



BHS Industries Berhad (Company No: 719660-W)
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THIRD QUARTER ENDED 31 MARCH 2014
 (The figures have not been audited)

	Third Quarter 3 months ended 31 March		Cumulative Quarters 9 months ended 31 March	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Revenue	16,860	8,730	55,618	41,021
Operating expenses	(14,041)	(8,262)	(46,935)	(36,416)
Other income	97	229	793	726
Interest	7	1	33	17
Finance costs	(18)	(4)	(75)	(18)
Profit before tax	2,905	694	9,434	5,330
Taxation	1,226	(8)	(559)	(1,361)
Net profit for the period	<u>4,131</u>	<u>686</u>	<u>8,875</u>	<u>3,969</u>
Other Comprehensive Income:				
Translation of foreign operation	(1)	(11)	93	29
Net Gain/(loss) on Available for sale financial assets	(26)	(16)	168	233
	<u>(27)</u>	<u>(27)</u>	<u>261</u>	<u>262</u>
Total Comprehensive Income for the period	<u>4,104</u>	<u>659</u>	<u>9,136</u>	<u>4,231</u>
Profit Attributable to :				
Owners of the Company	<u>4,131</u>	<u>686</u>	<u>8,875</u>	<u>3,969</u>
Total Comprehensive Income attributable to:				
Owners of the Company	<u>4,104</u>	<u>659</u>	<u>9,136</u>	<u>4,231</u>
Earnings per share (sen):				
Basic (Part B, Note 11)	<u>5.73</u>	<u>0.95</u>	<u>12.31</u>	<u>5.50</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 2013 and the accompanying explanatory notes attached to the Interim Financial Report.



BHS Industries Berhad (Company No: 719660-W)
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 March 2014
(The figures have not been audited)

	As at 31 Mar 2014 RM ' 000	(Audited) As at 30 June 2013 RM ' 000
ASSETS		
Non-current assets		
Plant and equipment	11,464	10,554
Investment property	-	6,839
Other investments	1,630	1,476
Total non-current assets	13,094	18,869
Current assets		
Inventories	13,244	19,419
Trade receivables	23,301	24,077
Other receivables, deposits and prepayments	18	51
Tax recoverable	325	403
Short term Investments	13,683	18,706
Cash and bank balances	8,392	2,193
Non-current assets held for sale (Note 8)	4,448	-
Non-current assets held for sale (Note 9)	3,446	-
	66,857	64,849
TOTAL ASSETS	79,951	83,718
EQUITY AND LIABILITIES		
Share capital	40,000	40,000
Share premium	1,684	1,684
Other reserve	(16,604)	(16,722)
Treasury shares	(4,224)	(4,224)
Retained earnings	51,664	44,952
Amount attributed to Non-current assets held for sale-foreign translation reserve	142	-
Total Equity	72,662	65,690
Non-current liabilities		
Borrowings	-	874
Deferred tax liabilities	1,691	1,691
Total non-current liabilities	1,691	2,565
Current liabilities		
Trade payables	721	10,128
Other payables and accruals	3,599	2,750
Provision for taxation	240	1,028
Loans and borrowings	-	1,557
Liabilities related to Non-current assets held for sale (Note 9)	1,038	-
Total current liabilities	5,598	15,463
TOTAL EQUITY AND LIABILITIES	79,951	83,718
Net asset per share (RM)	1.01	0.91

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 2013 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 2014
(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 2013	40,000	1,684	(16,833)	61	49	(4,224)	44,952	65,689
Total comprehensive income for the quarter	-	-	-	120	91	-	2,869	3,080
As at 30 September 2013	40,000	1,684	(16,833)	181	140	(4,224)	47,821	68,769
Total comprehensive income for the quarter	-	-	-	74	3	-	1,875	1,952
As at 31 December 2013	40,000	1,684	(16,833)	255	143	(4,224)	49,696	70,721
Dividend paid	-	-	-	-	-	-	(2,163)	(2,163)
Total comprehensive income for the quarter	-	-	-	(26)	(1)	-	4,131	4,104
As at 31 March 2014	40,000	1,684	(16,833)	229	142	(4,224)	51,664	72,662

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 2013 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 MARCH 2014
(The figures have not been audited)

