



BHS Industries Berhad (Company No: 719660-W)
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FOURTH QUARTER ENDED 30 JUNE 2017
 (The figures have not been audited)

	Fourth Quarter 3 months ended 30 June		Cumulative Quarters 12 months ended 30 June	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Revenue	10,379	10,421	25,201	28,315
Operating expenses	(13,389)	(11,295)	(38,621)	(33,852)
Other income/(loss)	(141)	334	1,419	3,021
Interest	1	6	20	70
Finance costs	(97)	(56)	(406)	(342)
Profit/(Loss) before tax	(3,247)	(590)	(12,387)	(2,788)
Taxation	2,447	(362)	2,447	(382)
Net profit/(Loss) for the period	<u>(800)</u>	<u>(952)</u>	<u>(9,940)</u>	<u>(3,170)</u>
Other Comprehensive Income:				
Translation of foreign operation	(60)	1	122	1
	<u>(60)</u>	<u>1</u>	<u>122</u>	<u>1</u>
Total Comprehensive Income for the period	<u>(860)</u>	<u>(951)</u>	<u>(9,818)</u>	<u>(3,169)</u>
Profit/(Loss) Attributable to :				
Owners of the Company	<u>(800)</u>	<u>(952)</u>	<u>(9,940)</u>	<u>(3,170)</u>
Total Comprehensive Income attributable to:				
Owners of the Company	<u>(860)</u>	<u>(951)</u>	<u>(9,818)</u>	<u>(3,169)</u>
Earnings per share (sen):				
Basic (Part B, Note 11)	<u>(0.19)</u>	<u>(0.24)</u>	<u>(2.40)</u>	<u>(0.89)</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 2016 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 June 2017
(The figures have not been audited)

	As at 30 June 2017 RM ' 000	(Audited) As at 30 June 2016 RM ' 000
ASSETS		
Non-current assets		
Leasehold land and building	23,691	23,108
Land held for development	19,306	10,370
Plant and equipment	18,075	18,057
Other investments	13	13
Master licence rights	500	500
Deferred assets	1,164	-
Total non-current assets	62,749	52,048
Current assets		
Inventories	8,762	13,886
Trade receivables	18,261	18,617
Other receivables, deposits and prepayments	38,295	29,189
Tax recoverable	1,799	1,701
Short term Investments	-	9,480
Fixed deposit with licensed bank	-	800
Cash and bank balances	1,488	6,426
	68,605	80,099
TOTAL ASSETS	131,354	132,147
EQUITY AND LIABILITIES		
Share capital	114,592	104,786
Warrant reserve	16,855	16,855
Share premium	4,964	-
Other reserve	(16,833)	(16,833)
Treasury shares	(14,273)	(14,268)
Foreign currency translation	123	1
Retained earnings	11,477	21,417
Total Equity	116,905	111,958
Non-current liabilities		
Bank borrowing	6,029	6,766
Deferred tax liabilities	-	1,270
Total non-current liabilities	6,029	8,036
Current liabilities		
Bank borrowing	1,243	3,560
Trade payables	2,868	4,940
Other payables and accruals	4,309	3,494
Provision for tax	-	159
Total current liabilities	8,420	12,153
TOTAL EQUITY AND LIABILITIES	131,354	132,147
Net asset per share (RM)	0.27	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 2016 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 FOUR QUARTER ENDED 30 JUNE 2017
(The figures have not been audited)**

	Non-distributable					Distributable		
	Share Capital RM' 000	Translation Reserve RM'000	Warrant Reserve RM'000	Share Premium RM'000	Other Reserve RM' 000	Treasury Shares RM' 000	Retained Profits RM' 000	Total RM' 000
As at 1 July 2016	104,786	1	16,855	-	(16,833)	(14,268)	21,417	111,958
Total comprehensive income for the quarter	-	53	-	-	-	-	(2,370)	(2,317)
As at 30 September 2016	104,786	54	16,855	-	(16,833)	(14,268)	19,047	109,641
Private Placement	9,806	-	-	5,099	-	-	-	14,905
Placement fees	-	-	-	(135)	-	-	-	(135)
Share buyback	-	-	-	-	-	(5)	-	(5)
Total comprehensive income for the quarter	-	149	-	-	-	-	(2,796)	(2,647)
As at 31 December 2016	114,592	203	16,855	4,964	(16,833)	(14,273)	16,251	121,759
Total comprehensive income for the quarter	-	(20)	-	-	-	-	(3,974)	(3,994)
As at 31 March 2017	114,592	183	16,855	4,964	(16,833)	(14,273)	12,277	117,765
	-	(60)	-	-	-	-	(800)	(860)
As at 30 June 2017	114,592	123	16,855	4,964	(16,833)	(14,273)	11,477	116,905

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 2016 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 June 2017
(The figures have not been audited)

	Cumulative	
	12 months ended 30 June	
	2017	2016
	RM'000	RM'000
Cash Flows From Operating Activities		
Loss before tax	(12,387)	(2,788)
Adjustments for:		
Depreciation and amortisation	2,384	1,744
(Gain)/ Loss on foreign exchange (unrealised)	(589)	460
Gains on Fair Value of quoted shares	-	(322)
Allowance for doubtful debts	3,515	-
Recovery of debts	-	(374)
Interest expense	406	295
Gains on disposal of plant & equipment	(3)	(392)
	<u>(6,674)</u>	<u>(1,377)</u>
Changes in working capital:		
Inventories	5,124	(1,581)
Receivables	(12,265)	(26,122)
Short term investments	9,480	13,033
Payables	(1,257)	1,808
Cash used in operations	<u>(5,592)</u>	<u>(14,239)</u>
Interest paid	(406)	(295)
Taxes (paid)/refund	(8)	472
Net cash used in operating activities	<u>(6,006)</u>	<u>(14,062)</u>
Cash Flows From Investing Activities		
Purchase of Property, plant & equipment	(2,633)	(16,037)
Land development cost	(8,936)	(10,480)
Proceeds from disposal of plant & machinery	3	392
Proceeds from disposal of quoted shares	-	1,488
Net cash used in investing activities	<u>(11,566)</u>	<u>(24,637)</u>
Cash Flows From Financing Activities		
Proceeds from Private Placement	14,770	-
Proceeds from Rights Issue	-	40,731
Decrease in bank borrowings	(3,054)	2,333
Repurchase of treasury shares	(5)	(10,012)
Net cash generated from financing activities	<u>11,711</u>	<u>33,052</u>
Net Decrease in cash and cash equivalents	(5,861)	(5,647)
Effects of foreign exchange rate changes	123	-
Cash and cash equivalents at beginning	<u>7,226</u>	<u>12,546</u>
Cash and cash equivalents at end #	<u>1,488</u>	<u>6,899</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 2016 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 Fourth Quarter Ended 30 June 2017
(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 2016 and the accompanying explanatory notes attached to the audited consolidated financial statements.

The Group has adopted the new and revised Malaysian Financial Reporting Standards (MFRSs") amendments to published standards and IC Interpretations that become mandatory for the current reporting period. The adoption of these new and revised MFRSs and IC Interpretations does not result in significant changes in the accounting policies of the Group.

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 2016 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 Fourth Quarter Ended 30 June 2017
(The figures have not been audited)

8 Segmental Information

Segmental Information for the Group is presented as follows:

	12 months Ended 30 June 2017 RM'000	12 months Ended 30 June 2016 RM'000
Printing and publishing		
Revenue		
Export market	6,749	16,083
Local market	13,184	12,232
	<u>19,933</u>	<u>28,315</u>
Operating loss after tax	<u>(14,239)</u>	<u>(6,191)</u>
Printing and publishing sector included expenses of start up businesses of RM2.1 million which have yet to generate income.		
Park Developer		
Revenue	<u>5,266</u>	<u>-</u>
Operating profits	<u>2,880</u>	<u>-</u>

The profits arising from the disposal of a piece of developed land at Pekan Green Technology Park are exempted from tax. The tax incentive is for 10 years effective from the Year of Assessment 2017

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

During the quarter under review, the Company incorporated two wholly owned subsidiary companies with paid up capital of RM2 as follows:

- 1.BHS E Education Sdn Bhd
- 2.Nextgreen Fertilizers Sdn Bhd

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 22 August 2017, 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 22 August 2017 (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 June 2017 RM'000	As at 30 June 2016 RM'000
Cash at bank	1,488	6,426
Fixed deposit with financial institution	-	800
	<u>1,488</u>	<u>7,226</u>

BHS Industries Berhad (Company no: 719660-W)
Notes To The Interim Report
For The Fourth Quarter Ended 30 June 2017
(The figures have not been audited)

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

1 Analysis of performance

	4th Quarter 30.6.2017 RM'000	4th Quarter 30.6.2016 RM'000
Revenue	<u>10,379</u>	<u>10,421</u>
Profit Before Tax (PBT)	<u>(3,247)</u>	<u>(590)</u>

The revenue for 4th Quarter 17 made up of printing of RM5.1 million and Park Developer of RM5.2 million. The lower revenue in printing has given rise to a higher loss compared with the same quarter last year. The loss included expenses for the start up business of RM0.7 million, an allowance for doubtful debts of RM3.5 million and a gain arising from the park development of RM2.9 million. The taxation credit of RM2.4 million on deferred assets reduced the loss to RM0.8 million compared with a loss of RM0.95 million in the same quarter in the preceding year.

