TING KOK LING	21,500,000	1.11
11.	CGS-CIMB NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR BY YAW SENG (MY3086)	20,251,000	1.05
12.	HSBC NOMINEES (ASING) SDN. BHD. MORGAN STANLEY & CO INTERNATIONAL PLC (FIRM A/C)	15,000,000	0.78
13.	WONG YU @ WONG WING YU	13,200,000	0.68
14.	LOW PUI LING	11,703,600	0.61
15.	BU YAW SENG	11,000,000	0.57
16.	RHB NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TAN CHOON HWA	10,780,000	0.56
17.	LAU YAW GUAN	10,500,000	0.54
18.	LIM KOK SIONG	10,500,000	0.54
19.	LING AI LANG	9,061,200	0.47
20.	RHB NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR KHOR MOOI SOONG	8,020,600	0.42
21.	TAN JYH KHUANG	8,000,000	0.41
22.	HUANG XIANG	7,500,000	0.39
23.	LOW LOI KEN	6,954,545	0.36
24.	APEX NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR FLORENCE WEI WEI	6,320,000	0.33
25.	TAY SWEE IMM	6,240,000	0.32
26.	ASSOCIATED ABRASIVES SDN. BHD.	6,000,000	0.31
27.	PUBLIC NOMINEES (TEMPATAN) SDN. BHD.	5,575,000	0.29
28.	LIM POH FONG	5,512,000	0.29
29.	FINSEN	5,157,563	0.27
30.	WONG CHEE THONG	4,850,000	0.25

ANALYSIS OF
WARRANT A HOLDINGS
AS AT 27 MARCH 2023

Number of Warrants	:	142,458,195
Exercise price of the warrants	:	RM0.25
Expiry date of warrants	:	11 November 2024
Rights of Warrants Holder	:	The Warrants holders are not entitled to any voting rights or to participate in any distribution and/or offer of further securities in our Company until and unless such Warrants holders exercise their Warrants into new ordinary shares of the Company.

DISTRIBUTION OF WARRANT HOLDINGS

Size of Warrant holdings	No. of Warrant holders	%	No. of Warrant	%
Less than 100	105	4.92	7,750	0.01
100 to 1,000	400	18.76	113,591	0.08
1,001 to 10,000	514	24.11	2,700,438	1.90
10,001 to 100,000	807	37.85	33,424,896	23.46
100,001 to 7,122,908(1)	305	14.31	97,031,863	68.11
7,122,909 and above(2)	1	0.05	9,179,657	6.44
TOTAL	**2,132**	**100.00**	**142,458,195**	**100.00**

Notes:
(1) Less than 5% of issued Warrants A.
(2) 5% and above of issued Warrants A.

DIRECTORS' WARRANT HOLDINGS

	No. of Warrants Held			
Name of Directors	**Direct**	**%**	**Indirect**	**%**
Hoo Wai Keong	–	–	–	–
Andrew Ho Tho Kong	–	–	–	–
Chong Kwang Fock	–	–	–	
Johari Shukri Bin Jamil	–	–	–	–
Loh May Ann	–	–	–	–

LIST OF TOP 30 WARRANT HOLDERS AS AT 27 MARCH 2023

	Name of Warrant Holders	Holdings No. of Warrants	%
1.	MUHAMMAD 'IZZAT AFIQ BIN ZAINUDDIN	9,179,657	6.44
2.	TEE BOCK HENG	2,590,764	1.82
3.	PUBLIC NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LIM CHOON HAU	2,152,493	1.51
4.	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. LIZA BINTI KAMIS	1,840,231	1.29
5.	YEAP TEIK CHUAN	1,816,874	1.28
6.	SJ SEC NOMINIEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR GOH CHOON KWANG	1,570,160	1.10
7.	LEE BOK LEONG	1,456,501	1.02
8.	KONG CHOOI YEE	1,285,080	0.90
9.	ZULKARNAIN BIN KAMARUDDIN	1,177,620	0.83
10.	WOO YAM SANG	1,072,419	0.75

Analysis of Warrant A Holdings as at 27 March 2023 (Cont'd)

