



BHS Industries Berhad (Company No: 719660-W)
CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE THIRD QUARTER ENDED 31 MARCH 2010
(The figures have not been audited)

	Third Quarter 3 months ended '31 March		Cumulative Quarters 9 months ended '31 March	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Revenue	9,059	9,919	31,445	40,127
Other income	88	865	1,610	1,571
Operating expenses	(8,577)	(9,441)	(28,089)	(34,964)
Finance costs	(8)	(5)	(18)	(211)
Profit before tax	562	1,338	4,948	6,523
Taxation	(76)	(235)	(1,129)	(1,845)
Net profit for the period	486	1,103	3,819	4,678
Attributable to :				
Equity holders of the company	486	1,103	3,819	4,678
Earnings per share (sen):				
Basic	0.67	1.40	5.18	5.88
Weighted average number of shares in issue	72,100	78,762	73,705	79,592

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 THIRD QUARTER ENDED 31 MARCH 2010**
(The figures have not been audited)

	Non-distributable				Distributable		
	Share Capital RM' 000	Share Premium RM' 000	Merger Reserve RM' 000	Translation Reserve RM' 000	Treasury Shares RM' 000	Retained Profits RM' 000	Total RM' 000
As at 1 July 2009	40,000	1,684	(16,833)	-	(1,839)	31,310	54,322
Profit for the quarter	-	-	-	-	-	1,971	1,971
As at 30 September 2009	40,000	1,684	(16,833)	-	(1,839)	33,281	56,293
Share buy-back					(2,385)		(2,385)
Profit for the quarter						1,362	1,362
Foreign currency translation				(12)			(12)
As at 31 December 2009	40,000	1,684	(16,833)	(12)	(4,224)	34,643	55,258
Dividend paid						(2,160)	(2,160)
Profit for the quarter						486	486
Foreign currency translation				(104)			(104)
As at 31 March 2010	40,000	1,684	(16,833)	(116)	(4,224)	32,969	53,480

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 BALANCE SHEET
AS AT 31 March 2010
(The figures have not been audited)

	As at 31 March 2010 RM ' 000	(Audited) As at 30 June 2009 RM ' 000
ASSETS		
Non-current assets		
Properties, plant and equipment	14,643	13,427
Investment in freehold land	4,436	-
Investment in Quoted shares	813	13
Investment in mutual funds	2,925	500
Deferred tax assets	3	3
Total non-current assets	22,820	13,943
Current assets		
Inventories	13,651	12,527
Trade receivables	9,210	10,321
Other receivables	974	300
Tax recoverable	1,092	864
Short term Investments	7,615	10,381
Cash and bank balances	2,621	9,510
Total current assets	35,163	43,903
Non-current assets classified as held for sale	-	2,926
	35,163	46,829
TOTAL ASSETS	57,983	60,772
EQUITY AND LIABILITIES		
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	(116)	-
Retained earnings	32,969	31,310
Total Equity	53,480	54,322
Non-current liabilities		
Borrowings	261	33
Deferred tax liabilities	1,907	1,704
Total non-current liabilities	2,168	1,737
Current liabilities		
Trade payables	1,430	1,877
Other payables	426	2,106
Provision for taxation	436	668
Borrowings	43	62
Total current liabilities	2,335	4,713
TOTAL EQUITY AND LIABILITIES	57,983	60,772
Net asset per share (RM)	0.73	0.72

Note:

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 CASHFLOW STATEMENT
AS AT 31 MARCH 2010
 (The figures have not been audited)

Cumulative	
9 months ended 31 March	
2010	2009
RM'000	RM'000

Cash Flows From Operating Activities

Profit before tax	4,948	6,523
Adjustment for:		
Depreciation and amortisation	1,213	1,359
Impairment loss on intangible assets	-	747
Provision for diminution in value of quoted shares & funds	118	55
Provision for bad debts	266	-
Gains on disposal of leasehold land	(1,271)	-
Interest expense	18	211
(Gains)/ Loss on disposal of quoted shares	(67)	2
Loss/(Gains) on disposal of property, plant & equipment	47	(702)
	5,272	8,195
Movements in working capital:		
(Increase)/Decrease in inventories	(1,124)	4,373
Decrease/(Increase) in receivables	171	(192)
Decrease in short term investments	2,766	-
Decrease in payables	(2,127)	(1,399)
Cash generated in operations	4,958	10,977
Interest paid	(18)	(211)
Taxes paid	(1,388)	(943)
Net cash generated in operating activities	3,552	9,823

Cash Flows From Investing Activities

Purchase of property, plant & equipment	(2,496)	(340)
Purchase of freehold land	(4,436)	-
Proceeds from the disposal of quoted shares	1,997	-
Proceeds from the disposal of leasehold land	4,199	-
Proceeds from disposal of property, plant & machinery	20	702
Purchase of treasury shares	(2,385)	(1,703)
Purchase of mutual funds	(2,500)	-
Purchase of quoted shares	(2,773)	(1,016)
Net cash used in investing activities	(8,374)	(2,357)

Cash Flows From Financing Activities

Increase/(Decrease) in borrowings	209	(3,341)
Dividend paid	(2,160)	-
Net cash used in financing activities	(1,951)	(3,341)

Net (Decrease)/Increase in cash and cash equivalents

Effects of foreign exchange rate changes	(116)	-
Cash and cash equivalents at beginning	9,510	12,865
Cash and cash equivalents at end #	2,621	16,990

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 Third Quarter Ended 31 March 2010
(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 review.

