

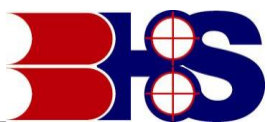


**BHS Industries Berhad ( Company No: 719660-W )**  
**CONDENSED CONSOLIDATED INCOME STATEMENT**  
**FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2009**  
 (The figures have not been audited)

	First Quarter 3 months ended '30 September		Cumulative Quarters 3 months ended '30 September	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Revenue	10,379	13,698	10,379	13,698
Other income	1,407	239	1,407	239
Operating expenses	(9,336)	(11,498)	(9,336)	(11,498)
Finance costs	(7)	(43)	(7)	(43)
<b>Profit before tax</b>	2,443	2,396	2,443	2,396
Taxation	(472)	(738)	(472)	(738)
Net profit for the period	1,971	1,658	1,971	1,658
<b>Attributable to :</b>				
Equity holders of the company	1,971	1,658	1,971	1,658
<b>Earnings per share (sen):</b>				
Basic	2.63	2.07	2.63	2.07
Weighted average number of shares in issue	75,000	80,000	75,000	80,000

**Note:**

The unaudited condensed consolidated income statement should be read in conjunction with the audited financial statements for the financial year ended 30 June 2009 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 2009**  
(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 2009</b>	40,000	1,684	(16,833)	(1,839)	31,310	54,322
Profit for the period	-	-	-	-	1,971	1,971
<b>As at 30 September 2009</b>	<u>40,000</u>	<u>1,684</u>	<u>(16,833)</u>	<u>(1,839)</u>	<u>33,281</u>	<u>56,293</u>

The unaudited condensed consolidated statement of changes in equity should be read in with the audited financial statements for the financial year ended 30 June 2009 and the



**BHS Industries Berhad ( Company No: 719660-W )**  
**CONDENSED CONSOLIDATED CASHFLOW STATEMENT**  
**AS AT 30 SEPTEMBER 2009**  
**(The figures have not been audited)**

	<b>Cumulative</b>	
	<b>3 months ended 30 Sept</b>	
	<b>2009</b>	<b>2008</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash Flows From Operating Activities</b>		
Profit before tax	2,443	2,396
Adjustment for:		
Depreciation and amortisation	401	485
Provision for diminution in value of quoted shares	-	77
Gains on disposal of leasehold land	(1,274)	-
Interest expense	7	43
	1,577	3,001
Movements in working capital:		
Increase in inventories	(1,071)	(4,889)
Increase in receivables	(5,559)	(5,137)
Increase/(decrease) in short term investments	(70)	1,930
Increase in payables	1,552	1,169
Cash used in operations	(3,571)	(3,926)
Interest paid	(7)	(43)
Taxes paid	(358)	(414)
Net cash used in operating activities	(3,936)	(4,383)
<b>Cash Flows From Investing Activities</b>		
Purchase of property, plant & equipment	(243)	(193)
Purchase of freehold land	(2,077)	-
Proceeds from the disposal of leasehold land	4,199	-
Purchase of quoted shares	(87)	(941)
Net cash generated from/(used in) investing activities	1,792	(1,134)
<b>Cash Flows From Financing Activities</b>		
(Decrease)/Increase in borrowings	(16)	3,670
Net cash (used in)/generated from financing activities	(16)	3,670
<b>Net decrease in cash and cash equivalents</b>	(2,160)	(1,847)
Cash and cash equivalents at beginning	9,510	3,708
<b>Cash and cash equivalents at end #</b>	7,350	1,861

The unaudited condensed consolidated cash flow statement should be read in conjunction with

the financial statements of BHS Industries Berhad for the period ended 30 September 2009.

**BHS Industries Berhad ( Company no: 719660-W )**  
**Notes To The Interim Report**  
**For The First Quarter Ended 30 September 2009**  
**(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 in accordance with the reporting requirements outlined in the Financial Reporting Standard ("FRS") 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 interim financial statements should be read in conjunction with the audited financial statements of the Company for the financial year ended 30 June 2009. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant for an understanding of the changes in the financial position and performance of the Group since the financial year ended 30 June 2009.