LIST OF TOP 30 WARRANT HOLDERS AS AT 27 MARCH 2023 (CONT'D)

	Name of Warrant Holders	Holdings No. of Warrants	%
11.	SJ SEC NOMINIEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR YOONG BEE LING (SMT)	985,568	0.69
12.	KIM POH HOLDINGS SDN. BHD.	981,350	0.69
13.	PUBLIC NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR KOH MOI KIM	962,962	0.68
14.	WAN ZULKIFLI BIN WAN ABDULLAH	893,028	0.63
15.	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. RADIN ZULKAR NAIN BIN RADIN ABDUL RAHMAN	885,080	0.62
16.	LIEW WIN YEE	883,215	0.62
17.	LEE WAI CHONG	824,268	0.58
18.	SIVA A/L PERUMAL	819,821	0.58
19.	PUBLIC NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LIM CHOON HAU	804,510	0.56
20.	CHIN CHEE WEI	796,270	0.56
21.	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR CHAN KOK MENG	781,350	0.55
22.	YOW KAI LIANG	762,167	0.54
23.	AW SIEW KIM	745,897	0.52
24.	KWOO KAH SENG	713,637	0.50
25.	THAM SOON WANG	686,159	0.48
26.	AZALIZA @ MOHAMAD ZALIZA BIN MANSOR	675,266	0.47
27.	MOHD IZUWAN BIN MOKTAR	672,813	0.47
28.	ABDUL HALIM BIN ABDUL LATIB	650,000	0.46
29.	POON MEE CHENG	612,167	0.43
30.	AMINUDDIN BIN DAWAM	588,810	0.41

ANALYSIS OF
WARRANT B HOLDINGS
AS AT 27 MARCH 2023

Number of Warrants	:	689,231,637
Exercise price of the warrants	:	RM0.055
Expiry date of warrants	:	9 March 2026
Rights of Warrants Holder	:	The Warrants holders are not entitled to any voting rights or to participate in any distribution and/or offer of further securities in our Company until and unless such Warrants holders exercise their Warrants into new ordinary shares of the Company.

DISTRIBUTION OF WARRANT HOLDINGS

Size of Warrant holdings	No. of Warrant holders	%	No. of Warrant	%
Less than 100	21	1.74	983	0.01
100 to 1,000	17	1.41	9,134	0.01
1,001 to 10,000	151	12.53	978,406	0.13
10,001 to 100,000	614	50.95	27,383,549	3.97
100,001 to 34,461,581(1)	396	32.86	269,609,568	39.12
34,461,582 and above(2)	6	0.50	391,249,997	56.77
TOTAL	**1,205**	**100.00**	**689,231,637**	**100.00**

Notes:
(1) Less than 5% of issued Warrants B.
(2) 5% and above of issued Warrants B.

DIRECTORS' WARRANT HOLDINGS

	No. of Warrants Held			
Name of Directors	Direct	%	Indirect	%
Hoo Wai Keong	–	–	–	–
Andrew Ho Tho Kong	–	–	–	–
Chong Kwang Fock	–	–	–	–
Johari Shukri Bin Jamil	–	-	–	–
Loh May Ann	825,000	0.12	–	–

LIST OF TOP 30 WARRANT HOLDERS AS AT 27 MARCH 2023

	Name of Warrant Holders	Holdings	
		No. of Warrants	%
1.	SANICHI TECHNOLOGY BERHAD	114,053,030	16.55
2.	BC MEDICARE SDN. BHD.	75,757,575	10.99
3.	PANG CHOW HUAT	75,189,393	10.91
4.	CFM PRINTING & STATIONERY SDN. BHD.	45,871,212	6.66
5.	METRONIC GLOBAL BERHAD	42,083,333	6.11
6.	CITA REALITI SDN. BHD.	38,295,454	5.56
7.	M N C WIRELESS BERHAD	14,310,500	2.08
8.	MUHAMMAD 'IZZAT AFIQ BIN ZAINUDDIN	12,199,446	1.77
9.	TAN CHIN HOE	9,375,120	1.36
10.	JOHNNY TING KOK LING	8,958,333	1.30
11.	OOI PHUAY GIM	7,500,000	1.09

