



BHS Industries Berhad (Company No: 719660-W)
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2012
(The figures have not been audited)

	First Quarter 3 months ended '30 Sept		Cumulative Quarters 3 months ended '30 Sept	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Revenue	13,469	7,441	13,469	7,441
Operating expenses	(11,413)	(7,546)	(11,413)	(7,546)
Other income	257	376	257	376
Interest	7	5	7	5
Finance costs	(5)	(5)	(5)	(5)
Profit before tax	2,315	271	2,315	271
Taxation	(667)	(121)	(667)	(121)
Net profit for the period	<u>1,648</u>	<u>150</u>	<u>1,648</u>	<u>150</u>
Other Comprehensive Income:				
Translation of foreign operation	(3)	(4)	(3)	(4)
Net Gain/(Loss) on Available for sale financial assets	105	(723)	105	(723)
	<u>102</u>	<u>(727)</u>	<u>102</u>	<u>(727)</u>
Total Comprehensive Income for the period	<u>1,750</u>	<u>(577)</u>	<u>1,750</u>	<u>(577)</u>
Profit Attributable to :				
Owners of the Company	<u>1,648</u>	<u>150</u>	<u>1,648</u>	<u>150</u>
Total Comprehensive Income attributable to:				
Owners of the Company	<u>1,750</u>	<u>(577)</u>	<u>1,750</u>	<u>(577)</u>
Earnings per share (sen):				
Basic (Part B, Note 11)	<u>2.29</u>	<u>0.21</u>	<u>2.29</u>	<u>0.21</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 2012 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 2012**
(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 2012	40,000	1,684	(16,833)	-	42	(4,224)	39,870	60,539
Total comprehensive income for the quarter	-	-	-	105	(3)	-	1,648	1,750
As at 30 September 2012	40,000	1,684	(16,833)	105	39	(4,224)	41,518	62,289

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 2012 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 2012
(The figures have not been audited)

	Cumulative	
	3 months ended 30 September	
	2012	2011
	RM'000	RM'000
Cash Flows From Operating Activities		
Profit before tax	2,315	271
Adjustments for:		
Depreciation and amortisation	433	403
Provision for diminution in value of quoted shares/unit trusts	-	32
Recovery of debts	(21)	(2)
Interest expense	5	5
Unrealised exchange (gains)/loss	(9)	1
Gains on disposal of plant & equipment	-	(20)
	<u>2,723</u>	<u>690</u>
Changes in working capital:		
Inventories	3,809	408
Receivables	(4,678)	384
Short term investments	(137)	(5,128)
Payables	(10)	(803)
Cash generated from /(used in) operations	<u>1,707</u>	<u>(4,449)</u>
Interest paid	(5)	(5)
Taxes paid	(406)	(224)
Net cash generated from/ (used in) operating activities	<u>1,296</u>	<u>(4,678)</u>
Cash Flows From Investing Activities		
Purchase of plant & equipment	(3)	-
Purchase of freehold land and industrial units	(3)	5
Purchase of quoted shares	-	(614)
Proceeds from disposal of plant & machinery	-	20
Net cash used in investing activities	<u>(6)</u>	<u>(589)</u>
Cash Flows From Financing Activities		
Increase in borrowings	667	64
Net cash generated from financing activities	<u>667</u>	<u>64</u>
Net Increase/(Decrease) in cash and cash equivalents	1,957	(5,203)
Effects of foreign exchange rate changes	39	(4)
Cash and cash equivalents at beginning	<u>3,677</u>	<u>10,111</u>
Cash and cash equivalents at end #	<u>5,673</u>	<u>4,904</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 2012 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 2012
(The figures have not been audited)

	As at 30 Sept 2012 RM ' 000	(Audited) As at 30 June 2012 RM ' 000
ASSETS		
Non-current assets		
Plant and equipment	11,594	12,000
Investment property	6,901	6,928
Other investments	2,872	2,767
Total non-current assets	21,367	21,695
Current assets		
Inventories	9,107	12,914
Trade receivables	14,530	9,845
Other receivables, deposits and prepayments	23	30
Tax recoverable	968	571
Short term Investments	18,494	18,357
Cash and bank balances	5,673	3,677
	48,795	45,394
TOTAL ASSETS	70,162	67,089
EQUITY AND LIABILITIES		
Share capital	40,000	40,000
Share premium	1,684	1,684
Other reserve	(16,689)	(16,791)
Treasury shares	(4,224)	(4,224)
Retained earnings	41,518	39,870
Total Equity	62,289	60,539
Non-current liabilities		
Borrowings	977	1,015
Deferred tax liabilities	2,270	2,270
Total non-current liabilities	3,247	3,285
Current liabilities		
Trade and other payables	1,812	1,365
Other payables and accruals	1,284	1,741
Provision for taxation	680	14
Loans and borrowings	850	145
Total current liabilities	4,626	3,265
TOTAL EQUITY AND LIABILITIES	70,162	67,089
Net asset per share (RM)	0.86	0.84

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 2012
(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 2012. 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 2012.

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 2012, 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.

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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.

