



BHS Industries Berhad (Company No: 719660-W)
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2013
 (The figures have not been audited)

	First Quarter 3 months ended 30 Sept		Cumulative Quarters 3 months ended 30 Sept	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Revenue	17,143	13,469	17,143	13,469
Operating expenses	(13,884)	(11,413)	(13,884)	(11,413)
Other income	586	257	586	257
Interest	10	7	10	7
Finance costs	(11)	(5)	(11)	(5)
Profit before tax	3,844	2,315	3,844	2,315
Taxation	(975)	(667)	(975)	(667)
Net profit for the period	<u>2,869</u>	<u>1,648</u>	<u>2,869</u>	<u>1,648</u>
Other Comprehensive Income:				
Translation of foreign operation	91	(3)	91	(3)
Net Gain on Available for sale financial assets	120	105	120	105
	<u>211</u>	<u>102</u>	<u>211</u>	<u>102</u>
Total Comprehensive Income for the period	<u>3,080</u>	<u>1,750</u>	<u>3,080</u>	<u>1,750</u>
Profit Attributable to :				
Owners of the Company	<u>2,869</u>	<u>1,648</u>	<u>2,869</u>	<u>1,648</u>
Total Comprehensive Income attributable to:				
Owners of the Company	<u>3,080</u>	<u>1,750</u>	<u>3,080</u>	<u>1,750</u>
Earnings per share (sen):				
Basic (Part B, Note 11)	<u>3.98</u>	<u>2.29</u>	<u>3.98</u>	<u>2.29</u>

Note:

The unaudited condensed consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 30 June 2013 and the accompanying explanatory notes attached to the Interim Financial Report.



BHS Industries Berhad (Company No: 719660-W)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2013
(The figures have not been audited)**

	Non-distributable					Distributable		
	Share Capital RM' 000	Share Premium RM' 000	Other Reserve RM' 000	Fair Value Reserve RM' 000	Translation Reserve RM' 000	Treasury Shares RM' 000	Retained Profits RM' 000	Total RM' 000
As at 1 July 2013	40,000	1,684	(16,832)	61	49	(4,224)	44,952	65,690
Total comprehensive income for the quarter	-	-	-	120	91	-	2,869	3,080
As at 30 September 2013	40,000	1,684	(16,832)	181	140	(4,224)	47,821	68,770

The unaudited Condensed Consolidated Statement Of Changes In Equity should be read in conjunction with the audited financial statements for the financial year ended 30 June 2013 and the accompanying explanatory notes attached to the Interim Financial Report.



BHS Industries Berhad (Company No: 719660-W)
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
AS AT 30 SEPTEMBER 2013
(The figures have not been audited)

	Cumulative	
	3 months ended 30 September	
	2013	2012
	RM'000	RM'000
Cash Flows From Operating Activities		
Profit before tax	3,844	2,315
Adjustments for:		
Depreciation and amortisation	424	433
Impairment on quoted shares	13	
Gains on foreign exchange (unrealised)	(111)	(9)
Recovery of debts	-	(21)
Interest expense	35	5
Gains on disposal of plant & equipment	(300)	-
	3,905	2,723
Changes in working capital:		
Inventories	145	3,809
Receivables	3,550	(4,678)
Short term investments	5,211	(137)
Payables	(5,202)	(10)
Cash generated from operations	7,609	1,707
Interest paid	(35)	(5)
Taxes paid	(486)	(406)
Net cash generated from operating activities	7,088	1,296
Cash Flows From Investing Activities		
Purchase of plant & equipment	(2)	(3)
Proceeds from disposal of plant & machinery	300	-
Net cash generated from /(used in) investing activities	298	(3)
Cash Flows From Financing Activities		
Increase in borrowings	93	667
Net cash generated from financing activities	93	667
Net Increase in cash and cash equivalents	7,479	1,960
Effects of foreign exchange rate changes	140	36
Cash and cash equivalents at beginning	2,193	3,677
Cash and cash equivalents at end #	9,812	5,673

The unaudited condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the financial year ended 30 June 2013 and the accompanying explanatory notes attached to the Interim Financial Statement.

Please refer to Part A, Note 14 for the analysis of Cash and Cash equivalents



BHS Industries Berhad (Company No: 719660-W)
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 September 2013
(The figures have not been audited)

	As at 30 Sept 2013 RM ' 000	(Audited) As at 30 June 2013 RM ' 000
ASSETS		
Non-current assets		
Plant and equipment	10,158	10,554
Investment property	6,889	6,839
Other investments	1,583	1,476
Total non-current assets	18,630	18,869
Current assets		
Inventories	19,274	19,419
Trade receivables	20,527	24,077
Other receivables, deposits and prepayments	51	51
Tax recoverable	482	403
Short term Investments	13,495	18,706
Cash and bank balances	9,812	2,193
	63,641	64,849
TOTAL ASSETS	82,271	83,718
EQUITY AND LIABILITIES		
Share capital	40,000	40,000
Share premium	1,684	1,684
Other reserve	(16,511)	(16,722)
Treasury shares	(4,224)	(4,224)
Retained earnings	47,821	44,952
Total Equity	68,770	65,690
Non-current liabilities		
Borrowings	863	874
Deferred tax liabilities	1,688	1,691
Total non-current liabilities	2,551	2,565
Current liabilities		
Trade payables	4,934	10,128
Other payables and accruals	2,742	2,750
Provision for taxation	1,613	1,028
Loans and borrowings	1,661	1,557
Total current liabilities	10,950	15,463
TOTAL EQUITY AND LIABILITIES	82,271	83,718
Net asset per share (RM)	0.95	0.91