5 Changes in Estimates

There were no changes in estimates of amounts which have a material effect 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 Third AGM held on 23 December 2008, the directors had during the 2nd quarter to 31.12.2009, 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.

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(The figures have not been audited)

7 Dividend Paid

The Company paid a dividend of RM2,160,000 on 15 January 2010 which was approved by shareholders in the AGM held on 21 December 2009.

8 Segmental Information

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

	9 months Ended 31 March 2010 RM'000	9 months Ended 31 March 2009 RM'000
Geographical Segments		
Revenue		
Export Market		
Europe	187	310
Africa	10,010	14,926
Asean	-	354
	<u>10,197</u>	<u>15,590</u>
Local market	21,248	24,537
	<u>31,445</u>	<u>40,127</u>
Results		
Export market	1,084	1,981
Local market	2,254	2,971
Profit from operations	<u>3,338</u>	<u>4,952</u>
Add Other Income	1,610	1,571
	<u>4,948</u>	<u>6,523</u>
Less taxation	(1,129)	(1,845)
	<u>3,819</u>	<u>4,678</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 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 is likely to substantially affect the current quarter results under review.

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 21 May 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 Third Quarter Ended 31 March 2010
(The figures have not been audited)

13 Capital Commitments

As at 21 May 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 March 2010	As at 30 June 2009
	RM'000	RM'000
Cash at bank	2,621	9,510
	<hr/>	<hr/>
	2,621	9,510

BHS Industries Berhad (Company no: 719660-W)
Notes To The Interim Report
For The Third Quarter Ended 31 March 2010
(The figures have not been audited)

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

1 Review of performance

	Cumulative Quarters 31.03.2010 RM'000	Cumulative Quarters 31.03.2009 RM'000
Revenue	<u>31,445</u>	<u>40,127</u>
Profit After Tax	<u>3,819</u>	<u>4,678</u>

For the 9 months under review, the Group recorded a decreased revenue of RM8.7 million over the corresponding period of last year and this represents a decrease in revenue of about 22% which was attributed mainly to a substantial drop in print orders from both local and overseas.

Although the revenue was downed by 22%, the Group's Profit Before Taxation and Profit After Tax to Revenue were fairly consistent for both periods of 16% and 12% respectively.

2 Variation of Results Against Preceding Quarter

	Current Quarter 31.03.2010 RM'000	Preceding Quarter 31.12.2009 RM'000
Revenue	<u>9,059</u>	<u>12,007</u>
Profit After Tax	<u>486</u>	<u>1,362</u>

For the Third Quarter under review, the Group recorded a fall in revenue of about RM3 million over the preceding quarter and this represents a drop in revenue of about 25% which was wholly attributed to lower overseas orders.

The "Profit to Revenue Margin" for the current quarter is 5.4% compared with 11.3% in the preceding quarter. The lower margin was attributed to the provision made against the bad debts and the stock write off following a change in the medium of instruction from English to Bahasa for Science and Mathematics.

3 Prospects

For the current financial year ending 30 June 2010, the Board of Directors is confident that the Group will perform satisfactorily despite the global economy recovery remains fragile.

4 Profit Forecast and Profit Guarantee

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

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(The figures have not been audited)

5 Taxation

	3 months Ended 31 March 2010 RM'000	9 months Ended 31 March 2010 RM'000
Provision of Income tax	6	926
Deferred tax	70	203
	<u>76</u>	<u>1,129</u>

The effective tax rate of the Group for the 9 months ended 31 March 2010 is lower than the statutory tax rate of 25% due to a capital gain arising which is not subject to income tax.

6 Unquoted Investments and Properties

In the quarter to 31.12.2009, BHS increased the Paid Up Share Capital of its wholly owned subsidiary, BHS Resources Pte. Ltd. from SGD2 to SGD1 million.

Included in Properties, plant and equipment is an investment made by BHS Resources Pte. Ltd of two factory units amounting to RM1.7 million. The units are being constructed by the developer in the quarter under review.

7 Quoted Securities

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

	3 months Ended 31 Mar 2010 RM'000	9 months Ended 31 Mar 2010 RM'000
Total purchases at cost	<u>984</u>	<u>2,773</u>
Total sales proceeds	<u>(1,667)</u>	<u>(1,997)</u>
Profits on sale of shares	<u>(42)</u>	<u>(66)</u>
Total carrying value/market value		<u>800</u>
Original cost of acquisition		<u>843</u>

8 Group's Borrowings and Debt Securities

	31 March 2010 RM'000
Hire purchase payables- short term	43
Hire purchase payables- long term	7
Bank loan	254
	<u>304</u>

9 Off Balance Sheet Financial Instruments

There were no financial instruments with off balance sheet risk applicable to the Group as at 21 May 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.

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(The figures have not been audited)

11 Dividends

The Board of Directors did not propose any dividend in the quarter under review.

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:

	3 months Ended 31 March 2010 RM' 000	Cumulative 9 months Ended 31 March 2010 RM'000
Profit attributable to shareholders	486	3,819
Weighted average number of shares in issue ('000) (Excluding treasury shares)	72,100	73,705
Basic earnings per share (sen)	0.67	5.18

13 Corporate Proposals

(a) There were no corporate proposals for the financial period.

(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 21 May 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 21.05.10 RM'000	Balance to be utilised RM'000
Expansion plan	8,250	4,634	3,616
Working capital	1,270	1,270	-
	9,520	5,904	3,616

14 Authorisation for Issue

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