



BHS Industries Berhad (Company No: 719660-W)
CONDENSED CONSOLIDATED COMPREHENSIVE INCOME
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2011
(The figures have not been audited)

	First Quarter 3 months ended '30 Sept		Cumulative Quarters 3 months ended '30 Sept	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Revenue	7,441	9,914	7,441	9,914
Operating expenses	(7,546)	(9,046)	(7,546)	(9,046)
Other income	248	946	248	946
Investment income	133	83	133	83
Finance costs	(5)	(11)	(5)	(11)
Profit before tax	271	1,886	271	1,886
Taxation	(121)	(510)	(121)	(510)
Net profit for the period	<u>150</u>	<u>1,376</u>	<u>150</u>	<u>1,376</u>
Other Comprehensive Income:				
Translation of foreign operation	(4)	20	(4)	20
Net (Loss)/Gains on Available for sale financial assets	(723)	264	(723)	264
	<u>(727)</u>	<u>284</u>	<u>(727)</u>	<u>284</u>
Total Comprehensive Income for the period	<u>(577)</u>	<u>1,660</u>	<u>(577)</u>	<u>1,660</u>
Profit Attributable to :				
Owners of the Company	<u>150</u>	<u>1,376</u>	<u>150</u>	<u>1,376</u>
Total Comprehensive Income attributable to:				
Owners of the Company	<u>(577)</u>	<u>1,660</u>	<u>(577)</u>	<u>1,660</u>
Earnings per share (sen):				
Basic (Part B, Note 13)	<u>0.21</u>	<u>1.91</u>	<u>0.21</u>	<u>1.91</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 2011 and the accompanying explanatory notes attached to the Interim Financial Report.

A48:

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 2011 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 2011
(The figures have not been audited)**

	Non-distributable					Distributable		
	Share Capital RM' 000	Share Premium RM' 000	Other Reserve RM' 000	Fair Value Reserve RM' 000	Translation Reserve RM' 000	Treasury Shares RM' 000	Retained Profits RM' 000	Total RM' 000
As at 1 July 2011	40,000	1,684	(16,833)	376	-	(4,224)	37,696	58,699
Total comprehensive income for the period	-	-	-	(723)	(4)	-	150	(577)
As at 30 September 2011	40,000	1,684	(16,833)	(347)	(4)	(4,224)	37,846	58,122

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 2011 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 September 2011
 (The figures have not been audited)

Cumulative	
3 months ended 30 Sept	
2011	2010
RM'000	RM'000

Cash Flows From Operating Activities

Profit before tax	271	1,886
Adjustment for:		
Depreciation and amortisation	403	388
Fair value loss/(gain) on quoted shares	32	(22)
Recovery of debts	(2)	(20)
Interest expense	5	11
Unrealised exchange loss	1	160
Gain on disposal of quoted shares	-	(8)
Gains on disposal of plant & equipment	(20)	(850)
	690	1,545
Changes in working capital:		
Inventories	408	872
Receivables	384	(1,527)
Short term investments	(5,128)	(53)
Payables	(803)	(1,123)
Cash used in operations	(4,449)	(286)
Interest paid	(5)	(11)
Taxes paid	(224)	(561)
Net cash used in operating activities	(4,678)	(858)

Cash Flows From Investing Activities

Purchase of plant & equipment	-	(102)
Purchase of freehold land and industrial units	5	(21)
Purchase of quoted shares	(614)	(225)
Proceeds from the disposal of quoted shares	-	212
Proceeds from disposal of plant & machinery	20	850
Net cash (used in)/generated from investing activities	(589)	714

Cash Flows From Financing Activities

Increase/(Decrease) in borrowings	64	(39)
Net cash generated from/(used in) financing activities	64	(39)

Net Decrease in cash and cash equivalents

Net Decrease in cash and cash equivalents	(5,203)	(183)
Effects of foreign exchange rate changes	(4)	(107)
Cash and cash equivalents at beginning	10,111	6,668
Cash and cash equivalents at end #	4,904	6,378

The unaudited condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the financial year ended 30 June 2011 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)
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 September 2011
 (The figures have not been audited)

	As at 30 Sept 2011 RM ' 000	(Audited) As at 30 June 2011 RM ' 000
ASSETS		
Non-current assets		
Plant and equipment	12,010	12,389
Investment property	6,949	6,977
Other investments	3,452	3,592
Total non-current assets	22,411	22,958
Current assets		
Inventories	11,465	11,873
Trade and other receivables	7,119	7,490
Prepaid operating expenses	-	13
Tax recoverable	385	569
Short term Investments	17,948	12,820
Cash and bank balances	4,904	10,112
	41,821	42,877
TOTAL ASSETS	64,232	65,835
EQUITY AND LIABILITIES		
Share capital	40,000	40,000
Share premium	1,684	1,684
Other reserve	(17,184)	(16,457)
Treasury shares	(4,224)	(4,224)
Retained earnings	37,846	37,696
Total Equity	58,122	58,699
Non-current liabilities		
Borrowings	1,109	1,143
Deferred tax liabilities	1,982	1,981
Total non-current liabilities	3,091	3,124
Current liabilities		
Trade and other payables	1,757	2,560
Provision for taxation	212	500
Loans and borrowings	1,050	952
Total current liabilities	3,019	4,012
TOTAL EQUITY AND LIABILITIES	64,232	65,835
Net asset per share (RM)	0.81	0.81

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 2011 and the accompanying explanatory notes attached to the Interim Financial Report.