Note:

The unaudited condensed consolidated Statement Of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2013 and the accompanying explanatory notes attached to the Interim Financial Report.

BHS Industries Berhad (Company no: 719660-W)
Notes To The Interim Report
For The First Quarter Ended 30 September 2013
(The figures have not been audited)

Part A-Explanatory Notes Pursuant to FRS 134

1 Basis of Preparation

The unaudited interim financial statements have been prepared and presented in accordance with the reporting requirements outlined in the Malaysian Financial Reporting Standard ("MFRS") No.134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB"), and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. The unaudited interim financial statements report should be read in conjunction with the audited consolidated financial statements for the year ended 30 June 2013 and the accompanying explanatory notes attached to the audited consolidated financial statements.

In the previous years, the financial statements were prepared in accordance with the Financial Reporting Standards in Malaysia. The first time adoption of MFRS does not have any significant impact on the Group's reported unaudited financial position, financial performance and cash flows.

The Group has not adopted the new standards, amendments to published standards and interpretations that have been issued but not yet effective. These new standards, amendments to published standards and interpretations do not result in significant changes in accounting policies of the Group.

2 Auditors' Report on Preceding Annual Financial Statements

The audited financial statements for the financial year ended 30 June 2013 were not subject to any qualification.

3 Comments about Seasonality or Cyclicity of Operations

The business operations of The Group were not materially affected by seasonal or cyclical changes.

4 Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group for the current quarter under review.

5 Changes in Estimates

There were no changes in estimates of amounts which have a material effect on the results in the current quarter under review.

6 Debt and Equity Securities

There were no issuance, cancellations, repurchases, resale and repayment of debt and equity securities in the current quarter under review.

7 Dividend Paid

The Company did not pay any dividend in the quarter under review

BHS Industries Berhad (Company no: 719660-W)
Notes To The Interim Report
For The First Quarter Ended 30 September 2013
(The figures have not been audited)

8 Segmental Information

Segmental Information for the Group by geographical segment is presented as follows:

	3 months Ended 30 Sept 2013 RM'000	3 months Ended 30 Sept 2012 RM'000
Geographical Segments		
Revenue		
Export market	13,406	5,096
Local market	3,737	8,373
	<u>17,143</u>	<u>13,469</u>
Results		
Export market	2,540	776
Local market	708	1,275
Profit from operations	3,248	2,051
Add Other Income & Interest	596	264
	<u>3,844</u>	<u>2,315</u>
Less taxation	(975)	(667)
	<u>2,869</u>	<u>1,648</u>

Disclosure of segmental information of the Group by business segment is not presented as the Group is primarily engaged in the segment of printing.

9 Valuation of Property, Plant and Equipment

There were no valuation of the property, plant and equipment in the current quarter under review.

10 Material Events Subsequent to the End of the Quarter

There were no material events between the end of the current quarter and the date of this report, which are likely to substantially affect the current quarter results under review.

11 Changes in the Composition of the Group

There are no changes in the composition of the Group.

12 Contingent Liabilities

The Directors are of the opinion that the Group has no contingent liabilities which, upon crystallisation would have a material impact on the financial position and business of the Group as at 23 October 2013, the latest practicable date which is not earlier than 7 days from the date of issuance of these financial results.

13 Capital Commitments

As at 23 October 2013 (the latest practicable date which is not earlier than 7 days from the date of issuance of these financial results), the Group did not have any material commitment for contracted capital expenditure which might have a material impact on the financial position or business of the Group.

14 Cash and Cash Equivalents

	As at 30 Sept 2013 RM'000	As at 30 June 2013 RM'000
Cash at bank	9,553	1,942
Fixed deposit with a licensed bank	259	251
	<u>9,812</u>	<u>2,193</u>

BHS Industries Berhad (Company no: 719660-W)

**Notes To The Interim Report
For The First Quarter Ended 30 September 2013
(The figures have not been audited)**

PART B: ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD'S LISTING REQUIREMENTS

1 Analysis of performance

	1st Quarter 30.09.2013 RM'000	1st Quarter 30.09.2012 RM'000
Revenue	<u>17,143</u>	<u>13,469</u>
Profit After Tax	<u>2,869</u>	<u>1,648</u>

For the first quarter under review, revenue increased by RM3.67million compared with the same quarter in the preceding year. The Profit After Tax to Revenue also improved to 16.7% in the first quarter in 2013 from 12.2% in the same quarter in 2012. The increase in revenue was attributed substantially to higher overseas' sales and the improvement in the Profit to Revenue ratio would be due to lower paper costs and the Group operating at the optimal level.

