



BHS Industries Berhad (Company No: 719660-W)
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SECOND QUARTER ENDED 31 DECEMBER 2015
(The figures have not been audited)

	Second Quarter 3 months ended 31 Dec		Cumulative Quarters 6 months ended 31 Dec	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Revenue	4,217	5,453	10,516	18,733
Operating expenses	(6,142)	(7,461)	(13,694)	(20,072)
Other income	535	1,144	2,091	4,698
Interest	11	6	32	12
Finance costs	(116)	(10)	(207)	(26)
Profit/(Loss) before tax	(1,495)	(868)	(1,262)	3,345
Taxation	-	204	(70)	(139)
Net profit/(Loss) for the period	<u>(1,495)</u>	<u>(664)</u>	<u>(1,332)</u>	<u>3,206</u>
Other Comprehensive Income:				
Translation of foreign currency	-	-	-	(112)
Net Gain/(loss) on Available for sale financial assets	-	139	-	153
	<u>-</u>	<u>139</u>	<u>-</u>	<u>41</u>
Total Comprehensive Income for the period	<u>(1,495)</u>	<u>(525)</u>	<u>(1,332)</u>	<u>3,247</u>
Profit/(Loss) Attributable to :				
Owners of the Company	<u>(1,495)</u>	<u>(664)</u>	<u>(1,332)</u>	<u>3,206</u>
Total Comprehensive Income attributable to:				
Owners of the Company	<u>(1,495)</u>	<u>(525)</u>	<u>(1,332)</u>	<u>3,247</u>
Earnings per share (sen):				
Basic (Part B, Note 11)	<u>(0.46)</u>	<u>(0.86)</u>	<u>(0.41)</u>	<u>4.29</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 2015 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 December 2015
(The figures have not been audited)

	As at 31 Dec 2015 RM ' 000	(Audited) As at 30 June 2015 RM ' 000
ASSETS		
Non-current assets		
Leasehold land and building	17,494	16,067
Plant and equipment	12,816	10,698
Other investments	373	1,179
Master licence rights	500	500
Total non-current assets	31,183	28,444
Current assets		
Inventories	9,494	12,305
Trade receivables	12,078	13,764
Other receivables, deposits and prepayments	21,234	7,530
Tax recoverable	2,013	1,965
Short term Investments	34,114	22,513
Fixed deposit with licensed bank	6,642	3,276
Cash and bank balances	8,812	9,270
	-	
	94,387	70,623
TOTAL ASSETS	125,570	99,067
EQUITY AND LIABILITIES		
Share capital	104,786	80,000
Share premium	15,945	-
Other reserve	(16,833)	(16,833)
Treasury shares	(14,264)	(4,256)
Retained earnings	23,236	24,568
Total Equity	112,870	83,479
Non-current liabilities		
Bank borrowing	7,051	7,370
Deferred tax liabilities	1,169	1,169
Total non-current liabilities	8,220	8,539
Current liabilities		
Bank borrowing	623	623
Trade payables	1,906	2,250
Other payables and accruals	1,616	4,012
Provision for tax	335	164
	-	-
Total current liabilities	4,480	7,049
TOTAL EQUITY AND LIABILITIES	125,570	99,067
Net asset per share (RM)	0.29	0.27

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 2015 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 2015**
(The figures have not been audited)

	Non-distributable			Distributable		
	Share Capital RM' 000	Share Premium RM'000	Other Reserve RM' 000	Treasury Shares RM' 000	Retained Profits RM' 000	Total RM' 000
As at 1 July 2015	80,000	-	(16,833)	(4,256)	24,568	83,479
Total comprehensive income for the quarter					163	163
Purchase of own shares				(8,430)		(8,430)
As at 30 September 2015	80,000	-	(16,833)	(12,686)	24,731	75,212
Purchase of own shares				(1,578)		(1,578)
Proceeds from Rights Issue	24,786	16,855				41,641
Share Issue expenses		(910)				(910)
Total comprehensive income for the quarter				-	(1,495)	(1,495)
As at 31 December 2015	104,786	15,945	(16,833)	(14,264)	23,236	112,870