BHS Industries Berhad (Company no: 719660-W)
Notes To The Interim Report
For The First Quarter Ended 30 September 2011
(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 2011. 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 2011.

The significant accounting policies adopted by the Group in this interim financial statement are consistent with those adopted in the financial statements for the year ended 30 June 2011, except for the new and revised FRSs, IC Interpretations and Amendments to FRSs and IC Interpretation which are applicable to its financial statements with effect from 1 January 2010.

The adoption of the new standards and interpretations did not have any significant impact on the financial statements of the Group except for the adoption of FRS 101 (revised)- Presentation of Financial Statements and new FRS 139 Financial Statements and new FRS 139 Financial Instruments: Recognition and Measurement as set out below:

FRS 101 (revised): Presentation of Financial Statements

Prior to the adoption of the revised FRS 101, the components of the financial statements presented consisted of a balance sheet, an income statement, a statement of changes in equity, a cash flow statement and notes to the financial statements. Following the adoption of the revised FRS 101, the components of the interim financial statements presented consist of a statement of financial position, a statement of comprehensive income, a statement of changes in equity, a statement of cash flows and notes to the financial statements.

FRS 139, Financial Instruments: Recognition and Measurement

The adoption of FRS 139 has resulted in a change in the accounting policy relating to the recognition and measurement of other investment and other derivative financial instruments

Financial assets

Before 1 July 2010, Other Investments were stated at cost less any diminution in value of the investments and this was charged to the income statement. Following the adoption of FRS 139, financial assets are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

The Group and the Company determine the classification of their financial assets at initial recognition, and the categories include financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets.

a) Financial assets at fair value through profit or loss

Financial assets are classified as financial assets at fair value through profit or loss if they are held for trading or are so designated as such upon initial recognition. Financial assets held for trading are derivatives (including separated embedded derivatives) or financial assets acquired principally for the purpose of selling in the near term.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss do not include exchange differences, interest and dividend income. Exchange differences, interest and dividend income on financial assets at fair value through profit or loss are separately recognised in profit or loss as part of other losses or other income.

Financial assets at fair value through profit or loss could be presented as current or non-current. Financial assets that are held primarily for trading purposes are presented as current whereas financial assets that are not held primarily for trading purposes are presented as current or non-current based on settlement date.

BHS Industries Berhad (Company no: 719660-W)
Notes To The Interim Report
For The First Quarter Ended 30 September 2011
(The figures have not been audited)

b) Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Loans and receivables are classified as current assets except for those having maturity dates later than 12 months after the reporting date which are classified as non-current.

c) Available-for-sale financial assets

After the initial recognition, available-for-sale financial assets are measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except that impairment losses, foreign exchanges gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gains or losses previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised. Interest income calculated using the effective interest method is recognised in profit or loss. Dividends on available-for-sale equity instrument are recognised in profit or loss when the Group and the Company's right to receive payment is established.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

Available-for-sale financial assets are classified as non-current assets unless they are expected to be realised within 12 months after reporting date.

Financial liabilities

Financial liabilities are recognised in the statement of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instruments. Financial liabilities are classified as either financial liabilities at fair value through profit or loss, or other financial liabilities.

a) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition at fair value through profit or loss.

Financial liabilities held for trading include derivatives entered into by the Group and the Company that do not meet the hedge accounting criteria. Derivative liabilities are initially measured at fair value and subsequently stated at fair value with any resultant gains or losses recognised in profit or loss. Net gains or losses on derivatives include exchange differences.

The Group and the Company have not designated any financial liabilities as at fair value through profit or loss.

b) Other financial liabilities

The Group's and the Company's other financial liabilities include trade payables, other payables and loans and borrowings.

Trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Loans and borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liabilities for at least 12 months after the reporting date.

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

BHS Industries Berhad (Company no: 719660-W)
Notes To The Interim Report
For The First Quarter Ended 30 September 2011
(The figures have not been audited)

2 Auditors' Report on Preceding Annual Financial Statements

The audited financial statements for the financial year ended 30 June 2010 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 make any dividend payment in the current quarter under review

8 Segmental Information

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

	3 months Ended 30 Sept 2011 RM'000	3 months Ended 30 Sept 2010 RM'000
Geographical Segments		
Revenue		
Export market	1,866	3,858
Local market	5,575	6,056
	<u>7,441</u>	<u>9,914</u>
Results		
Export market	(28)	333
Local market	(82)	524
(Loss)/Profit from operations	(110)	857
Add Other Income & Investment income	381	1,029
	271	1,886
Less taxation	(121)	(510)
	<u>150</u>	<u>1,376</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.