	Cumulative	
	9 months ended 31 March	
	2014	2013
	RM'000	RM'000
Cash Flows From Operating Activities		
Profit before tax	9,434	5,330
Adjustments for:		
Depreciation and amortisation	1,248	1,280
Allowance for debts	200	500
Gains on foreign exchange (unrealised)	(21)	(49)
Impairment on quoted shares	13	8
Recovery of debts	-	(21)
Interest expense	75	18
Gains on disposal of plant & equipment	(300)	-
	10,649	7,066
Changes in working capital:		
Inventories	6,175	(8,854)
Receivables	809	(968)
Short term investments	5,023	(211)
Payables	(8,558)	4,748
Cash generated from operations	14,098	1,781
Interest paid	(75)	(18)
Taxes paid	(1,578)	(1,045)
Net cash generated from operating activities	12,445	718
Cash Flows From Investing Activities		
Purchase of plant & equipment	(2,094)	(8)
Proceeds from disposal of plant & machinery	300	-
Net cash used in investing activities	(1,794)	(8)
Cash Flows From Financing Activities		
Decrease in borrowings	(2,431)	160
Dividend paid	(2,163)	(2,163)
Net cash used in financing activities	(4,594)	(2,003)
Net Increase/(Decrease) in cash and cash equivalents	6,057	(1,293)
Effects of foreign exchange rate changes	142	29
Cash and cash equivalents at beginning	2,193	3,677
Cash and cash equivalents at end #	8,392	2,413

The unaudited condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the financial year ended 30 June 2013 and the accompanying explanatory notes attached to the Interim Financial Statement.

Please refer to Part A, Note 16 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 2014
(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 and presented in accordance with the reporting requirements outlined in the Malaysian Financial Reporting Standard ("MFRS") 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 unaudited interim financial statements report should be read in conjunction with the audited consolidated financial statements for the year ended 30 June 2013 and the accompanying explanatory notes attached to the audited consolidated financial statements.

In the previous years, the financial statements were prepared in accordance with the Financial Reporting Standards in Malaysia. The first time adoption of MFRS does not have any significant impact on the Group's reported unaudited financial position, financial performance and cash flows.

The Group has not adopted the new standards, amendments to published standards and interpretations that have been issued but not yet effective. These new standards, amendments to published standards and interpretations do not result in significant changes in accounting policies of the Group.

2 Auditors' Report on Preceding Annual Financial Statements

The audited financial statements for the financial year ended 30 June 2013 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 paid a dividend of RM2,163,000 on 23 January 2014 in accordance with the resolution approved by shareholders at the AGM held on 20 December 2013.

8 Non-current assets held for sale RM4,448,000

This refers to the 7 pieces of freehold agricultural land the Company disposed of subject to the terms of Sale and Purchase Agreement dated 2 April 2014.

9 Non-current assets held for sale

This relates to the disposal of shares in a wholly owned subsidiary, BHS Resources Pte. Ltd subject to the terms of the Share Sale Agreement dated 2 April 2014.

The major classes of assets and liabilities classified as held for sale are as follows:

	RM'000
Assets:	
Investment property	2,393
Cash at bank	1,053
	<u>3,446</u>
Liabilities:	
Loans and borrowings	941
Other payables	97
	<u>1,038</u>

BHS Industries Berhad (Company no: 719660-W)
Notes To The Interim Report
For The Third Quarter Ended 31 March 2014
(The figures have not been audited)

10 Segmental Information

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

Geographical Segments	3 months Ended 31 March 2014 RM'000	9 months Ended 31 March 2014 RM'000
Revenue		
Export market	11,234	39,173
Local market	<u>5,626</u>	<u>16,445</u>
	<u>16,860</u>	<u>55,618</u>
Results		
Export market	1,866	6,063
Local market	<u>935</u>	<u>2,545</u>
Profit from operations	2,801	8,608
Add Other Income & Interest	<u>104</u>	<u>826</u>
	2,905	9,434
Less taxation	<u>1,226</u>	<u>(559)</u>
	<u>4,131</u>	<u>8,875</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.

11 Valuation of Property, Plant and Equipment

There were no valuation of the property, plant and equipment in the current quarter under review.

12 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.

13 Changes in the Composition of the Group

There are no changes in the composition of the Group.

14 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 May 2014, the latest practicable date which is not earlier than 7 days from the date of issuance of these financial results.

