



BHS Industries Berhad (Company No: 719660-W)
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SECOND QUARTER ENDED 31 DECEMBER 2014
(The figures have not been audited)

	Second Quarter 3 months ended 31 Dec		Cumulative Quarters 6 months ended 31 Dec	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Revenue	5,453	21,615	18,733	38,758
Operating expenses	(7,461)	(19,010)	(20,072)	(32,894)
Other income	1,144	110	4,698	696
Interest	6	16	12	26
Finance costs	(10)	(46)	(26)	(57)
Profit/(Loss) before tax	(868)	2,685	3,345	6,529
Taxation	204	(810)	(139)	(1,785)
Net profit/(Loss) for the period	<u>(664)</u>	<u>1,875</u>	<u>3,206</u>	<u>4,744</u>
Other Comprehensive Income:				
Translation of foreign operation	-	3	(112)	94
Net Gain/(loss) on Available for sale financial assets	139	74	153	194
	<u>139</u>	<u>77</u>	<u>41</u>	<u>288</u>
Total Comprehensive Income for the period	<u>(525)</u>	<u>1,952</u>	<u>3,247</u>	<u>5,032</u>
Profit/(Loss) Attributable to :				
Owners of the Company	<u>(664)</u>	<u>1,875</u>	<u>3,206</u>	<u>4,744</u>
Total Comprehensive Income attributable to:				
Owners of the Company	<u>(525)</u>	<u>1,952</u>	<u>3,247</u>	<u>5,032</u>
Earnings per share (sen):				
Basic (Part B, Note 11)	<u>(0.86)</u>	<u>2.60</u>	<u>4.29</u>	<u>6.58</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 2014 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 2014
(The figures have not been audited)

		As at 31 Dec 2014 RM ' 000	(Audited) As at 30 June 2014 RM ' 000
ASSETS			
Non-current assets			
Leasehold land and building	(Part A, Note 11)	15,600	-
Plant and equipment		8,873	9,235
Other investments		1,899	1,746
Master licence rights		500	-
Total non-current assets		26,872	10,981
Current assets			
Inventories		12,222	15,036
Trade receivables		9,915	18,417
Other receivables, deposits and prepayments		2,741	1,537
Tax recoverable		1,449	710
Short term Investments		24,089	13,783
Cash and bank balances		31,592	11,125
Assets classified as held for sale	(Part A, Note 8)	-	7,840
		82,008	68,448
TOTAL ASSETS		108,880	79,429
EQUITY AND LIABILITIES			
Share capital		40,000	40,000
Share premium	(Part A, Note 6)	13,046	1,684
Other reserve		(16,385)	(16,426)
Treasury shares	(Part A, Note 6)	-	(4,224)
Retained earnings		54,342	52,954
Total Equity		91,003	73,988
Non-current liabilities			
Deferred tax liabilities		1,260	1,260
Total non-current liabilities		1,260	1,260
Current liabilities			
Trade payables		1,912	529
Other payables and accruals		14,705	2,645
Provision for taxation		-	-
Liabilities classified as held for sale	(Part A, Note 9)	-	1,007
Total current liabilities		16,617	4,181
TOTAL EQUITY AND LIABILITIES		108,880	79,429
Net asset per share (RM)		1.14	1.03

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 2014 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 2014
(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 2014	40,000	1,684	(16,833)	295	112	(4,224)	52,954	73,988
Total comprehensive income for the quarter				14	(112)		3,870	3,772
As at 30 September 2014	40,000	1,684	(16,833)	309	-	(4,224)	56,824	77,760
Total comprehensive income for the quarter		-	-	139	-	-	(664)	(525)
Cost of Share dividend	-	-	-	-	-	1,818	(1,818)	-
Gains on disposal of shares/cost of treasury shares	-	11,362	-	-	-	2,406	-	13,768
As at 31 December 2014	40,000	13,046	(16,833)	448	-	-	54,342	91,003

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 2014 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 2014
 (The figures have not been audited)

