



**BHS Industries Berhad ( Company No: 719660-W )**  
**CONDENSED CONSOLIDATED INCOME STATEMENT**  
**FOR THE SECOND QUARTER ENDED 31 DECEMBER 2009**  
(The figures have not been audited)

	Second Quarter 3 months ended '31 December		Cumulative Quarters 6 months ended '31 December	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Revenue	12,007	16,510	22,386	30,208
Other income	115	467	1,522	706
Operating expenses	(10,176)	(14,025)	(19,512)	(25,523)
Finance costs	(3)	(163)	(10)	(206)
<b>Profit before tax</b>	1,943	2,789	4,386	5,185
Taxation	(581)	(872)	(1,053)	(1,610)
Net profit for the period	1,362	1,917	3,333	3,575
<b>Attributable to :</b>				
Equity holders of the company	1,362	1,917	3,333	3,575
<b>Earnings per share (sen):</b>				
Basic	1.86	2.40	4.50	4.47
Weighted average number of shares in issue	73,268	80,000	74,134	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.

A46:

**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 BALANCE SHEET**

**AS AT 31 December 2009**

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

	<b>As at 31 Dec 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	14,570	13,427
Investment in freehold land	4,398	-
Investment in Quoted shares and mutual fund	2,052	513
Deferred tax assets	3	3
<b>Total non-current assets</b>	<b>21,023</b>	<b>13,943</b>
<b>Current assets</b>		
Inventories	11,579	12,527
Trade receivables	13,456	10,321
Other receivables	4,583	300
Tax recoverable	1,059	864
Short term Investments	10,525	10,381
Cash and bank balances	1,441	9,510
<b>Total current assets</b>	<b>42,643</b>	<b>43,903</b>
Non-current assets classified as held for sale	-	2,926
	<b>42,643</b>	<b>46,829</b>
<b>TOTAL ASSETS</b>	<b>63,666</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	(4,224)	(1,839)
Translation reserve	(12)	-
Retained earnings	34,643	31,310
<b>Total Equity</b>	<b>55,258</b>	<b>54,322</b>
<b>Non-current liabilities</b>		
Borrowings	12	33
Deferred tax liabilities	1,837	1,704
<b>Total non-current liabilities</b>	<b>1,849</b>	<b>1,737</b>
<b>Current liabilities</b>		
Trade payables	2,333	1,877
Other payables	2,821	2,106
Provision for taxation	1,152	668
Borrowings	253	62
<b>Total current liabilities</b>	<b>6,559</b>	<b>4,713</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>63,666</b>	<b>60,772</b>
<b>Net asset per share (RM)</b>	<b>0.75</b>	<b>0.72</b>

The unaudited condensed consolidated balance sheet 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 SECOND QUARTER ENDED 31 DECEMBER 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 quarter	-	-	-	-	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>
Share buy-back				(2,385)		(2,385)
Profit for the quarter					1,362	1,362
Foreign currency translation			(12)			(12)
	<u>40,000</u>	<u>1,684</u>	<u>(16,845)</u>	<u>(4,224)</u>	<u>34,643</u>	<u>55,258</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 2009 and the accompanying explanatory notes attached to the Interim Financial Report.



**BHS Industries Berhad ( Company No: 719660-W )**  
**CONDENSED CONSOLIDATED CASHFLOW STATEMENT**  
**AS AT 31 DECEMBER 2009**  
 (The figures have not been audited)

<b>Cumulative</b>	
<b>6 months ended 31 December</b>	
<b>2009</b>	<b>2008</b>
<b>RM'000</b>	<b>RM'000</b>

**Cash Flows From Operating Activities**

Profit before tax	4,386	5,185
Adjustment for:		
Depreciation and amortisation	805	903
Impairment loss on intangible assets	-	374
Provision for diminution in value of quoted shares	29	240
Gains on disposal of leasehold land	(1,271)	-
Gains on disposal of quoted shares	(24)	-
Interest expense	10	206
	3,935	6,908
Movements in working capital:		
Decrease in inventories	948	894
Increase in receivables	(7,418)	(3,211)
Increase in short term investments	(144)	-
Increase in payables	1,171	1,177
Cash (used)/generated in operations	(1,508)	5,768
Interest paid	(10)	(206)
Taxes paid	(631)	(846)
Net cash (used)/generated in operating activities	(2,149)	4,716

**Cash Flows From Investing Activities**

Purchase of property, plant & equipment	(1,948)	(337)
Purchase of freehold land	(4,398)	-
Proceeds from the disposal of quoted shares	330	-
Proceeds from the disposal of leasehold land	4,199	-
Purchase of treasury shares	(2,385)	-
Purchase of quoted shares	(1,876)	(1,735)
Net cash used in investing activities	(6,078)	(2,072)

**Cash Flows From Financing Activities**

Repayment of borrowings	(30)	(3,326)
Net cash used in financing activities	(30)	(3,326)

**Net decrease in cash and cash equivalents**

Effects of foreign exchange rate changes	(12)	-
Cash and cash equivalents at beginning	9,510	12,865
<b>Cash and cash equivalents at end #</b>	<b>1,241</b>	<b>12,183</b>

The unaudited condensed consolidated cash flow 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 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 Second Quarter Ended 31 December 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 except the following:

In pursuance of the authority granted to the directors at the Third AGM held on 23 December 2008, the directors had during the quarter under review, purchased an additional 2,900,000 of the Company's ordinary shares of RM0.5 each at the open market for a total consideration of RM2,384,599. This brings the total shares purchased to 7.9 million at 31.12.2009 with an average cost of RM0.53 per share. The shares buy-back were financed by internally generated funds and are held as

treasury shares in accordance with the requirements of Section 67A of the Companies Act 1967.