2 Variation of Results Against Preceding Quarter

	Current Quarter 30.09.2013 RM'000	Preceding Quarter 30.06.2013 RM'000
Revenue	<u>17,143</u>	<u>24,031</u>
Profit After Tax	<u>2,869</u>	<u>3,276</u>

For the first quarter under review, the Group recorded a substantial decrease in revenue of RM6.9 million compared with the preceding quarter in June 13. The decrease would be wholly attributed to both lower overseas and local revenue in the current quarter. However, the Group was able to record a higher Profit After Tax to Revenue ratio of 16.7% compared with 13.6% in the previous quarter as the Group was able to gain from the lower paper cost and reap the benefit from operating at the economy of scale.

3 Prospects

The Group was able to increase its revenue from overseas and the first quarter results have shown that the Group would be expected to be able to perform satisfactorily in the current financial year ended 30 June 2014.

4 Profit Forecast and Profit Guarantee

The Group has not issued any profit forecast or profit guarantee in the current financial year.

5 Taxation

	3 months Ended 30 Sept 2013 RM'000
Provision of Income tax	<u>975</u>

The effective tax rate of the Group for 3 months ended 30 Sept 2013 is 25% which is the same as the statutory tax rate for the financial year.

**Notes To The Interim Report
For The First Quarter Ended 30 September 2013
(The figures have not been audited)**

6 The following items have been deducted/(credited) in arriving at the Net Profit:

	3 months Ended 30 Sept 2013 RM'000	3 months Ended 30 Sept 2013 RM'000
Depreciation and amortisation	424	424
Foreign exchange gains	(286)	(286)
Impairment of quoted shares	13	13
Unrealised gains on short term investments	(97)	(97)

Interest as appeared on the Comprehensive Income Statement refers to bank interest only.

*There are no gains or losses on derivative, exceptional items, provision for and write off of inventories, and impairment of assets.

7 Group's Borrowings and Debt Securities

	30 Sept 2013 RM'000
Bank loan -due within 12 months	1,661
Bank loan -due after 12 months	863
Total borrowings	<u>2,524</u>

The bank loans due within 12 months are trade facilities of RM321,000, USD trade loan of RM1,189,000 and Singaporean Dollar loan of RM151,000. The loan due after 12 months is wholly denominated in Singaporean Dollar. The Singaporean loan is secured on the property and the trade facilities and the USD loans are secured on a corporate guarantee given by the holding company.

8 Material Litigation

Neither the Company nor its subsidiaries are engaged in any litigation or arbitration, either as plaintiff or defendant, which have a material effect on the financial position of the Company or its subsidiaries and the Board is not aware of any proceedings pending or threatened or of any acts likely to give rise to any proceedings, which might materially and adversely affect the position or business of the Company or its subsidiaries.

9 Dividends

The Board of Directors proposed in the previous quarter ended 30.6.2013 that a first and final dividend of 3 sen or 6% exempt dividend be payable subject to the approval by the shareholders in the forthcoming AGM.

10 Retained profits/(accumulated losses) of the Group

	RM' 000
- Realised	53,757
-Unrealised	(1,828)
	<u>51,929</u>
Less Consolidated adjustment	(4,108)
Total group's retained profits	<u><u>47,821</u></u>

**Notes To The Interim Report
For The First Quarter Ended 30 September 2013
(The figures have not been audited)**

11 Earnings Per Share

Basic earnings per share is calculated by dividing net profit attributable to ordinary equity holders by the weighted average number of ordinary shares in issue (excluding treasury shares) during the period.

Weighted average number of shares for calculation of basic earnings per share:

	3 months Ended 30 Sept 2013 RM' 000	3 months Ended 30 Sept 2013 RM'000
Profit attributable to shareholders	2,869	2,869
Weighted average number of shares in issue ('000) (Excluding treasury shares)	72,100	72,100
Basic earnings per share (sen)	3.98	3.98

12 Corporate Proposals

(a) There was no corporate proposal for the period under review.

(b) Status of Utilisation of Proceeds

The Company raised a total gross proceeds of RM17,975,229 from the Rights Issue and Public Issue. The utilisation of proceeds as at 23 October 2013 (the latest practicable date not earlier than 7 days from the date of issue of this report) is as follows:

	Revised utilisation announced on 28.7.08 RM'000	Actual utilised as at 23.10.13 RM'000	*Balance to be utilised RM'000
Expansion plan	8,250	6,631	1,619
Working capital	1,270	1,270	-
	9,520	7,901	1,619

* The Group holds back on the expansion owing to the uncertainty in the market and there is no fixed timeframe for the investment as the board will continuously review the production capacity needs of the Group.

13 Authorisation for Issue

The unaudited interim financial statements were authorised for issuance by the Board of Directors.