



BHS Industries Berhad (Company No: 719660-W)
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SECOND QUARTER ENDED 31 DECEMBER 2012
 (The figures have not been audited)

	Second Quarter 3 months ended '31 December		Cumulative Quarters 6 months ended '31 December	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Revenue	18,822	16,045	32,291	23,486
Operating expenses	(16,741)	(12,750)	(28,154)	(20,296)
Other income	240	338	497	714
Interest	9	8	16	13
Finance costs	(9)	(12)	(14)	(17)
Profit before tax	2,321	3,629	4,636	3,900
Taxation	(686)	(851)	(1,353)	(972)
Net profit for the period	<u>1,635</u>	<u>2,778</u>	<u>3,283</u>	<u>2,928</u>
Other Comprehensive Income:				
Translation of foreign operation	1	(10)	(2)	(14)
Net Gain/(Loss) on Available for sale financial assets	144	(50)	249	(773)
	<u>145</u>	<u>(60)</u>	<u>247</u>	<u>(787)</u>
Total Comprehensive Income for the period	<u>1,780</u>	<u>2,718</u>	<u>3,530</u>	<u>2,141</u>
Profit Attributable to :				
Owners of the Company	<u>1,635</u>	<u>2,778</u>	<u>3,283</u>	<u>2,928</u>
Total Comprehensive Income attributable to:				
Owners of the Company	<u>1,780</u>	<u>2,718</u>	<u>3,530</u>	<u>2,141</u>
Earnings per share (sen):				
Basic (Part B, Note 11)	<u>2.27</u>	<u>3.85</u>	<u>4.55</u>	<u>4.06</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 SECOND QUARTER ENDED 31 DECEMBER 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
Total comprehensive income for the quarter	-	-	-	144	1	-	1,635	1,780
As at 31 December 2012	40,000	1,684	(16,833)	249	40	(4,224)	43,153	64,069

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 31 DECEMBER 2012
 (The figures have not been audited)

	Cumulative	
	6 months ended 31 December	
	2012	2011
	RM'000	RM'000
Cash Flows From Operating Activities		
Profit before tax	4,636	3,900
Adjustments for:		
Allowance for debts	500	91
Depreciation and amortisation	857	806
Fair value gain/(gain) on quoted shares	-	35
Gains on foreign exchange (unrealised)	(42)	-
Recovery of debts	(21)	(61)
Interest expense	14	17
Gains on disposal of quoted shares	-	(48)
Gains on disposal of plant & equipment	-	(20)
	5,944	4,720
Changes in working capital:		
Inventories	(4,583)	(534)
Receivables	(1,450)	(7,250)
Short term investments	(780)	(5,259)
Payables	1,298	588
Cash generated from /(used in) operations	429	(7,735)
Interest paid	(14)	(17)
Taxes paid	(730)	(545)
Net cash used in operating activities	(315)	(8,297)
Cash Flows From Investing Activities		
Purchase of plant & equipment	(14)	(75)
Purchase of freehold land and industrial units	-	15
Purchase of quoted shares	-	(614)
Proceeds from the disposal of quoted shares	-	632
Proceeds from disposal of plant & machinery	-	20
Net cash used in investing activities	(14)	(22)
Cash Flows From Financing Activities		
(Decrease)/Increase in borrowings	(73)	2,395
Net cash (used in)/generated from financing activities	(73)	2,395
Net Decrease in cash and cash equivalents	(402)	(5,924)
Effects of foreign exchange rate changes	40	(14)
Cash and cash equivalents at beginning	3,677	10,112
Cash and cash equivalents at end #	3,315	4,174

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 31 DECEMBER 2012
(The figures have not been audited)

	As at 31 Dec 2012 RM ' 000	(Audited) As at 30 June 2012 RM ' 000
ASSETS		
Non-current assets		
Plant and equipment	11,205	12,000
Investment property	6,879	6,928
Other investments	3,016	2,767
Total non-current assets	21,100	21,695
Current assets		
Inventories	17,497	12,914
Trade receivables	10,830	9,845
Other receivables, deposits and prepayments	16	30
Tax recoverable	706	571
Short term Investments	19,137	18,357
Cash and bank balances	3,315	3,677
	51,501	45,394
TOTAL ASSETS	72,601	67,089
EQUITY AND LIABILITIES		
Share capital	40,000	40,000
Share premium	1,684	1,684
Other reserve	(16,544)	(16,791)
Treasury shares	(4,224)	(4,224)
Retained earnings	43,153	39,870
Total Equity	64,069	60,539
Non-current liabilities		
Borrowings	941	1,015
Deferred tax liabilities	2,269	2,270
Total non-current liabilities	3,210	3,285
Current liabilities		
Trade and other payables	2,784	1,365
Other payables and accruals	1,620	1,741
Provision for taxation	772	14
Loans and borrowings	146	145
Total current liabilities	5,322	3,265
TOTAL EQUITY AND LIABILITIES	72,601	67,089
Net asset per share (RM)	0.89	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 2012 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 Second Quarter Ended 31 December 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.

BHS Industries Berhad (Company no: 719660-W)
Notes To The Interim Report
For The Second Quarter Ended 31 December 2012
(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.