**BHS Industries Berhad ( Company no: 719660-W )**  
**Notes To The Interim Report**  
**For The Second Quarter Ended 31 December 2009**  
**(The figures have not been audited)**

**7 Dividend Paid**

No dividend was paid in the current quarter.

**8 Segmental Information**

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

	<b>6 months Ended 31 Dec 2009 RM'000</b>	<b>6 months Ended 31 Dec 2008 RM'000</b>
<b>Geographical Segments</b>		
<b>Revenue</b>		
<b>Export Market</b>		
Europe	164	192
Africa	10,009	13,375
Asean	-	354
	<u>10,173</u>	<u>13,921</u>
Local market	<u>12,213</u>	<u>16,287</u>
	<u><u>22,386</u></u>	<u><u>30,208</u></u>
<b>Results</b>		
Export market	1,302	2,064
Local market	<u>1,562</u>	<u>2,415</u>
Profit from operations	2,864	4,479
Add Other Income	<u>1,522</u>	<u>706</u>
	4,386	5,185
Less taxation	(1,053)	(1,610)
	<u><u>3,333</u></u>	<u><u>3,575</u></u>

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 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 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 19 February 2010 (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 Second Quarter Ended 31 December 2009

(The figures have not been audited)

## 13 Capital Commitments

As at 19 February 2010 (the latest practicable date which is not earlier than 7 days from the date of issue 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 31 Dec 2009	As at 30 June 2009
	RM'000	RM'000
Cash at bank	1,441	9,510
Bank overdraft	(200)	-
	<u>1,241</u>	<u>9,510</u>



**BHS Industries Berhad ( Company no: 719660-W )**  
**Notes To The Interim Report**  
**For The Second Quarter Ended 31 December 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 31.12.2009 RM'000</b>	<b>Cumulative Quarters 31.12.2008 RM'000</b>
Revenue	<u>22,386</u>	<u>30,208</u>
Profit before tax	<u>4,386</u>	<u>5,185</u>

For the 6 months under reviewed, the Group recorded a decreased revenue of RM7.8 million over the corresponding period of last year and this represents a decrease in revenue of about 26% which was attributed mainly to a substantial drop in print orders from both local and overseas.

Although the revenue was downed by 26%, the Group's profit before taxation was downed by 15% and this was helped by a capital gain of RM1.3 million. This also gives rise to a higher "profit before tax to revenue" of 19.6% compared with the corresponding period in 2008 of 17.2%.

**2 Variation of Results Against Preceding Quarter**

	<b>Current Quarter 31.12.2009 RM'000</b>	<b>Preceding Quarter 30.09.2009 RM'000</b>
Revenue	<u>12,007</u>	<u>10,379</u>
Profit before tax	<u>1,943</u>	<u>2,443</u>

For the Second Quarter under reviewed, the Group recorded an increased revenue of RM1.6 million over the preceding quarter and this represents an increased revenue of about 15% which was attributed to higher revenue from overseas.

Despite the higher revenue, the Group's profit before taxation was downed by about 20% to RM1.9 million from RM2.4 million. The "Profit to Revenue Margin" for the Current Quarter is 16.2% compared with 23.5% in the preceding quarter. The higher margin was attributed to the one-off capital gain of RM1.3 million in the preceding quarter

**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 Second Quarter Ended 31 December 2009**  
**(The figures have not been audited)**

**5 Taxation**

	<b>3 months Ended 31 Dec 2009 RM'000</b>	<b>6 months Ended 31 Dec 2009 RM'000</b>
Provision of Income tax	581	920
Deferred tax	-	133
	<u>581</u>	<u>1,053</u>

The effective tax rate of the Group for the 3 months ended 31 Dec 2009 is higher than the statutory tax rate of 25% due to losses incurred by a subsidiary company which are not available for offset as group relief.

**6 Unquoted Investments and Properties**

In the quarter under reviewed, BHS increased the Paid Up Share Capital of its wholly owned subsidiary, BHS Resources Pte. Ltd., from SGD2 to SGD1 million.

**7 Quoted Securities**

During the quarter under reviewed, the Company's investment in quoted shares is as follows:

	<b>3 months Ended 31 Dec 2009 RM'000</b>	<b>6 months Ended 31 Dec 2009 RM'000</b>
Total purchases at cost	<u>1,789</u>	<u>1,876</u>
Total sales proceeds	<u>(330)</u>	<u>(330)</u>
Profits on sale of shares	<u>(24)</u>	<u>(24)</u>
Total carrying value/market value		<u>2052</u>
Original cost of acquisition		<u>2082</u>

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

	<b>31 Dec 2009 RM'000</b>
Hire purchase payables- short term	53
Hire purchase payables- long term	12
Bank overdraft	<u>200</u>
	<u>265</u>

**9 Off Balance Sheet Financial Instruments**

There were no financial instruments with off balance sheet risk applicable to the Group as at 19 February 2010 ( 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 Second Quarter Ended 31 December 2009 (The figures have not been audited)

### 11 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 2009 which was approved by shareholders in the AGM held on 21 December 2009. The dividend was duly paid on 15 January 2010.

### 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 31 Dec 2009 RM' 000</b>	<b>Cumulative 6 months Ended 31 Dec 2009 RM'000</b>
Profit attributable to shareholders	1,362	3,333
Weighted average number of shares in issue ('000) (Excluding treasury shares)	73,268	74,134
Basic earnings per share (sen)	1.86	4.50

### 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 19 February 2010 ( 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 19.02.10 RM'000	Balance to be utilised RM'000
Expansion plan	8,250	4,344	4,125
Working capital	1,270	1,270	-
	9,520	5,614	4,125

### 14 Authorisation for Issue

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