



**BHS Industries Berhad ( Company No: 719660-W )**  
**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE THIRD QUARTER ENDED 31 MARCH 2016**  
 (The figures have not been audited)

	THIRD Quarter 3 months ended 31 Mar		Cumulative Quarters 9 months ended 31 Mar	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Revenue	7,378	4,910	17,894	23,643
Operating expenses	(8,864)	(6,496)	(22,557)	(26,568)
Other income	596	1,046	2,687	5,744
Interest	32	61	64	73
Finance costs	(78)	(4)	(285)	(30)
<b>Profit/(Loss) before tax</b>	<b>(936)</b>	<b>(483)</b>	<b>(2,197)</b>	<b>2,862</b>
Taxation	50	124	(20)	(15)
Net profit/(Loss) for the period	<u>(886)</u>	<u>(359)</u>	<u>(2,217)</u>	<u>2,847</u>
<b>Other Comprehensive Income:</b>				
Net Gain/(loss) on Available for sale financial assets	-	189	-	342
	<u>-</u>	<u>189</u>	<u>-</u>	<u>342</u>
<b>Total Comprehensive Income for the period</b>	<u>(886)</u>	<u>(170)</u>	<u>(2,217)</u>	<u>3,189</u>
<b>Profit/(Loss) Attributable to :</b>				
Owners of the Company	<u>(886)</u>	<u>(359)</u>	<u>(2,217)</u>	<u>2,847</u>
<b>Total Comprehensive Income attributable to:</b>				
Owners of the Company	<u>(886)</u>	<u>(170)</u>	<u>(2,217)</u>	<u>3,189</u>
<b>Earnings per share (sen):</b>				
Basic (Part B, Note 11)	<u>(0.23)</u>	<u>(0.21)</u>	<u>(0.64)</u>	<u>2.70</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 31 March 2016**  
**( The figures have not been audited )**

	<b>As at 31 Mar 2016 RM ' 000</b>	<b>(Audited) As at 30 June 2015 RM ' 000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Leasehold land and building	22,786	16,067
Plant and equipment	17,189	10,698
Other investments	13	1,179
Master licence rights	500	500
<b>Total non-current assets</b>	40,488	28,444
<b>Current assets</b>		
Inventories	9,198	12,305
Trade receivables	11,836	13,764
Other receivables, deposits and prepayments	26,965	7,530
Tax recoverable	1,787	1,965
Short term Investments	19,350	22,513
Fixed deposit with licensed bank	6,652	3,276
Cash and bank balances	5,056	9,270
	-	
	80,844	70,623
<b>TOTAL ASSETS</b>	121,332	99,067
<b>EQUITY AND LIABILITIES</b>		
Share capital	104,786	80,000
Share premium	15,945	-
Other reserve	(16,833)	(16,833)
Treasury shares	(14,264)	(4,256)
Retained earnings	22,350	24,568
<b>Total Equity</b>	111,984	83,479
<b>Non-current liabilities</b>		
Bank borrowing	1,848	7,370
Deferred tax liabilities	1,169	1,169
<b>Total non-current liabilities</b>	3,017	8,539
<b>Current liabilities</b>		
Bank borrowing	623	623
Trade payables	2,723	2,250
Other payables and accruals	2,965	4,012
Provision for tax	20	164
<b>Total current liabilities</b>	6,331	7,049
<b>TOTAL EQUITY AND LIABILITIES</b>	121,332	99,067
<b>Net asset per share (RM)</b>	0.29	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 THIRD QUARTER ENDED 31 MARCH 2016  
(The figures have not been audited)**

	Non-distributable			Distributable		
	Share Capital RM' 000	Share Premium RM'000	Other Reserve RM' 000	Treasury Shares RM' 000	Retained Profits RM' 000	Total RM' 000
<b>As at 1 July 2015</b>	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)
<b>As at 30 September 2015</b>	80,000	-	(16,833)	(12,686)	24,731	75,212
Purchase of own shares				(1,578)		(1,578)
Proceeds from Rights Issue	24,786	16,855				41,641
Share Issue expenses		(910)				(910)
Total comprehensive income for the quarter				-	(1,495)	(1,495)
<b>As at 31 December 2015</b>	104,786	15,945	(16,833)	(14,264)	23,236	112,870
Total comprehensive income for the quarter	-	-	-	-	(886)	(886)
<b>As at 31 March 2016</b>	104,786	15,945	(16,833)	(14,264)	22,350	111,984

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 31 March 2016**  
(The figures have not been audited)

	<b>Cumulative</b>	
	<b>9 months ended 31 Mar</b>	
	<b>2016</b>	<b>2015</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash Flows From Operating Activities</b>		
Profit/(Loss) before tax	(2,197)	2,862
Adjustments for:		
Depreciation and amortisation	1,299	1,041
Gains arising from disposal of land and subsidiary	-	(3,097)
Loss on foreign exchange (unrealised)	649	-
Gains on Fair value on quoted shares	(322)	(352)
Recovery of debts	(374)	-
Interest expense	285	30
Gains on disposal of plant & equipment	(392)	(97)
	<u>(1,052)</u>	<u>387</u>
Changes in working capital:		
Inventories	3,107	2,544
Receivables	(17,507)	8,245
Short term investments	3,163	(10,504)
Payables	(574)	7,699
	<u>(12,863)</u>	<u>8,371</u>
Cash (used in)/generated from operations	(12,863)	8,371
Interest paid	(285)	(30)
Taxes refund/(paid)	(263)	(1,010)
	<u>(13,411)</u>	<u>7,331</u>
Net cash (used in)/generated from operating activities	(13,411)	7,331
<b>Cash Flows From Investing Activities</b>		
Purchase of Property, plant & equipment	(14,508)	(19,472)
Purchase of Quoted shares	-	(631)
Purchase of Master licence rights	-	(500)
Proceeds from disposal of plant & machinery	392	701
Proceeds from disposal of quoted shares	1,488	-
Proceeds from disposal of shares in subsidiary	-	9,885
Proceeds from disposal of treasury shares	-	13,768
	<u>(12,628)</u>	<u>3,751</u>
Net cash (used in)/generated from investing activities	(12,628)	3,751
<b>Cash Flows From Financing Activities</b>		
Proceeds from Rights Issue (net)	40,731	-
Decrease in borrowings	(5,522)	-
Dividend paid	-	(2,400)
Repurchase of treasury shares	(10,008)	-
	<u>25,201</u>	<u>(2,400)</u>
Net cash generated from/(used in) financing activities	25,201	(2,400)
<b>Net Increase in cash and cash equivalents</b>	(838)	8,682
Cash and cash equivalents at beginning	12,546	11,125
<b>Cash and cash equivalents at end #</b>	<u>11,708</u>	<u>19,807</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 2015 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 Third Quarter Ended 31 Mar 2016**  
**(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.

At 31.3.2016, the Company held a total of 26,920,000 treasury shares at a total cost of RM14,264,128 with an average cost of RM0.53

**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 Third Quarter Ended 31 March 2016**  
**(The figures have not been audited)**

**8 Segmental Information**

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

	<b>9 months Ended 31 Mar 2016 RM'000</b>
<b>Geographical Segments</b>	
<b>Revenue</b>	
Export market	8,320
Local market	9,574
	<u>17,894</u>
<b>Results</b>	
Export market	(2,300)
Local market	(2,648)
Loss from operations	(4,948)
Add Other Income & Interest	<u>2,751</u>
	(2,197)
Less taxation	(20)
Loss after tax	<u>(2,217)</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 except the following:  
On 7 January 2016, BHS Industries Bhd acquired a wholly owned subsidiary, Ultimate Ivory Sdn Bhd for RM486,455.

**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 18 May 2016, 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 Third Quarter Ended 31 March 2016**  
**(The figures have not been audited)**

**13 Capital Commitments**

As at 18 May 2016 (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**

	<b>As at 31 Mar 2016</b>	<b>As at 30 June 2015</b>
	<b>RM'000</b>	<b>RM'000</b>
Cash at bank	5,056	9,270
Fixed deposit with financial institution	6,652	3,276
	<u>11,708</u>	<u>12,546</u>

**BHS Industries Berhad ( Company no: 719660-W )**  
**Notes To The Interim Report**  
**For The Third Quarter Ended 31 March 2016**  
**(The figures have not been audited)**

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

**1 Analysis of performance**

	<b>3rd Quarter 31.3.2016 RM'000</b>	<b>3rd Quarter 31.3.2015 RM'000</b>
Revenue	<u>7,378</u>	<u>4,910</u>
Profit Before Tax (PBT)	<u>(936)</u>	<u>(483)</u>

The revenue for the 3rd quarter increased by RM2.5 million compared with the same quarter in the corresponding period. The higher loss was attributed to overheads incurred for pre-operating expenses for businesses that the Group is pursuing.