Analysis of Warrant B Holdings as at 27 March 2023 (Cont'd)

LIST OF TOP 30 WARRANT HOLDERS AS AT 27 MARCH 2023 (CONT'D)

	Name of Warrant Holders	Holdings No. of Warrants	%
12.	HSBC NOMINEES (ASING) SDN. BHD. MORGAN STANLEY & CO INTERNATIONAL PLC (FIRM A/C)	6,250,000	0.91
13.	CITA REALITI SDN. BHD.	6,025,000	0.87
14.	WONG YU @ WONG WING YU	5,500,000	0.80
15.	CGS-CIMB NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR BU YAW SENG (MY3086)	5,416,666	0.79
16.	AFFIN HWANG INVESTMENT BANK VBERHAD IVT (WLT)	4,984,400	0.72
17.	LOW PUI LING	4,876,500	0.71
18.	LIM KOK SIONG	4,375,000	0.63
19.	TYE YONG POU	4,210,149	0.61
20.	RHB NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TAN CHOON HWA	4,075,000	0.59
21.	LAU YAW GUAN	3,750,000	0.54
22.	HUANG XIANG	3,125,000	0.45
23.	LIM POH FONG	2,920,916	0.42
24.	TAY SWEE IMM	2,600,000	0.38
25.	CARTABAN NOMINEES (ASING) SDN. BHD. THE BANK OF NEW YORK MELLON FOR ACADIAN EMERGING MARKETS MICRO-CAP EQUITY MASTER FUND	2,579,000	0.37
26.	TAN ENG KEAT	2,503,700	0.36
27.	ASSOCIATED ABRASIVES SDN. BHD.	2,500,000	0.36
28.	RHB NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR YONG LOY HUAT	2,500,000	0.36
29.	CHAN CHEE KEONG	2,302,900	0.33
30.	LOW KOI LEN	2,272,727	0.33

PROXY FORM

CDS ACCOUNT NO. OF AUTHORISED NOMINEE

NUMBER OF SHARES HELD

BSL CORPORATION BERHAD
[Registration No. 200401012615 (651118-K)]

I/We, ____
(Full Name in Block Letters)

NRIC/Passport/Company No. ____

of____
(Full Address)

contact no. _________________email address ________________________being a member/members of **BSL Corporation Berhad** (**"the Company"**) hereby appoint the person(s) below as my/our proxy(ies) to vote for me/us and on my/our behalf at the Nineteenth Annual General Meeting of the Company (**"19th AGM"**) which will be conducted virtually from the https://rebrand.ly/BSL-AGM broadcast venue at Level 10, Tower 11, Avenue 5, No. 8, Jalan Kerinchi, Bangsar South, 59200 Kuala Lumpur, W.P. Kuala Lumpur, Malaysia on Friday, 2 June 2023 at 2.00 p.m. and at any adjournment thereof.

IMPORTANT NOTE:
Please (i) tick [✓] either **ONE** of the option (a) or (b) for the number of proxy which you wish to appoint, (ii) complete the details of your proxy/proxies and the proportion of your shareholding to be represented (if applicable), (iii) please tick [✓] option (c) if you would like to appoint the Chairman of the 19th AGM as the proxy or failing the proxy to vote on your behalf and (iv) sign or execute this form.

Option		Name of proxy (ies)	NRIC/ Registration No.	Email Address & Phone Number	Proportion of shareholding to be represented
(a)		**Appoint ONE proxy only** *(Please complete details of proxy below)*			
					100%
(b)		**Appoint MORE THAN ONE proxy** *(Please complete details of proxies below)*			
Proxy 1					%
Proxy 2					%
					100%
(c)		**The Chairman of the 19th AGM as my/our proxy and/or failing the above proxy to vote for me/us on my/our behalf**			

My/our proxy/proxies is/are to vote as indicated below:

Please indicate with an "X" in the appropriate box provided to indicate how you wish your vote to be cast. If you do not indicate how you wish your proxy to vote on the Resolutions, the proxy shall vote at his/her discretion, or abstain from voting as the proxy thinks fit.