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.

BHS Industries Berhad (Company no: 719660-W)
Notes To The Interim Report
For The Second Quarter Ended 31 December 2012
(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 Cyclical 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:

	6 months Ended 31 Dec 2012 RM'000	6 months Ended 31 Dec 2011 RM'000
Geographical Segments		
Revenue		
Export market	16,751	9,439
Local market	15,540	14,047
	<u>32,291</u>	<u>23,486</u>
Results		
Export market	2,139	1,275
Local market	1,984	1,898
(Loss)/Profit from operations	4,123	3,173
Add Other Income & Interest	513	727
	4,636	3,900
Less taxation	(1,353)	(972)
	<u>3,283</u>	<u>2,928</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.

BHS Industries Berhad (Company no: 719660-W)
Notes To The Interim Report
For The Second Quarter Ended 31 December 2012
(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 15 February 2013, 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 15 February 2013 (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 31 Dec 2012	As at 30 June 2012
	RM'000	RM'000
Cash at bank	<u>3,315</u>	<u>3,677</u>

BHS Industries Berhad (Company no: 719660-W)
Notes To The Interim Report
For The Second Quarter Ended 31 December 2012
(The figures have not been audited)

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

1 Analysis of performance

	2nd Quarter 31.12.2012 RM'000	2nd Quarter 31.12.2011 RM'000
Revenue	<u>18,822</u>	<u>16,045</u>
Profit Before Tax	<u>2,321</u>	<u>3,629</u>

For the second quarter under review, revenue increased by RM2.8 million to RM18.8 million compared with the same quarter in the preceding year. However, the Profit Before Tax in the quarter under review dropped by RM1.3 million compared with the same quarter in the preceding year. These could be substantially attributed to the higher costs of acquiring new business from overseas, a lower profit margin and also the Group has made an allowance for debts of RM0.5 million in the current quarter.

2 Variation of Results Against Preceding Quarter

	Current Quarter 31.12.2012 RM'000	Preceding Quarter 30.09.2012 RM'000
Revenue	<u>18,822</u>	<u>13,469</u>
Profit Before Tax	<u>2,321</u>	<u>2,315</u>

For the second quarter under review, the Group recorded an increase in revenue of about RM5.4million compared with the preceding quarter. However, the Profit Before Tax for both quarters are about RM2.3 million. If we expressed the Profit Before Tax as a percentage of revenue, there was a drop of 4.86% of Profit in the current quarter compared with the previous quarter. These could be attributed mainly to the higher costs of acquiring new businesses overseas, a squeeze in the profit margin and also an allowance for debts of RM0.5 million has been made in the quarter.

3 Prospects

The unaudited results for the six months show that the Group's performance was RM0.4 million higher than the same period in the preceding year. The Board of Directors would expect the Group to perform satisfactorily for the remaining six months in the 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 31 Dec 2012 RM'000	6 months Ended 31 Dec 2012 RM'000
Provision of Income tax	<u>686</u>	<u>1,353</u>

The effective tax rate of the Group for the 3 months ended 31 Dec 2012 and 6 months ended 31 Dec 2012 was about 29% which was higher than the statutory tax rate of 25% owing to some expenses were disallowed for tax purposes and the capital allowances claim is lower than the depreciation charged in the accounts.

BHS Industries Berhad (Company no: 719660-W)
Notes To The Interim Report
For The Second Quarter Ended 31 December 2012
(The figures have not been audited)

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

	3 months Ended 31 Dec 2012 RM'000	6 months Ended 31 Dec 2012 RM'000
Depreciation and amortisation	424	857
Foreign exchange loss	29	26
Allowance for debts	500	500

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 inventories, gain or loss on disposal of quoted or unquoted investments or properties and impairment of assets.

7 Group's Borrowings and Debt Securities

	31 Dec 2012 RM'000
Bank loan -due within 12 months	146
Bank loan -due after 12 months	941
Total borrowings	<u>1,087</u>

The debts are denominated in Singapore Dollar and the borrowings are secured on the property.

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 a final tax exempt dividend of 6% or 3 sen per share for the financial year ended 30 June 2012 which was approved by the shareholders in the AGM held on 13 December 2012. The dividend was duly paid on 18 January 2013.

10 Retained profits/(accumulated losses) of the Group

	RM' 000
- Realised	52,126
-Unrealised	<u>(2,309)</u>
	49,817
Less Consolidated adjustment	(6,664)
Total group's retained profits	<u><u>43,153</u></u>

BHS Industries Berhad (Company no: 719660-W)
Notes To The Interim Report
For The Second Quarter Ended 31 December 2012
(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 31 Dec 2012 RM' 000	6 months Ended 31 Dec 2012 RM'000
Profit attributable to shareholders	1,635	3,283
Weighted average number of shares in issue ('000) (Excluding treasury shares)	72,100	72,100
Basic earnings per share (sen)	2.27	4.55

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 15 February 2013 (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 15.02.13 RM'000	*Balance to be utilised RM'000
Expansion plan	8,250	6,631	1,619
Working capital	1,270	1,270	-
	9,520	7,901	1,619

* 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.