



BHS Industries Berhad (Company No: 719660-W)
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SECOND QUARTER ENDED 31 DECEMBER 2013
(The figures have not been audited)

	Second Quarter 3 months ended 31 December		Cumulative Quarters 6 months ended 31 December	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Revenue	21,615	18,822	38,758	32,291
Operating expenses	(19,010)	(16,741)	(32,894)	(28,154)
Other income	110	240	696	497
Interest	16	9	26	16
Finance costs	(46)	(9)	(57)	(14)
Profit before tax	2,685	2,321	6,529	4,636
Taxation	(810)	(686)	(1,785)	(1,353)
Net profit for the period	<u>1,875</u>	<u>1,635</u>	<u>4,744</u>	<u>3,283</u>
Other Comprehensive Income:				
Translation of foreign operation	3	1	94	(2)
Net Gain on Available for sale financial assets	74	144	194	249
	<u>77</u>	<u>145</u>	<u>288</u>	<u>247</u>
Total Comprehensive Income for the period	<u>1,952</u>	<u>1,780</u>	<u>5,032</u>	<u>3,530</u>
Profit Attributable to :				
Owners of the Company	<u>1,875</u>	<u>1,635</u>	<u>4,744</u>	<u>3,283</u>
Total Comprehensive Income attributable to:				
Owners of the Company	<u>1,952</u>	<u>1,780</u>	<u>5,032</u>	<u>3,530</u>
Earnings per share (sen):				
Basic (Part B, Note 11)	<u>2.60</u>	<u>2.27</u>	<u>6.58</u>	<u>4.55</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 FINANCIAL POSITION
AS AT 31 December 2013
(The figures have not been audited)

	As at 31 Dec 2013 RM ' 000	(Audited) As at 30 June 2013 RM ' 000
ASSETS		
Non-current assets		
Plant and equipment	9,767	10,554
Investment property	6,867	6,839
Other investments	1,656	1,476
Total non-current assets	18,290	18,869
Current assets		
Inventories	15,738	19,419
Trade receivables	21,070	24,077
Other receivables, deposits and prepayments	416	51
Tax recoverable	508	403
Short term Investments	13,593	18,706
Cash and bank balances	11,159	2,193
	62,484	64,849
TOTAL ASSETS	80,774	83,718
EQUITY AND LIABILITIES		
Share capital	40,000	40,000
Share premium	1,684	1,684
Other reserve	(16,434)	(16,722)
Treasury shares	(4,224)	(4,224)
Retained earnings	49,696	44,952
Total Equity	70,722	65,690
Non-current liabilities		
Borrowings	826	874
Deferred tax liabilities	1,691	1,691
Total non-current liabilities	2,517	2,565
Current liabilities		
Trade payables	3,808	10,128
Other payables and accruals	1,518	2,750
Provision for taxation	2,057	1,028
Loans and borrowings	152	1,557
Total current liabilities	7,535	15,463
TOTAL EQUITY AND LIABILITIES	80,774	83,718
Net asset per share (RM)	0.98	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)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SECOND QUARTER ENDED 31 DECEMBER 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
Total comprehensive income for the quarter	-	-	-	74	3	-	1,875	1,952
As at 31 December 2013	40,000	1,684	(16,832)	255	143	(4,224)	49,696	70,722

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 31 DECEMBER 2013
 (The figures have not been audited)

	Cumulative	
	6 months ended 31 December	
	2013	2012
	RM'000	RM'000
Cash Flows From Operating Activities		
Profit before tax	6,529	4,636
Adjustments for:		
Depreciation and amortisation	841	857
Allowance for debts	-	500
Gains on foreign exchange (unrealised)	(29)	(42)
Impairment on quoted shares	13	-
Recovery of debts	-	(21)
Interest expense	26	14
Gains on disposal of plant & equipment	(300)	-
	<u>7,080</u>	<u>5,944</u>
Changes in working capital:		
Inventories	3,681	(4,583)
Receivables	2,642	(1,450)
Short term investments	5,113	(780)
Payables	(7,552)	1,298
	<u>10,964</u>	<u>429</u>
Cash generated from operations	10,964	429
Interest paid	(26)	(14)
Taxes paid	(871)	(730)
	<u>10,067</u>	<u>(315)</u>
Net cash generated from/(used in) operating activities	10,067	(315)
Cash Flows From Investing Activities		
Purchase of plant & equipment	(91)	(14)
Proceeds from disposal of plant & machinery	300	-
	<u>209</u>	<u>(14)</u>
Net cash generated from /(used in) investing activities	209	(14)
Cash Flows From Financing Activities		
Decrease in borrowings	(1,453)	(73)
	<u>(1,453)</u>	<u>(73)</u>
Net cash used in financing activities	(1,453)	(73)
Net Increase in cash and cash equivalents	8,823	(402)
Effects of foreign exchange rate changes	143	40
Cash and cash equivalents at beginning	2,193	3,677
Cash and cash equivalents at end #	<u>11,159</u>	<u>3,315</u>