**Changes in Significant Accounting Policies**

The accounting policies and method of computation adopted by the Group in this interim financial report are consistent with those adopted in the annual audited financial statements for the year ended 30 June 2009.

On 1 July 2008, the Group adopted the following revised FRSs, amendment to FRS and interpretations:

Amendments to FRS 107: Cash Flow Statements  
Amendments to FRS 111: Construction Contracts  
Amendments to FRS 112: Income Taxes  
Amendments to FRS 118: Revenue  
Amendments to FRS 120: Accounting for Government Grants and Disclosure of Government Assistance  
Amendments to FRS 121: The Effects of Changes in Foreign Exchange Rates-Net Investment in a Foreign Operation  
Amendments to FRS 134: Interim Financial Reporting  
Amendments to FRS 137: Provisions, Contingent Liabilities and Contingent Assets  
IC Interpretation 1 Changes in Existing Decommissioning, Restoration and Similar Liabilities  
IC Interpretation 2 Members' shares in Co-operative Entities and Similar Instruments  
IC Interpretation 5 Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds  
IC Interpretation 6 Liabilities Arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment  
IC Interpretation 7 Applying the Restatement Approach Under FRS 129 - Financial Reporting in Hyperinflationary Economies  
IC Interpretation 8 Scope of FRS 2

The revised FRSs, amendments to FRS and Interpretations above do not have any significant impact on the financial statements of the Group and of the Company upon the initial application.

**2 Auditors' Report on Preceding Annual Financial Statements**

The audited financial statements for the financial year ended 30 June 2009 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 reviewed.

**5 Changes in Estimates**

There were no changes in estimates of amounts which have a material effect in the current quarter under reviewed

**6 Debt and Equity Securities**

There were no issuance, cancellations, repurchases, resale and repayment of debt and equity securities in the current quarter under reviewed

**7 Dividend Paid**

No dividend was paid in the current quarter.

**BHS Industries Berhad ( Company no: 719660-W )**  
**Notes To The Interim Report**  
**For The First Quarter Ended 30 September 2009**  
**(The figures have not been audited)**

**8 Segmental Information**

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

	<b>3 months Ended 30 Sept 2009 RM'000</b>	<b>3 months Ended 30 Sept 2008 RM'000</b>
<b>Geographical Segments</b>		
<b>Revenue</b>		
<b>Export Market</b>		
Europe	109	151
Africa	4,078	5,304
	<hr/>	<hr/>
	4,187	5,455
Local market	6,192	8,243
	<hr/>	<hr/>
	10,379	13,698
	<hr/>	<hr/>
<b>Results</b>		
Export market	418	859
Local market	618	1,298
	<hr/>	<hr/>
Profit from operations	1,036	2,157
Add Other Income	1,407	239
	<hr/>	<hr/>
	2,443	2,396
Less taxation	(472)	(738)
	<hr/>	<hr/>
	1,971	1,658
	<hr/>	<hr/>

Disclosure of segmental information of the Group by business segment is not presented as the Group is primarily engaged in only one business 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 reviewed.

There were no material events between the end of the current quarter under review and the date of this report, which is likely to substantially affect the current quarterly results under reviewed.

**10 Material Events Subsequent to the End of the Quarter**

There were no material events between the end of the current quarter under review and the date of this report, which is likely to substantially affect the current quarter results under reviewed.

**11 Changes in the Composition of the Group**

There are no changes in the composition of the Group. However, on 1 July 2009, the Group streamlined the business activities of its subsidiaries by transferring the assets, stock and debtors of Pustaka Yakin Pelajar Sdn Bhd to Pustaka Sistem Pelajaran Sdn Bhd. Likewise, the assets and stock of Star CTP Imaging Sdn Bhd were also transferred to BHS Book Printing Sdn Bhd. The objectives are cost reductions and the business activities be carried out more efficiently.

**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 26 October 2009 (the latest practicable date which is not earlier than 7 days from the date of issue of these financial results).