BHS Industries Berhad (Company no: 719660-W)
Notes To The Interim Report
For The First Quarter Ended 30 September 2011
(The figures have not been audited)

11 Changes in the Composition of the Group

There are no changes in the composition of the Group.

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 October 2011, 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 21 October 2011 (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 Sept 2011	As at 30 June 2011
	RM'000	RM'000
Cash at bank	<u>4,904</u>	<u>10,111</u>

BHS Industries Berhad (Company no: 719660-W)
Notes To The Interim Report
For The First Quarter Ended 30 September 2011
(The figures have not been audited)

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

1 Review of performance

	First Quarter 30.09.2011 RM'000	First Quarter 30.09.2010 RM'000
Revenue	<u>7,441</u>	<u>9,914</u>
Profit After Tax	<u>150</u>	<u>1,376</u>

For the 3 months under review, the Group recorded a drop in revenue of RM2.5 million compared with the corresponding period of last year. The level of revenue would only be able to breakeven and the profits were contributed by other income.

2 Variation of Results Against Preceding Quarter

	Current Quarter 30.09.2011 RM'000	Preceding Quarter 30.06.2011 RM'000
Revenue	<u>7,441</u>	<u>12,670</u>
Profit After Tax	<u>150</u>	<u>950</u>

For the First Quarter under review, the Group recorded a fall of 41.3% in revenue of about RM5.2million compared with the preceding quarter and this was attributed to substantially lower overseas sales

The "Profit to Revenue Margin" for the current quarter is about 2% compared with 7.5% in the preceding quarter. The lower revenue has contributed to a lower margin in the current quarter.

3 Prospects

With the global economic uncertainty surrounding the US, Europe and Asia, the directors are of the opinion that the business operating environment will be challenging. The Group is cautious on capital expenditure and will take steps to reduce cost to remain competitive.

4 Profit Forecast and Profit Guarantee

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

5 Taxation

**3 months
Ended**

	30 Sept 2011
	RM'000
Provision of Income tax	<u>121</u>

The effective tax rate of the Group for the 3 months ended 30 Sept 2011 is lower than the statutory tax rate of 25% due to some group relief available for use from a subsidiary.

BHS Industries Berhad (Company no: 719660-W)
Notes To The Interim Report
For The First Quarter Ended 30 September 2011
(The figures have not been audited)

6 Unquoted Investments and Properties

There were no purchases or sales of unquoted investments and properties in the quarter under review.

7 Other Investment

1.Quoted Securities

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

	3 months Ended 30 Sept 2011 RM'000	3 months Ended 30 Sept 2011 RM'000
Total purchases at cost (exclude transaction costs)	<u>614</u>	<u>614</u>
Fair value loss in Income Statement	<u>32</u>	<u>32</u>
Total carrying value/market value		<u>631</u>
Original cost of acquisition		<u>673</u>

8 Group's Borrowings and Debt Securities

	30 Sept 2011 RM'000
Foreign Currency Trade Loan (USD)-due within 12 months	63
Trust receipt	858
Bank loan-due within 12 months	<u>129</u>
	1,050
Bank loan-due after 12 months	<u>1,109</u>
	<u>2,159</u>

9 Off Balance Sheet Financial Instruments

There were no financial instruments with off balance sheet risk applicable to the Group as at 21 October 2011, 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 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.

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 2011 subject to the approval of shareholders in the forthcoming AGM.

BHS Industries Berhad (Company no: 719660-W)
Notes To The Interim Report
For The First Quarter Ended 30 September 2011
(The figures have not been audited)

12 Retained profits/(accumulated losses) of the Group	RM' 000
- Realised	52,586
-Unrealised	<u>(1,978)</u>
	50,608
Less Consolidated adjustment	(12,762)
 Total group's retained profits	 <u><u>37,846</u></u>

13 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 30 Sept 2011 RM' 000	Cumulative 3 months Ended 30 Sept 2011 RM'000
Profit attributable to shareholders	<u>150</u>	<u>150</u>
Weighted average number of shares in issue ('000) (Excluding treasury shares)	<u>72,100</u>	<u>72,100</u>
Basic earnings per share (sen)	<u>0.21</u>	<u>0.21</u>

14 Corporate Proposals

(a) There was no corporate proposal for the period under review.

(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 October 2011 (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	Actual utilised as at 21.10.11	Balance to be utilised
---	-----------------------------------	---------------------------

	RM'000	RM'000	RM'000
Expansion plan	8,250	5,734	2,516
Working capital	1,270	1,270	-
	<u>9,520</u>	<u>7,004</u>	<u>2,516</u>

15 Authorisation for Issue

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