15 Capital Commitments

As at 19 May 2014 (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.

16 Cash and Cash Equivalents

	As at 31 March 2014 RM'000	As at 30 June 2013 RM'000
Cash at bank	8,392	1,942
Fixed deposit with a licensed bank	<u>-</u>	<u>251</u>
	<u>8,392</u>	<u>2,193</u>

BHS Industries Berhad (Company no: 719660-W)
Notes To The Interim Report
For The Third Quarter Ended 31 March 2014
(The figures have not been audited)

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

1 Analysis of performance

	3rd Quarter 31.03.2014 RM'000	3rd Quarter 31.03.2013 RM'000
Revenue	<u>16,860</u>	<u>8,730</u>
Profit Before Tax	<u>2,905</u>	<u>694</u>

For the third quarter under review, revenue increased by RM8.13 million compared with the same quarter in the preceding year. The increase was contributed wholly by the rise in overseas orders. The higher Profit Before Tax of RM2.9 million compared with the same quarter in the previous year of RM0.7 million was due to the ability of the Company to reap the benefit on the economy of scale and also its ability to purchase paper at competitive prices.

2 Variation of Results Against Preceding Quarter

	Current Quarter 31.03.2014 RM'000	Preceding Quarter 31.12.2013 RM'000
Revenue	<u>16,860</u>	<u>21,615</u>
Profit Before Tax	<u>2,905</u>	<u>2,685</u>

For the third quarter under review, the Group recorded a decrease in revenue of RM4.8 million compared with the preceding quarter in Dec 13. The decrease would be attributable to lower local revenue of RM1.5 million and overseas revenue of RM3.3 million. However, the Profit Before Tax to Revenue ratio improved from 12.4% in the preceding quarter to 17.2% in the current quarter due to the lower paper costs and overheads.

3 Prospects

Based on the analyses of performance above, the Group would be expected to perform satisfactorily in the year ending 30.6.2014.

4 Profit Forecast and Profit Guarantee

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

5 Taxation

	9 months Ended 31 Mar 2014 RM'000
Provision of Income tax	<u>559</u>

The effective tax rate of the Group for 9 months ended 31 Mar 2014 is 25.5% which is higher than the statutory tax rate of 25%. During the quarter, the Company received a Statement from Inland Revenue Board on a tax refund of RM1.84 million due to incentive claims. This amount had been credited in the taxation provision in the Statement of Comprehensive Income.

BHS Industries Berhad (Company no: 719660-W)
Notes To The Interim Report
For The Third Quarter Ended 31 March 2014
(The figures have not been audited)

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

	3 months Ended 31 Mar 2014 RM'000	9 months Ended 31 Mar 2014 RM'000
Depreciation and amortisation	407	1,248
Foreign exchange loss/(gains)	(112)	(361)
Allowance for debts	200	200
Impairment of Quoted Shares	-	13
Unrealised gains on short term investments	(95)	(284)

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

*There are no gains or losses on derivative, exceptional items, provision for and write off of inventories, and impairment of assets.

7 Group's Borrowings and Debt Securities

	31 Mar 2014 RM'000	31 Dec 2013 RM'000
Bank loan -due within 12 months	-	152
Bank loan -due after 12 months	-	826
Total borrowings	<u>-</u>	<u>978</u>

The bank loans due are Singaporean Dollar loan of RM978,000 which is 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 did not propose any dividend in the quarter under review.

10 Retained profits/(accumulated losses) of the Group

	RM' 000
- Realised	57,594
-Unrealised	(1,833)
	<u>55,761</u>
Less Consolidated adjustment	(4,097)
Total group's retained profits	<u><u>51,664</u></u>

BHS Industries Berhad (Company no: 719660-W)
Notes To The Interim Report
For The Third Quarter Ended 31 March 2014
(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 Mar 2014 RM' 000	9 months Ended 31 Mar 2014 RM'000
Profit attributable to shareholders	4,131	8,875
Weighted average number of shares in issue ('000) (Excluding treasury shares)	72,100	72,100
Basic earnings per share (sen)	5.73	12.31

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 19 May 2014 (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 19.05.14 RM'000	*Balance to be utilised RM'000
Expansion plan	8,250	8,250	-
Working capital	1,270	1,270	-
	9,520	9,520	-

13 Authorisation for Issue

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