Cumulative	
6 months ended 31 December	
2014	2013
RM'000	RM'000

Cash Flows From Operating Activities

Profit before tax	3,345	6,529
Adjustments for:		
Depreciation and amortisation	687	841
Gains arising from disposal of land and subsidiary	(3,097)	-
Gains on foreign exchange (unrealised)	(67)	(29)
Impairment on quoted shares	-	13
Interest expense	26	26
Gains on disposal of plant & equipment	-	(300)
	894	7,080
Changes in working capital:		
Inventories	2,814	3,681
Receivables	7,298	2,642
Short term investments	(10,306)	5,113
Payables	(597)	(7,552)
Cash generated from operations	103	10,964
Interest paid	(26)	(26)
Taxes paid	(878)	(871)
Net cash (used in)/generated from operating activities	(801)	10,067

Cash Flows From Investing Activities

Purchase of Property, plant & equipment	(1,885)	(91)
Purchase of Master licence rights	(500)	-
Proceeds from disposal of plant & machinery	-	300
Proceeds from disposal of lands and shares in BHS Resources Pte. Ltd.	9,885	-
Proceeds from disposal of treasury shares	13,768	-
Net cash generated from investing activities	21,268	209

Cash Flows From Financing Activities

Decrease in borrowings	-	(1,453)
Net cash used in financing activities	-	(1,453)

Net Increase in cash and cash equivalents

Net Increase in cash and cash equivalents	20,467	8,823
Effects of foreign exchange rate changes	-	143
Cash and cash equivalents at beginning	11,125	2,193
Cash and cash equivalents at end #	31,592	11,159

The unaudited condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the financial year ended 30 June 2014 and the accompanying explanatory notes attached to the Interim Financial Statement.

Please refer to Part A, Note 16 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 2014
(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 2014 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 2014 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 except the following:

	No of shares '000
-Distribution of treasury shares as share dividend on the basis of 2 treasury shares for every 45 shares held	3,401
- Disposal of treasury shares	4,499
	<u>7,900</u>

The cost of the treasury shares distributed as share dividend amounted to RM1,818,225; and the cost of the treasury shares attributed to the disposal amounted to RM2,405,697 which gave rise to the profits on disposal of RM11,361,942 taken directly to the Share Premium Account.

7 Dividend Paid

The Company distributed 3,400,626 treasury shares as shares dividend to shareholders who held BHS shares on the entitlement date of 20 November 2014.

8 Non-current assets held for sale RM7,840,000

	RM'000
Investment properties	6,794
Fixed deposit with a licensed bank	257
Bank balances	789
	<u>7,840</u>

Following the EGM dated 18 July 2014, the shareholders voted to approve the disposal, the sale of 7 pieces of land and the shares in a subsidiary had been effected in the September 14 quarter.

BHS Industries Berhad (Company no: 719660-W)
Notes To The Interim Report
For The Second Quarter Ended 31 December 2014
(The figures have not been audited)

9 Liabilities classified as held for sale RM1,007,000

Following the EGM dated 18 July 2014, the shareholders voted to approve the disposal, the sale of shares in the subsidiary had been effected in the Sept 14 quarter.

	RM'000
Liabilities:	
Other payables and accruals	109
Term loan	898
	<u>1,007</u>

10 Segmental Information

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

	3 months Ended 31 Dec 2014 RM'000	6 months Ended 31 Dec 2014 RM'000
Geographical Segments		
Revenue		
Export market	1,247	11,080
Local market	4,206	7,653
	<u>5,453</u>	<u>18,733</u>
Results		
Export market	(461)	(807)
Local market	(1,557)	(558)
Profit from operations	(2,018)	(1,365)
Add Other Income & Interest	1,150	4,710
	(868)	3,345
Less taxation	204	(139)
	<u>(664)</u>	<u>3,206</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.

11 Valuation of Property, Plant and Equipment

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

On 31.12.14, BHS Book Printing Sdn Bhd, a subsidiary of the Company, entered into a Sale and Purchase Agreement with Makmur Malaya Sdn Bhd to purchase a leasehold factory located at No.4, Jalan 1B, Taman Cheras Jaya, 43200 Cheras, Selangor measuring approximately 7,356 square metres for a consideration of RM15.6 million.

12 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.

13 Changes in the Composition of the Group

The Company disposed of its subsidiary, BHS Resources Pte. Ltd during the Sept 14 quarter.

BHS Industries Berhad (Company no: 719660-W)
Notes To The Interim Report
For The Second Quarter Ended 31 Dec 2014
(The figures have not been audited)

14 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 18 February 2015, the latest practicable date which is not earlier than 7 days from the date of issuance of these financial results.

15 Capital Commitments

As at 18 February 2015 (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.

16 Cash and Cash Equivalents

	As at 31 Dec 2014	As at 30 June 2014
	RM'000	RM'000
Cash at bank	<u>31,592</u>	<u>11,125</u>

BHS Industries Berhad (Company no: 719660-W)
Notes To The Interim Report
For The Second Quarter Ended 31 Dec 2014
(The figures have not been audited)

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

1 Analysis of performance

	2nd Quarter 31.12.2014 RM'000	2nd Quarter 31.12.2013 RM'000
Revenue	<u>5,453</u>	<u>21,615</u>
Profit Before Tax (PBT)	<u>(868)</u>	<u>2,685</u>

The revenue had dropped from RM21.6 million in the preceding Dec 13 quarter to RM5.4 million in the current Dec 14 quarter. The outbreak of Ebola in the affected countries had dried up the print orders. As a result of smaller revenue, the Company was only able to operate at low capacity with higher operating costs which gave rise to a loss of RM868,000.

2 Variation of Results Against Preceding Quarter

	Current Quarter 31.12.2014 RM'000	Preceding Quarter 30.09.2014 RM'000
Revenue	<u>5,453</u>	<u>13,280</u>
Profit Before Tax (PBT)	<u>(868)</u>	<u>4,213</u>

The low level of revenue did not enable the Company to operate optimally. Therefore, a loss of RM868,000 was incurred in the current quarter compared with profits of RM4.2 million in the preceding quarter.

3 Prospects

The effects of the outbreak of Ebola in African continent had reduced substantially on the print orders received from these countries in the past six months. Once the situation improves, the Company should be able to obtain some print orders from its regular customers. Despite the foregoing, the Board is of the view that the Company is able to perform satisfactorily in the year ending 30 June 2015.

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 31 Dec 2014 RM'000	6 months Ended 31 Dec 2014 RM'000
Provision of Income tax	<u>204</u>	<u>(139)</u>

The provision of income tax is made based on the statutory tax rate of 25% in the YA 2015.

BHS Industries Berhad (Company no: 719660-W)
Notes To The Interim Report
For The Second Quarter Ended 31 Dec 2014
(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 2014 RM'000	6 months Ended 31 Dec 2014 RM'000
Depreciation and amortisation	302	687
Foreign exchange loss/(gains)	(525)	(1,049)
Gains arising from the disposal of land and shares in subsidiary	179	(2,916)
Unrealised gains on short term investments	(187)	(306)

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

*There are no allowance for debts, 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

The Company did not have any borrowing or debt securities in the quarter under review.

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 2014 which was approved by the shareholders in the AGM held on 13 December 2014. The dividend was duly paid on 8 January 2015.

10 Retained profits/(accumulated losses) of the Group

	RM' 000
- Realised	57,491
-Unrealised	(1,260)
	<hr style="border-top: 1px solid black;"/>
Less Consolidated adjustment	(1,889)
	<hr style="border-top: 1px solid black;"/>
Total group's retained profits	<u><u>54,342</u></u>

BHS Industries Berhad (Company no: 719660-W)
Notes To The Interim Report
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(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 31 Dec 2014 RM'000	6 months Ended 31 Dec 2014 RM'000
Profit/(Loss) attributable to shareholders	<u>(664)</u>	<u>3,206</u>
Weighted average number of shares in issue ('000) (Excluding treasury shares)	<u>77,252</u>	<u>74,681</u>
Basic earnings per share (sen)	<u>(0.86)</u>	<u>4.29</u>

12 Corporate Proposals

Corporate proposals for the quarter under review are as follows:

1. Proposed bonus issue of up to 80,000,000 BHS shares on the basis of (1) bonus share for every one existing BHS share held on the entitlement date of 26 February 2015; and
2. Proposed share split involving the subdivision of every one (1) existing BHS share into two (2) ordinary shares of RM0.25 each in BHS; the issuance of bonus shares is carried out concurrently with the share split so that bonus shares to be issued in the form of the subdivided shares;
3. The Company had on 15 December 2014 announced its intention to seek shareholders' approval for the Proposed share buy-back authority.
4. In the EGM convened on 29 January 2015, the shareholders approved the above proposals.

13 Authorisation for Issue

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