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)
Notes To The Interim Report
For The Second Quarter Ended 31 December 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

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(The figures have not been audited)

8 Segmental Information

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

Geographical Segments	3 months Ended 31 Dec 2013 RM'000	6 months Ended 31 Dec 2013 RM'000
Revenue		
Export market	14,533	27,939
Local market	7,082	10,819
	<u>21,615</u>	<u>38,758</u>
Results		
Export market	1,646	4,186
Local market	913	1,621
Profit from operations	2,559	5,807
Add Other Income & Interest	126	722
	<u>2,685</u>	<u>6,529</u>
Less taxation	(810)	(1,785)
	<u>1,875</u>	<u>4,744</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 17 February 2014, 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 17 February 2014 (the latest practicable date which is not earlier than 7 days from the date of issuance of these financial results), the Group had committed for a capital expenditure of RM2 million for the acquisition of a printing machine

14 Cash and Cash Equivalents

	As at 31 Dec 2013 RM'000	As at 30 June 2013 RM'000
Cash at bank	10,900	1,942
Fixed deposit with a licensed bank	259	251
	<u>11,159</u>	<u>2,193</u>

BHS Industries Berhad (Company no: 719660-W)
Notes To The Interim Report
For The Second Quarter Ended 31 December 2013
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PART B: ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD'S LISTING REQUIREMENTS

1 Analysis of performance

	2nd Quarter 31.12.2013 RM'000	2nd Quarter 31.12.2012 RM'000
Revenue	<u>21,615</u>	<u>18,822</u>
Profit After Tax	<u>1,875</u>	<u>1,635</u>

For the second quarter under review, revenue increased by RM2.79 million compared with the same quarter in the preceding year. The Profit After Tax to Revenue remained relatively stable at 8.7% for the second quarter in both years.

2 Variation of Results Against Preceding Quarter

	Current Quarter 31.12.2013 RM'000	Preceding Quarter 30.09.2013 RM'000
Revenue	<u>21,615</u>	<u>17,143</u>
Profit After Tax	<u>1,875</u>	<u>2,869</u>

For the second quarter under review, the Group recorded an increase in revenue of RM4.47 million compared with the preceding quarter in Sept 13. The increase could be attributable to local revenue of RM3.34 million and overseas revenue of RM1.13 million. However, the Profit After Tax to Revenue ratio dropped from 16.7% in the preceding quarter to 8.65% in the current quarter due to the higher cost of paper and overheads.

3 Prospects

Based on the analyses of performance above, the Group would be expected to perform satisfactorily in the year ending 30.6.2014.

4 Profit Forecast and Profit Guarantee

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

5 Taxation

	6 months Ended 31 Dec 2013 RM'000
Provision of Income tax	<u>1,785</u>

The effective tax rate of the Group for 6 months ended 31 Dec 2013 is 27.34% which is higher than the statutory tax rate of 25%.

BHS Industries Berhad (Company no: 719660-W)
Notes To The Interim Report
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(The figures have not been audited)

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

	3 months Ended 31 Dec 2013 RM'000	6 months Ended 31 Dec 2013 RM'000
Depreciation and amortisation	417	841
Foreign exchange loss/(gains)	37	(249)
Impairment of quoted shares	-	13
Unrealised gains on short term investments	(92)	(189)

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

	31 Dec 2013 RM'000
Bank loan -due within 12 months	152
Bank loan -due after 12 months	826
Total borrowings	<u>978</u>

The bank loans due are Singaporean Dollar loan of RM978,000 which is secured on the property.

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 a final tax exempt dividend of 6% or 3 sen per share for the financial year ended 30 June 2013 which was approved by the shareholders in the AGM held on 20 December 2013. The dividend was duly paid on 23 January 2014.

10 Retained profits/(accumulated losses) of the Group

	RM' 000
- Realised	55,628
-Unrealised	(1,834)
	<u>53,794</u>
Less Consolidated adjustment	(4,098)
Total group's retained profits	<u><u>49,696</u></u>

BHS Industries Berhad (Company no: 719660-W)
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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 31 Dec 2013 RM' 000	6 months Ended 31 Dec 2013 RM'000
Profit attributable to shareholders	1,875	4,744
Weighted average number of shares in issue ('000) (Excluding treasury shares)	72,100	72,100
Basic earnings per share (sen)	2.60	6.58

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 17 February 2014 (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 17.02.14 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.