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 2015 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 2015
(The figures have not been audited)

Cumulative	
6 months ended 31 Dec	
2015	2014
RM'000	RM'000

Cash Flows From Operating Activities

Profit/(Loss) before tax	(1,262)	3,345
Adjustments for:		
Depreciation and amortisation	834	687
Gains arising from disposal of land and subsidiary	-	(3,097)
(Gains)/Loss on foreign exchange (unrealised)	(120)	(67)
Loss/(Gains) on Fair value on quoted shares	(201)	-
Interest expense	207	26
Gains on disposal of plant & equipment	(392)	-
	<u>(934)</u>	<u>894</u>
Changes in working capital:		
Inventories	2,811	2,814
Receivables	(12,018)	7,298
Short term investments	(11,601)	(10,306)
Payables	(2,740)	(597)
Cash (used in)/generated from operations	<u>(24,482)</u>	<u>103</u>
Interest paid	(207)	(26)
Taxes refund/(paid)	172	(878)
Net cash used in operating activities	<u>(24,517)</u>	<u>(801)</u>

Cash Flows From Investing Activities

Purchase of Property, plant & equipment	(4,379)	(1,885)
Purchase of Master licence rights	-	(500)
Proceeds from disposal of plant & machinery	392	-
Proceeds from disposal of quoted shares	1,008	-
Proceeds from disposal of shares in subsidiary	-	9,885
Proceeds from disposal of treasury shares	-	13,768
Net cash (used in)/generated from investing activities	<u>(2,979)</u>	<u>21,268</u>

Cash Flows From Financing Activities

Proceeds from Rights Issue (net)	40,731	-
Decrease in borrowings	(319)	-
Repurchase of treasury shares	(10,008)	-
Net cash generated from financing activities	<u>30,404</u>	<u>-</u>

Net Increase in cash and cash equivalents

Net Increase in cash and cash equivalents	2,908	20,467
Cash and cash equivalents at beginning	12,546	11,125
Cash and cash equivalents at end #	<u>15,454</u>	<u>31,592</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 2015 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 Second Quarter Ended 31 December 2015
(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 2015 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 2015 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 except the following:

1. In pursuance of the authority granted to the directors at the EGM held on 19 January 2015, the directors had during the 2nd quarter to 31.12.2015, repurchased 4,357,100 of the Company's ordinary shares of RM0.25 each at the open market for a total consideration of RM1,577,779 at an average cost of RM0.362 per share. The share buybacks were financed by internally generated funds and are held as treasury shares in accordance with the requirements of Section 67A of the Companies Act 1965.

At 31.12.2015, the Company held a total of 26,920,000 treasury shares at a total cost of RM14,264,128 with an average cost of RM0.53

2. During the quarter under review, rights shares of 99,145,199 were issued @RM0.42 per share giving rise to rights issue proceeds of RM41,641,000

7 Dividend Paid

The Company did not pay any dividend in the quarter under review.

BHS Industries Berhad (Company no: 719660-W)
Notes To The Interim Report
For The Second Quarter Ended 31 December 2015
(The figures have not been audited)

8 Segmental Information

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

	6 months Ended 31 Dec 2015 RM'000
Geographical Segments	
Revenue	
Export market	4,241
Local market	<u>6,274</u>
	<u>10,515</u>
Results	
Export market	(1,365)
Local market	<u>(2,020)</u>
Loss from operations	(3,385)
Add Other Income & Interest	<u>2,123</u>
	(1,262)
Less taxation	<u>(70)</u>
Loss after tax	<u><u>(1,332)</u></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.

11 Changes in the Composition of the Group

There is no change in the composition of the Group in the quarter under review.

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 18 February 2016, the latest practicable date which is not earlier than 7 days from the date of issuance of these financial results.