The Group review at each reporting date its investment in unit trusts classified as available for sale financial assets to assess whether they are impaired. The Group also records impairment charges when there has been a significant or prolong decline in the fair value below their cost.

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.

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Notes To The Interim Report
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(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 2012 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.

8 Segmental Information

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

	3 months Ended 30 Sept 2012 RM'000	3 months Ended 30 Sept 2011 RM'000
Geographical Segments		
Revenue		
Export market	5,096	1,866
Local market	<u>8,373</u>	<u>5,575</u>
	<u>13,469</u>	<u>7,441</u>
Results		
Export market	776	(28)
Local market	<u>1,275</u>	<u>(82)</u>
(Loss)/Profit from operations	2,051	(110)
Add Other Income & Interest	<u>264</u>	<u>381</u>
	2,315	271
Less taxation	<u>(667)</u>	<u>(121)</u>
	<u>1,648</u>	<u>150</u>

Disclosure of segmental information of the Group by business segment is not presented as the Group is primarily engaged in the 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 are likely to substantially affect the current quarter results under review.

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Notes To The Interim Report
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(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 12 October 2012, 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 12 October 2012 (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 2012	As at 30 June 2012
	RM'000	RM'000
Cash at bank	<u>5,673</u>	<u>3,677</u>

BHS Industries Berhad (Company no: 719660-W)
Notes To The Interim Report
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(The figures have not been audited)

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

1 Analysis of performance

	1st Quarter 30.09.2012 RM'000	1st Quarter 30.09.2011 RM'000
Revenue	<u>13,469</u>	<u>7,441</u>
Profit Before Tax	<u>2,315</u>	<u>271</u>

The Group engages in printing and publishing. However, the publishing's contribution to the Group's revenue is less than 5%. Therefore, the analysis would be based on the printing segment only. During the first quarter under review, the Group recorded an 81% rise in revenue compared with the same quarter in the preceding year. In tandem with the increase in revenue, the Profit Before Tax margin was raised to 17% in this quarter compared with 3.6% in the preceding quarter

2 Variation of Results Against Preceding Quarter

	Current Quarter 30.09.2012 RM'000	Preceding Quarter 30.06.2012 RM'000
Revenue	<u>13,469</u>	<u>14,051</u>
Profit Before Tax	<u>2,315</u>	<u>2,002</u>

For the First Quarter under review, the Group recorded a 4% drop in revenue of about RM0.6million compared with the preceding quarter. However, the Group was able to achieve a higher Profit Before Tax margin of 17% compared with 14.2% in the preceding quarter.

3 Prospects

The continuing global economic uncertainty has made the business operating environment even more challenging. The Group is cautious of major capital expenditure and will take steps to reduce cost to enhance competitiveness to win print orders. With that in mind, the board of directors is of the view that the Group would be able to perform satisfactorily in the current financial year.

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 September 2012 RM'000
Provision of Income tax	<u>667</u>

The effective tax rate of the Group for the 3 months ended 30 Sept 2012 was about 29% which was higher than the statutory tax rate of 25% owing to some expenses were disallowed for tax purposes.

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Notes To The Interim Report
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(The figures have not been audited)

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

	3 months Ended 30 Sept 2012 RM'000	3 months Ended 30 Sept 2012 RM'000
Depreciation and amortisation	433	433
Foreign exchange gains	3	3

Interest as appeared on the Comprehensive Income Statement refers to bank interest only.

*There are no gain or loss on derivative, exceptional items, provision for and write off of receivables and inventories, gain or loss on disposal of quoted or unquoted investments or properties and impairment of assets.

7 Group's Borrowings and Debt Securities

	30 Sept 2012 RM'000
Bank loan -due within 12 months	850
Bank loan -due after 12 months	977
Total borrowings	<u>1,827</u>
The debt/borrowings in Singapore Dollar is:	1123/1827
The debt/borrowings in US Dollar is:	704/1827
The borrowings are secured.	

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 proposed in the previous quarter ended 30.6.2012 that a first and final dividend of 3 sen or 6% exempt dividend be payable subject to the approval by the shareholders in the forthcoming AGM.

10 Retained profits/(accumulated losses) of the Group

	RM' 000
- Realised	50,489
-Unrealised	(2,309)
	<u>48,180</u>
Less Consolidated adjustment	(6,662)
Total group's retained profits	<u><u>41,518</u></u>

BHS Industries Berhad (Company no: 719660-W)
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(The figures have not been audited)

11 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 2012 RM' 000	3 months Ended 30 Sept 2012 RM'000
Profit attributable to shareholders	<u>1,648</u>	<u>1,648</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>2.29</u>	<u>2.29</u>

12 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 12 October 2012 (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 12.10.12 RM'000	*Balance to be utilised RM'000
Expansion plan	8,250	6,631	1,619
Working capital	1,270	1,270	-
	<u>9,520</u>	<u>7,901</u>	<u>1,619</u>

* The Group holds back on the expansion owing to the uncertainty in the market and there is no fixed timeframe for the investment as the board will continuously review the production capacity needs of the Group.

13 Authorisation for Issue

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