**BHS Industries Berhad ( Company no: 719660-W )**  
**Notes To The Interim Report**  
**For The First Quarter Ended 30 September 2009**  
**(The figures have not been audited)**

**13 Capital Commitments**

As at 26 October 2009 ( the latest practicable date which is not earlier than 7 days from the date of issue of these financial results), the Group had contracted for a capital expenditure which might have a material impact on the financial position or business of the Group as follows:

Acquisition on 14 Oct 2009 of 2 factory units measuring approximately 132 square metres each located at One Commonwealth Lane #3-21 and #3-22 Singapore 149544 for (SGD)1.2 million)

**RM'000**

2,940

**14 Cash and Cash Equivalents**

	<b>As at 30 Sept 2009</b>	<b>As at 30 Sept 2008</b>
	<b>RM'000</b>	<b>RM'000</b>
Cash at bank	4,295	2,107
Cash placed at Wholesale Money Market	3,055	-
Bank overdraft	-	(246)
	<u>7,350</u>	<u>1,861</u>

**BHS Industries Berhad ( Company no: 719660-W )**  
**Notes To The Interim Report**  
**For The First Quarter Ended 30 September 2009**  
**(The figures have not been audited)**

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

**1 Review of performance**

	<b>Cumulative Quarters 30.09.2009 RM'000</b>	<b>Cumulative Quarters 30.09.2008 RM'000</b>
Revenue	<u>10,379</u>	<u>13,698</u>
Profit before tax	<u>2,443</u>	<u>2,396</u>

For the 3 months under review, the Group recorded a decreased revenue of RM3.3 million over the corresponding period of last year and this represents a decrease in revenue of about 32% which was attributed mainly to a substantial drop in revenue from both local and overseas.

Although the revenue was down by a third, the Group's profit before taxation was slightly improved and this was helped by a capital gain of RM1.3 million. This also gives rise to the higher profit before tax to revenue of 23.5% compared with the corresponding period in 2008 of 17.5%.

**2 Variation of Results Against Preceding Quarter**

	<b>Current Quarter 30.09.2009 RM'000</b>	<b>Preceding Quarter 30.06.2009 RM'000</b>
Revenue	<u>10,379</u>	<u>13,384</u>
Profit before tax	<u>2,443</u>	<u>2,266</u>

For the First Quarter under reviewed, the Group recorded a fall in revenue of RM3 million over the preceding quarter and this represents a drop in revenue of about 29% which was attributed to lower revenue from overseas.

Despite the drop in revenue, the Group's profit before taxation increased by about 7.2% to RM2.4 million from RM2.3 million. The Profit to Revenue Margin for the Current Quarter is 23.5% compared with 16.9% in the preceding quarter. The higher margin was attributed to the one-off capital gain of RM1.3 million.

**3 Prospects**

For the current financial year ending 30 June 2010, the Group expects the global economic outlook to be improving. Hence the Board of Directors is confident that the Group will perform satisfactorily.

**4 Profit Forecast and Profit Guarantee**

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

**BHS Industries Berhad ( Company no: 719660-W )**  
**Notes To The Interim Report**  
**For The First Quarter Ended 30 September 2009**  
**(The figures have not been audited)**

**5 Taxation**

	<b>3 months Ended 30 Sept 2009 RM'000</b>	<b>3 months Ended 30 Sept 2008 RM'000</b>
Provision of Income tax	339	667
Deferred tax	133	71
	<u>472</u>	<u>738</u>

The effective tax rate of the Group for the 3 months ended 30 Sept 2009 is lower than the statutory tax rate of 25% due to the gains arising from the disposal of a leasehold property which is exempted from real property gains tax.

**6 Unquoted Investments and Properties**

There were no changes to the unquoted investments in the quarter under reviewed. However, the Group had through its wholly owned subsidiary, entered into Sale & Purchase Agreements on 14 October 2009 for the purchase of 2 factory units located at One Commonwealth Lane #3-21 and #3-22 Singapore 149544 for (SGD 1.2 million) RM2.94 million..