BHS Industries Berhad (Company no: 719660-W)
Notes To The Interim Report
For The Second Quarter Ended 31 December 2015
(The figures have not been audited)

13 Capital Commitments

As at 18 February 2016 (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 2015	As at 30 June 2015
	RM'000	RM'000
Cash at bank	8,812	9,270
Fixed deposit with financial institution	6,642	3,276
	<u>15,454</u>	<u>12,546</u>

BHS Industries Berhad (Company no: 719660-W)
Notes To The Interim Report
For The Second Quarter Ended 31 December 2015
(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 31.12.2015 RM'000	2nd Quarter 31.12.2014 RM'000
Revenue	<u>4,217</u>	<u>5,453</u>
Profit Before Tax (PBT)	<u>(1,495)</u>	<u>(868)</u>

The turnover continued its downward trend in the current quarter. The revenue dropped by RM1.2 million. This has widened the losses by RM0.63 million as the turnover shrank.

2 Variation of Results Against Preceding Quarter

	Current Quarter 31.12.2015 RM'000	Preceding Quarter 30.09.2015 RM'000
Revenue	<u>4,217</u>	<u>6,299</u>
Profit Before Tax (PBT)	<u>(1,495)</u>	<u>233</u>

Compared with the preceding quarter, the current quarter revenue was decreased by RM2.1 million. The lower turnover has given to losses of about RM1.5 million.

3 Prospects

There are signs that the economy in our main customers' countries is stabilising and recovering. Thus far, we have received some print orders. It is hope that more orders are flowing in from now towards the year end. Based on the foregoing, we are of the view that the prospect of the Company to be satisfactory in the 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

	6 months Ended 31 Dec 2015 RM'000
Provision of Income tax	<u>70</u>

The statutory tax rate for year of assessment 2015 is 25% and the tax provision is based thereon.

BHS Industries Berhad (Company no: 719660-W)
Notes To The Interim Report
For The Second Quarter Ended 31 December 2015
(The figures have not been audited)

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

	3 month Ended 31 Dec 2015 RM'000	6 months Ended 31 Dec 2015 RM'000
Depreciation and amortisation	446	834
Foreign exchange loss/(gains)	126	(901)
Unrealised gains on short term investments	(232)	(337)
Fair value loss/(gains) on investment in quoted shares	(307)	(201)

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

*There are no allowance for debts, 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

The Company did not have any borrowing or debt securities in the quarter under review except the following:

	RM '000
Bank borrowing -12 months	623
Bank borrowing -more than 12 months	7,051
	<u>7,674</u>

The bank borrowing refers to a fixed term loan of RM8 million taken out to acquire the Company's factory.

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 for the quarter under review.

10 Retained profits/(accumulated losses) of the Group

	RM' 000
- Realised	24,381
-Unrealised	(1,169)
	<u>23,212</u>
Less Consolidated adjustment	24
	<u>23,236</u>

BHS Industries Berhad (Company no: 719660-W)
Notes To The Interim Report
For The Second Quarter Ended 31 December 2015
(The figures have not been audited)

11 Earnings Per Share

Basic earnings per share is calculated by dividing net profit/(loss) 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 2015 RM'000	6 months Ended 31 Dec 2015 RM'000
Profit/(Loss) attributable to shareholders	<u>(1,495)</u>	<u>(1,332)</u>
Weighted average number of shares in issue ('000) (Excluding treasury shares)	<u>321,642</u>	<u>321,642</u>
Basic earnings per share (sen)	<u>(0.46)</u>	<u>(0.41)</u>

12 Corporate Proposals

(a) The corporate exercise for rights issue together with free warrants was completed on 22 October 2015.

(b) Status of Utilisation of Proceeds

The Company raised a total gross proceeds of RM41,640,984 from the Rights Issue. The utilisation of proceeds as at 18 February 2016 (the latest practicable date not earlier than 7 days from the date of issue of this report) is as follows:

	Proposed Utilisation	Actual utilised as at 18.02.16	Balance to be utilised	Intended Timeframe For Utilisation
	RM'000	RM'000	RM'000	
Acquisition of land	7,000	-	7,000	Within 24 months
Purchase of plant & machinery & other ancillary facilities	33,641	13,909	19,732	Within 24 months
Estimated expenses in relation to the Corporate Exercises	1,000	910	90	Immediate
	<u>41,641</u>	<u>14,819</u>	<u>26,822</u>	

13 Authorisation for Issue

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