**2 Variation of Results Against Preceding Quarter**

	<b>Current Quarter 31.3.2016 RM'000</b>	<b>Preceding Quarter 30.12.2015 RM'000</b>
Revenue	<u>7,378</u>	<u>4,217</u>
Profit Before Tax (PBT)	<u>(936)</u>	<u>(1,495)</u>

Compared with the preceding quarter, the current quarter revenue increased by RM3.2 million. The higher turnover has given rise to lower losses despite the Group incurred additional costs in the new businesses that have yet to generate income.

**3 Prospects**

Based on the sales in the current quarter, the print orders have gradually returned. It is hope that the trend will continue for the next quarter  
In view of the foregoing, the directors are of the view that the Company would perform satisfactorily

**4 Profit Forecast and Profit Guarantee**

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

**5 Taxation**

	<b>9 months Ended 31 Mar 2016 RM'000</b>
Provision of Income tax	<u>20</u>

The statutory tax rate for year of assessment 2016 is 24% and the tax provision is based thereon.



**BHS Industries Berhad ( Company no: 719660-W )**  
**Notes To The Interim Report**  
**For The Third Quarter Ended 31 March 2016**  
**(The figures have not been audited)**

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

	<b>3 month Ended 31 March 2016 RM'000</b>	<b>9 months Ended 31 March 2016 RM'000</b>
Depreciation and amortisation	465	1,299
Foreign exchange loss/(gains)	(11)	(912)
Unrealised gains on short term investments	(221)	(558)
Fair value loss/(gains) on investment in quoted shares	(121)	(322)

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:

	<b>RM '000</b>
Bank borrowing -12 months	623
Bank borrowing -more than 12 months	1,848
	<u>2,471</u>

The bank borrowing refers to a 10 year flexible fixed term loan of RM8 million taken out to acquire the Company's factory. During the quarter, the Company made a payment of RM5 million to reduce the interest payable.

**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**

	<b>RM' 000</b>
- Realised	23,660
-Unrealised	(1,169)
	<u>22,491</u>
Less Consolidated adjustment	(141)
	<u>22,350</u>

**BHS Industries Berhad ( Company no: 719660-W )**  
**Notes To The Interim Report**  
**For The Third Quarter Ended 31 March 2016**  
**(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:

	<b>3 months Ended 31 Mar 2016 RM'000</b>	<b>9 months Ended 31 Mar 2016 RM'000</b>
Profit/(Loss) attributable to shareholders	<u>(886)</u>	<u>(2,217)</u>
Weighted average number of shares in issue ('000) (Excluding treasury shares)	<u>392,225</u>	<u>343,917</u>
Basic earnings per share (sen)	<u>(0.23)</u>	<u>(0.64)</u>

**12 Corporate Proposals**

(a) The corporate exercise for rights issue together with free warrants was completed on 22 October 2015.

**(b) Status of Utilisation of Proceeds**

The Company raised a total gross proceeds of RM41,640,984 from the Rights Issue. The utilisation of proceeds as at 18 May 2016 ( the latest practicable date not earlier than 7 days from the date of issue of this report) is as follows:

	Proposed Utilisation	Actual utilised as at 18.05.16	Balance to be utilised	Intended Timeframe For Utilisation
	RM'000	RM'000	RM'000	
Acquisition of land	7,000	2,236	4,764	Within 24 months
Purchase of plant & machinery & other ancillary facilities	33,641	17,945	15,696	Within 24 months
Estimated expenses in relation to the Corporate Exercises	1,000	910	90	Immediate
	<u>41,641</u>	<u>21,091</u>	<u>20,550</u>	

**13 Authorisation for Issue**

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