2 Variation of Results Against Preceding Quarter

	Current Quarter 30.6.2017 RM'000	Preceding Quarter 30.03.2017 RM'000
Revenue	<u>10,379</u>	<u>3,474</u>
Profit Before Tax (PBT)	<u>(3,247)</u>	<u>(3,974)</u>

Compared with the preceding quarter, the current quarter's revenue increased by RM6.9 million primarily due to RM5.3 million revenue from Park Development and RM1.6 million from print orders. The overseas orders are gradually coming in but the Government orders have yet to be given out. The current quarter loss of RM3.2 million included an allowance for doubtful debts of RM3.5 million, start up business expenses of RM0.7 million and RM2.9 million profits arising from the Park Development. The lower loss in printing in the current quarter is due to higher contribution to fixed costs from higher revenue. The credit in the taxation account arising from the short term timing differences of the deferred assets has reduced the loss to RM0.8 million in the current quarter compared with the preceding quarter of RM3.97 million loss.

3 Prospects

For the printing sector, the revival of the Government orders overseas in 2017-18 is expected to have a positive effect on the earnings of the Company. During the quarter under reviewed, the Company has made inroads into a new market which may bring higher revenue in the near future and locally, the Company has also participated in the Government tenders for publishing. In view of the foregoing, the Company will be able to generate higher revenue and perform satisfactorily in the next 12 months.

4 Profit Forecast and Profit Guarantee

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

5 Taxation

Provision of Income tax	<u>2,447</u>
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The amount represents a credit in the taxation account arising from the short term timing differences of the deferred assets.

BHS Industries Berhad (Company no: 719660-W)
Notes To The Interim Report
For The Fourth Quarter Ended 30 June 2017
(The figures have not been audited)

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

	3 month Ended 30 June 2017 RM'000	12 months Ended 30 June 2017 RM'000
Depreciation and amortisation	575	2,384
Foreign exchange loss/(gains)	470	(836)
Allowance for bad debts	3,515	3,515

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

The Company's borrowing in the quarter under review as follows:

	RM '000
Bank borrowing -12 months	786
Bank borrowing -more than 12 months	5,859
Hire purchase-12 months	193
Hire purchase-more than 12 months	170
Foreign currency trade loan	264
	<u>7,272</u>

The bank borrowing refers to a 10 year flexible 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	9,464
-Unrealised	2,013
	<u>11,477</u>
Less Consolidated adjustment	-
Total group's retained profits	<u>11,477</u>

BHS Industries Berhad (Company no: 719660-W)
Notes To The Interim Report
For The Fourth Quarter Ended 30 June 2017
(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 June 2017 RM'000	12 months Ended 30 June 2017 RM'000
Profit/(Loss) attributable to shareholders	<u>(800)</u>	<u>(9,940)</u>
Weighted average number of shares in issue ('000) (Excluding treasury shares)	<u>431,427</u>	<u>413,397</u>
Basic earnings per share (sen)	<u>(0.19)</u>	<u>(2.40)</u>

12 Corporate Proposals

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

(b) Status of Utilisation of Proceeds

The Company raised total gross proceeds of RM41,640,984 from the Rights Issue. The utilisation of proceeds as at 22 August 2017 (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 22.08.17	Balance to be utilised	Intended Timeframe For Utilisation
	RM'000	RM'000	RM'000	
Acquisition of land	7,000	7,000	-	Within 24 months
Purchase of plant & machinery & other ancillary facilities	33,641	27,404	6,237	Within 24 months
Estimated expenses in relation to the Corporate Exercises	1,000	910	90	Immediate
	<u>41,641</u>	<u>35,314</u>	<u>6,327</u>	

The corporate exercise for private placement was completed on 3 November 2016. The Company raised total gross proceeds of RM14,904,178 from the private placement. The utilisation of proceeds as at 22 Aug 2017 (the latest practicable date not earlier than 7 days from the date of issuance of this report) is as follows:

	Proposed Utilisation	Actual utilised as at 22.08.17	Balance to be utilised	Intended Timeframe For Utilisation
	RM'000	RM'000	RM'000	
Repayment of bank loan	7,200	7,200	-	Within 3 months
machinery/equipment	2,000	1,580	420	Within 12 months
Working capital	5,544	5,544	-	Within 12 months
Estimated expenses relating to the Corporate Exercise	160	160	-	Within 1 month
	<u>14,904</u>	<u>14,484</u>	<u>420</u>	from listing of Placement Shares

13 Authorisation for Issue

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