No	Resolutions	For		Against	
		Proxy 1	Proxy 2	Proxy 1	Proxy 2
	Ordinary Business				
Ordinary Resolution 1	To re-elect Hoo Wai Keong as Director				
Ordinary Resolution 2	To re-elect Johari Shukri Bin Jamil as Director				
Ordinary Resolution 3	To re-elect Loh May Ann as Director				
Ordinary Resolution 4	To approve the payment of Directors' fees and benefits payable to the Independent Non-Executive Directors of the Company up to an aggregate amount of RM250,000.00 for the period from 2 June 2023 until the conclusion of the next Annual General Meeting of the Company.				
Ordinary Resolution 5	To re-appoint Messrs Chengco PLT as Auditors of the Company and to authorise the Directors to fix their remuneration				
	Special Business				
Ordinary Resolution 6	To authorise the Directors to allot and issue shares or grant rights pursuant to Section 76 of the Companies Act 2016				

Dated this _______ day of ____________ 2023

____
Signature / Common Seal of Shareholder

Contact No: ________________________

Notes:

1. The 19th AGM of the Company will be conducted as a virtual meeting through live streaming and online remote voting via Remote Participation and Voting ("**RPV**") facilities. Shareholders of the Company are required to register for the 19th AGM not less than twenty-four (24) hours before the time appointed for holding the meeting or at any adjournment thereof. (Please follow the procedures as stipulated in the Administrative Guide).
2. A member of the Company who is entitled to attend, speak and vote at this 19th AGM may appoint a proxy to attend, speak and vote on his/her behalf. A proxy may but need not be a member of the Company, and a member may appoint any person to be his/her proxy without limitation.
3. Where a member appoints more than one (1) proxy to attend and vote at the same 19th AGM, the appointment shall be invalid unless he/she specifies the proportion of his/her holdings to be represented by each proxy.
4. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depository) Act, 1991 ("**SICDA**"), he/she may appoint one (1) proxy in respect of each security account it holds with ordinary shares of the Company standing to the credit of the said security account.

5. Where a member of the Company is an exempt authorised nominee holding ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

   An exempt authorised nominee refers to an authorised nominee defined under the SICDA who is exempted from compliance with the provisions of subsection 25A(1) of SICDA.

6. The instrument appointing a proxy shall be in writing by the appointer or an attorney duly authorised in writing or, if the appointer is a corporation, whether under its seal or by an officer or attorney duly authorised.
7. The instrument appointing either a proxy, a power of attorney or other authorities, where it is signed or certified by a notary as a true copy shall be deposited with the Company's Share Registrar at No. 2-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur, W.P. Kuala Lumpur, Malaysia or electronically via fax to 03-6201 3121 or e-mail to ir@shareworks.com.my not less than forty-eight (48) hours before the time appointed for holding the 19th AGM or at any adjournment thereof, and in default the instrument of proxy shall not be treated as valid.
8. The right of foreigners to vote in respect of deposited securities is subject to Sections 41(1)(e) and 41(2) of the Securities Industry (Central Depositories) Act, 1991; the Securities Industry (Central Depositories) (Foreign Ownership) Regulations 1996 and the Constitution of the Company.
9. In respect of deposited securities, only members whose names appear in the Record of Depositors on 22 May 2023 (General Meeting Record of Depositors) shall be eligible to attend, speak and vote at this 19th AGM.
10. Any alteration in the Proxy Form must be initialed.
11. Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolution set out in the Notice of 19th AGM will be put to the vote by poll.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms pursuant to Personal Data Protection Act, 2010.

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AFFIX
STAMP

Share Registrar

BSL CORPORATION BERHAD

[Registration No. 200401012615 (651118-K)]

No. 2-1, Jalan Sri Hartamas 8
Sri Hartamas
50480 Kuala Lumpur
Wilayah Persekutuan (KL)

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Fold This Flap For Sealing

BSL CORPORATION BERHAD
200401012615 (651118-K)

Lot 4220, Persimpangan Jalan Batu
Arang/Lebuhraya PLUS,
48000 Rawang, Selangor Darul Ehsan,
Malaysia.

Tel : 03-6091 9148
Email : info@bsli.com.my

www.bslcorp.com.my