**7 Quoted Securities**

During the quarter under reviewed, the Company purchased the quoted shares as follows:

	<b>3 months Ended 30 Sept 2009 RM'000</b>
Total purchases at cost	<u>87</u>
Total carrying value/market value	<u>87</u>

**8 Group's Borrowings and Debt Securities**

	<b>30 Sept 2009 RM'000</b>
Hire purchase payables- short term	62
Hire purchase payables- long term	17
	<u>79</u>

**9 Off Balance Sheet Financial Instruments**

There were no financial instruments with off balance sheet risk applicable to the Group as at 26 October 2009 ( the latest practicable date which is not earlier than 7 days from the date of issuance of these financial results).

**10 Material Litigation**

Neither the Company nor its subsidiaries are engaged in any litigation or arbitration, either as plaintiff or defendant, which has 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.



**BHS Industries Berhad ( Company no: 719660-W )**  
**Notes To The Interim Report**  
**For The First Quarter Ended 30 September 2009**  
**(The figures have not been audited)**

**11 Dividends**

The Board of Directors has proposed a final tax exempt dividend of 6% or 3 sen per share for the financial year ended 30 June 2009 subject to the approval of shareholders in the forthcoming AGM.

**12 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:

	<b>3 months Ended 30 Sept 2009 RM' 000</b>	<b>Cumulative 3 months Ended 30 Sept 2009 RM'000</b>
Profit attributable to shareholders	1,971	1,971
Weighted average number of shares in issue ('000) (Excluding treasury shares)	75,000	75,000
Basic earnings per share (sen)	2.63	2.63

**13 Corporate Proposals**

(a) There were no corporate proposals announced as at the date of the announcement.

**(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 26 October 2009 ( 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 26.10.09 RM'000	Balance to be utilised RM'000
Expansion plan	8,250	4,125	4,125
Working capital	1,270	1,270	-
	9,520	5,395	4,125

**14 Authorisation for Issue**

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

By order of the Board  
Heng Song Khoon  
26 October 2009



**CONDENSED CONSOLIDATED BALANCE SHEET**

**AS AT 30 September 2009**

( The figures have not been audited )

	<b>As at 30 Sept 2009 RM ' 000</b>	<b>(Audited) As at 30 June 2009 RM ' 000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Plant and equipment	13,269	13,427
Other Investments	513	513
Investment in freehold land	2,077	-
Investment in Quoted shares	87	-
Deferred tax assets	3	3
<b>Total non-current assets</b>	<b>15,949</b>	<b>13,943</b>
<b>Current assets</b>		
Inventories	13,598	12,527
Trade receivables	11,716	10,321
Other receivables	4,464	300
Tax recoverable	969	864
Short term Investments	10,451	10,381
Cash and bank balances	7,350	9,510
<b>Total current assets</b>	<b>48,548</b>	<b>43,903</b>
Non-current assets classified as held for sale	-	2,926
	<b>48,548</b>	<b>46,829</b>
<b>TOTAL ASSETS</b>	<b>64,497</b>	<b>60,772</b>
<b>EQUITY AND LIABILITIES</b>		
Share capital	40,000	40,000
Share premium	1,684	1,684
Other reserve	(16,833)	(16,833)
Treasury shares	(1,839)	(1,839)
Retained earnings	33,281	31,310
<b>Total Equity</b>	<b>56,293</b>	<b>54,322</b>
<b>Non-current liabilities</b>		
Borrowings	17	33
Deferred tax liabilities	1,837	1,704
<b>Total non-current liabilities</b>	<b>1,854</b>	<b>1,737</b>
<b>Current liabilities</b>		
Trade payables	2,056	1,877
Other payables	3,479	2,106
Provision for taxation	753	668
Borrowings	62	62
<b>Total current liabilities</b>	<b>6,350</b>	<b>4,713</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>64,497</b>	<b>60,772</b>
<b>Net asset per share (RM)</b>	<b>0.75</b>	<b>0.72</b>

Note: