



BHS Industries Berhad (Company No: 719660-W)
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2015
 (The figures have not been audited)

	Fourth Quarter 3 months ended 30 Sept		Cumulative Quarters 3 months ended 30 Sept	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Revenue	6,299	13,280	6,299	13,280
Operating expenses	(7,551)	(12,611)	(7,551)	(12,611)
Other income	1,556	3,554	1,556	3,554
Interest	21	6	21	6
Finance costs	(92)	(16)	(92)	(16)
Profit/(Loss) before tax	233	4,213	233	4,213
Taxation	(70)	(343)	(70)	(343)
Net profit/(Loss) for the period	<u>163</u>	<u>3,870</u>	<u>163</u>	<u>3,870</u>
Other Comprehensive Income:				
Net Gain/(loss) on Available for sale financial assets	-	-	-	-
-gain on changes in fair value	-	14	-	14
	<u>-</u>	<u>14</u>	<u>-</u>	<u>14</u>
Total Comprehensive Income for the period	<u>163</u>	<u>3,884</u>	<u>163</u>	<u>3,884</u>
Profit/(Loss) Attributable to :				
Owners of the Company	<u>163</u>	<u>3,870</u>	<u>163</u>	<u>3,870</u>
Total Comprehensive Income attributable to:				
Owners of the Company	<u>163</u>	<u>3,884</u>	<u>163</u>	<u>3,884</u>
Earnings per share (sen):				
Basic (Part B, Note 11)	<u>0.50</u>	<u>5.37</u>	<u>0.50</u>	<u>5.37</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 2015 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 30 SEPTEMBER 2015
(The figures have not been audited)

	As at 30 Sept 2015 RM ' 000	(Audited) As at 30 June 2015 RM ' 000
ASSETS		
Non-current assets		
Leasehold land and building	17,241	16,067
Plant and equipment	10,640	10,698
Other investments	1,073	1,179
Master licence rights	500	500
Total non-current assets	29,454	28,444
Current assets		
Inventories	10,951	12,305
Trade receivables	15,088	13,764
Other receivables, deposits and prepayments	18,619	7,530
Tax recoverable	2,254	1,965
Short term Investments	2,679	22,513
Fixed deposit with licensed bank	4,547	3,276
Cash and bank balances	3,589	9,270
	-	
	57,727	70,623
TOTAL ASSETS	87,181	99,067
EQUITY AND LIABILITIES		
Share capital	80,000	80,000
Share premium	-	-
Other reserve	(16,833)	(16,833)
Treasury shares	(12,686)	(4,256)
Retained earnings	24,731	24,568
Total Equity	75,212	83,479
Non-current liabilities		
Bank borrowing	7,211	7,370
Deferred tax liabilities	1,169	1,169
Total non-current liabilities	8,380	8,539
Current liabilities		
Bank borrowing	623	623
Trade payables	884	2,250
Other payables and accruals	1,747	4,012
Provision for tax	335	164
	-	-
Total current liabilities	3,589	7,049
TOTAL EQUITY AND LIABILITIES	87,181	99,067
Net asset per share (RM)	0.25	0.27

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 2015 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 2015**
(The figures have not been audited)

	Non-distributable		Distributable		
	Share Capital RM' 000	Other Reserve RM' 000	Treasury Shares RM' 000	Retained Profits RM' 000	Total RM' 000
As at 1 July 2015	80,000	(16,833)	(4,256)	24,568	83,479
Total comprehensive income for the quarter				163	163
Purchase of own shares			(8,430)		(8,430)
As at 30 September 2015	<u>80,000</u>	<u>(16,833)</u>	<u>(12,686)</u>	<u>24,731</u>	<u>75,212</u>

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 2015 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 2015
(The figures have not been audited)

	Cumulative	
	3 months ended 30 Sept	
	2015	2014
	RM'000	RM'000
Cash Flows From Operating Activities		
Profit before tax	233	4,213
Adjustments for:		
Depreciation and amortisation	388	384
Gains arising from disposal of land and subsidiary	-	(3,095)
(Gains)/Loss on foreign exchange (unrealised)	-	(358)
Loss/(Gains) on Fair value on quoted shares	106	-
Interest expense	92	6
Gains on disposal of plant & equipment	(388)	-
	431	1,150
Changes in working capital:		
Inventories	1,354	3,049
Receivables	(12,413)	5,365
Payables	(3,631)	(1,376)
Cash (used in)/generated from operations	(14,259)	8,188
Interest paid	(92)	(6)
Taxes paid	(188)	(253)
Net cash (used in)/ generated from operating activities	(14,539)	7,929
Cash Flows From Investing Activities		
Purchase of Property, plant & equipment	(1,504)	(119)
Proceeds from disposal of plant & machinery	388	-
Proceeds from disposal of short term investments	19,834	-
Deposit received for non-current assets held for sale	-	989
Net cash generated from investing activities	18,718	870
Cash Flows From Financing Activities		
Decrease in borrowings	(159)	-
Repurchase of treasury shares	(8,430)	-
Net cash used in financing activities	(8,589)	-
Net (Decrease)/Increase in cash and cash equivalents	(4,410)	8,799
Cash and cash equivalents at beginning	12,546	11,125
Cash and cash equivalents at end #	8,136	19,924

The unaudited condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the financial year ended 30 June 2015 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 First Quarter Ended 30 September 2015
(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 2015 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 2015 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:

In pursuance of the authority granted to the directors at the Extraordinary General Meeting held on 29 January 2015, the directors had during the 1st quarter to 30.9.2015, repurchased 15,211,900 of the Company's ordinary shares of RM0.25 each at the open market for a total consideration of RM8,430,033 at an average cost of RM0.554 per share. The share buyback were financed by internally generated funds and are held as treasury shares in accordance with the requirements of Section 67A of the Companies Act 1965.

At 30.9.2015, the Company held a total of 22,562,900 treasury shares at a total cost of RM12,686,411 with an average cost of RM0.562

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 2015
(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 2015 RM'000
Geographical Segments	
Revenue	
Export market	2,660
Local market	3,639
	<u>6,299</u>
Results	
Export market	(568)
Local market	(776)
Profit/(Loss) from operations	(1,344)
Add Other Income & Interest	1,577
	<u>233</u>
Less taxation	(70)
	<u>163</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 is no change in the composition of the Group in the quarter under review.

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

BHS Industries Berhad (Company no: 719660-W)
Notes To The Interim Report
For The First Quarter Ended 30 September 2015
(The figures have not been audited)

13 Capital Commitments

As at 16 November 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 except the following:

Purchase of plant and machinery	RM' 000
	<u>3,624</u>

14 Cash and Cash Equivalents

	As at 30 Sept 2015	As at 30 June 2015
	RM'000	RM'000
Cash at bank	3,589	9,270
Fixed deposit with financial institution	4,547	3,276
	<u>8,136</u>	<u>12,546</u>

BHS Industries Berhad (Company no: 719660-W)
Notes To The Interim Report
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(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 30.09.2015 RM'000	1st Quarter 30.09.2014 RM'000
Revenue	<u>6,299</u>	<u>13,280</u>
Profit Before Tax (PBT)	<u>233</u>	<u>4,213</u>

The revenue had dropped from RM13.3 million in the preceding Sept 14 quarter to RM6.23 million in the current quarter. The reduced revenue of RM7.07 million was attributed wholly to the lower overseas sales. The lower crude oil price coupled with the stronger USD has affected our customers resulting in smaller print orders received. With a lower volume of production and sales, the Group was not able to operate to reap the benefits of economy of scale. It recorded profits of RM0.23 million because of gains arising from currency difference.

2 Variation of Results Against Preceding Quarter

	Current Quarter 30.06.2015 RM'000	Preceding Quarter 30.06.2015 RM'000
Revenue	<u>6,299</u>	<u>8,031</u>
Profit Before Tax (PBT)	<u>233</u>	<u>(299)</u>

Compared with the preceding quarter, the current quarter revenue was decreased by RM1.7 million. There were lower overheads and no provision for bad debts in the current quarter. With the help of the currency gains, the Group recorded profits of RM0.23 million.

3 Prospects

There are signs that the economy in our main customers' countries is stabilising and recovering. Thus far, our customers rely on small local printers and existing stock to meet the demands. After a period of 9 months, the stocks are depleted and soon, they will have to restock. Based on the foregoing, we are of the view that we shall receive more print orders from these markets in the first quarter of 2016 and we consider the prospect of the Company to be satisfactory in the year.

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 2015 RM'000
Provision of Income tax	<u>70</u>

The statutory tax rate for year of assessment has been reduced to 24% and the tax provision is based thereon.

BHS Industries Berhad (Company no: 719660-W)
Notes To The Interim Report
For The First Quarter Ended 30 September 2015
(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 2015 RM'000
Depreciation and amortisation	388
Foreign exchange loss/(gains)	(1,027)
Unrealised gains on short term investments	(105)
Fair value loss/(gains) on investment in quoted shares	106

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 except the following:

	RM '000
Bank borrowing -12 months	623
Bank borrowing -more than 12 months	7,211
	<u>7,834</u>

The bank borrowing refers to a fixed term loan of RM8 million taken out to acquire the Company's factory.

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 did not propose any dividend for the quarter under review.

10 Retained profits/(accumulated losses) of the Group

	RM' 000
- Realised	25,068
-Unrealised	(1,169)
	<u>23,899</u>
Less Consolidated adjustment	832
	<u>24,731</u>

BHS Industries Berhad (Company no: 719660-W)
Notes To The Interim Report
For The First Quarter Ended 30 September 2015
(The figures have not been audited)

11 Earnings Per Share

Basic earnings per share is calculated by dividing net profit/(loss) 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 2015 RM'000
Profit/(Loss) attributable to shareholders	<u>163</u>
Weighted average number of shares in issue ('000) (Excluding treasury shares)	<u>303,898</u>
Basic earnings per share (sen)	<u>0.05</u>

12 Corporate Proposals

Corporate proposals for the quarter under review are as follows:

In the EGM convened on 14 August 2015, the shareholders approved the following:

- (i) Proposed diversification of the existing core business of Group;
- (ii) Proposed renounceable rights issue of up to 106,666,666 new ordinary shares of RM0.25 each in BHS on the basis of 1 rights share for every 3 existing shares held together with up to 213,333,332 free detachable warrants;
- (iii) Proposed establishment of an Employees' share option scheme(ESOS);
- (iv) Proposed allocation of ESOS options to directors of BHS; and
- (v) Proposed increase in the authorised share capital of BHS from 400,000,000 shares to 1,000,000,000 shares

The corporate exercise for rights issue together with the free wanrrants was completed on 22 October 2015.

13 Authorisation for Issue

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