



BHS Industries Berhad (Company No: 719660-W)
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FIRST QUARTER ENDED 30 SEPT 2017
 (The figures have not been audited)

	First Quarter 3 months ended 30 Sept		Cumulative Quarters 3 months ended 30 Sept	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Revenue	3,528	6,676	3,528	6,676
Operating expenses	(6,920)	(9,084)	(6,920)	(9,084)
Other income/(loss)	182	109	182	109
Interest	3	14	3	14
Finance costs	(78)	(85)	(78)	(85)
Profit/(Loss) before tax	(3,285)	(2,370)	(3,285)	(2,370)
Taxation	-	-	-	-
Net profit/(Loss) for the period	<u>(3,285)</u>	<u>(2,370)</u>	<u>(3,285)</u>	<u>(2,370)</u>
Other Comprehensive Income:				
Translation of foreign operation	(27)	53	(27)	53
	<u>(27)</u>	<u>53</u>	<u>(27)</u>	<u>53</u>
Total Comprehensive Income for the period	<u>(3,312)</u>	<u>(2,317)</u>	<u>(3,312)</u>	<u>(2,317)</u>
Profit/(Loss) Attributable to :				
Owners of the Company	<u>(3,285)</u>	<u>(2,370)</u>	<u>(3,285)</u>	<u>(2,370)</u>
Total Comprehensive Income attributable to:				
Owners of the Company	<u>(3,312)</u>	<u>(2,317)</u>	<u>(3,312)</u>	<u>(2,317)</u>
Earnings per share (sen):				
Basic (Part B, Note 11)	<u>(0.76)</u>	<u>(0.60)</u>	<u>(0.76)</u>	<u>(0.60)</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 2017 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 30 Sept 2017
(The figures have not been audited)

	As at 30 Sept 2017 RM ' 000	(Audited) As at 30 June 2017 RM ' 000
ASSETS		
Non-current assets		
Property, plant and equipment	42,023	42,591
Land held for development	18,476	18,299
Other investments	13	13
Intangible assets	500	500
Deferred tax assets	1,226	1,226
Total non-current assets	62,238	62,629
Current assets		
Inventories	11,683	8,762
Trade receivables	17,108	18,261
Other receivables, deposits and prepayments	39,077	38,161
Tax recoverable	1,735	1,799
Cash and bank balances	100	1,488
	69,703	68,471
TOTAL ASSETS	131,941	131,100
EQUITY AND LIABILITIES		
Share capital	114,592	114,592
Warrant reserve	16,855	16,855
Share premium	4,964	4,964
Other reserve	(16,833)	(16,833)
Treasury shares	(14,273)	(14,273)
Foreign currency translation	96	123
Retained earnings	8,072	11,357
Total Equity	113,473	116,785
Non-current liabilities		
Hire purchase liabilities	142	170
Term loans	5,702	5,859
Total non-current liabilities	5,844	6,029
Current liabilities		
Trade payables	6,099	2,669
Other payables and accruals	4,417	4,442
Short term borrowings	1,931	983
Hire purchase liabilities	177	192
Total current liabilities	12,624	8,286
TOTAL EQUITY AND LIABILITIES	131,941	131,100
Net asset per share (RM)	0.26	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 2017 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 SEPT 2017**
(The figures have not been audited)

	Non-distributable					Distributable		
	Share Capital RM' 000	Translation Reserve RM'000	Warrant Reserve 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 2017	114,592	123	16,855	4,964	(16,833)	(14,273)	11,357	116,785
Total comprehensive income for the quarter	-	(27)	-	-	-	-	(3,285)	(3,312)
As at 30 September 2017	<u>114,592</u>	<u>96</u>	<u>16,855</u>	<u>4,964</u>	<u>(16,833)</u>	<u>(14,273)</u>	<u>8,072</u>	<u>113,473</u>

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 2017 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 Sept 2017
(The figures have not been audited)

	Cumulative	
	3 months ended 30 Sept	
	2017	2016
	RM'000	RM'000
Cash Flows From Operating Activities		
Loss before tax	(3,285)	(2,370)
Adjustments for:		
Depreciation and amortisation	721	448
Loss on foreign exchange (unrealised)	252	-
Unrealised gains on short term investment	-	(9)
Interest expense	78	85
	<u>(2,234)</u>	<u>(1,846)</u>
Changes in working capital:		
Inventories	(2,921)	2,311
Receivables	237	(7,885)
Short term investments	-	8,565
Payables	3,405	(1,044)
Cash used in/(generated) from operations	<u>(1,513)</u>	<u>101</u>
Interest paid	(78)	(85)
Taxes paid	(311)	(66)
Net cash used in operating activities	<u>(1,902)</u>	<u>(50)</u>
Cash Flows From Investing Activities		
Purchase of Property, plant & equipment	(153)	(555)
Land development cost	(177)	(2,755)
Net cash used in investing activities	<u>(330)</u>	<u>(3,310)</u>
Cash Flows From Financing Activities		
Increase in bank borrowings	748	85
Net cash generated from financing activities	<u>748</u>	<u>85</u>
Net Decrease in cash and cash equivalents	(1,484)	(3,275)
Effects of foreign exchange rate changes	96	53
Cash and cash equivalents at beginning	<u>1,488</u>	<u>7,226</u>
Cash and cash equivalents at end #	<u>100</u>	<u>4,004</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 2017 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 First Quarter Ended 30 September 2017
(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 2017 and the accompanying explanatory notes attached to the audited consolidated financial statements.

The Group has adopted the new and revised Malaysian Financial Reporting Standards (MFRSs") amendments to published standards and IC Interpretations that become mandatory for the current reporting period. The adoption of these new and revised MFRSs and IC Interpretations does not result in significant changes in the accounting policies of the Group.

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 2017 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.

BHS Industries Berhad (Company no: 719660-W)
Notes To The Interim Report
For The First Quarter Ended 30 Sept 2017
(The figures have not been audited)

8 Segmental Information

Segmental Information for the Group is presented as follows:

	3 months Ended 30 Sept 2017 RM'000	3 months Ended 30 Sept 2016 RM'000
Printing and publishing		
Revenue		
Export market	1,018	3,711
Local market	2,510	2,965
	<u>3,528</u>	<u>6,676</u>
Operating loss after tax	<u>(1,927)</u>	<u>(1,335)</u>
Park Developer		
Revenue	<u>-</u>	<u>-</u>
Operating loss	<u>(414)</u>	<u>-</u>

The profits arising from the disposal of developed land at Pekan Green Technology Park are exempted from tax and the tax incentive is for 10 years effective from the Year of Assessment 2017

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

During the quarter under review, the Company acquired 70% interest in the share capital of Nextgreen (Sarawak) Sdn Bhd for RM70. It also incorporated a company, Nextgreen Energy Sdn Bhd with a share capital of RM2.

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 17 November 2017, 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 17 November 2017 (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 2017 RM'000	As at 30 June 2017 RM'000
Cash at bank	<u>100</u>	<u>1,488</u>

BHS Industries Berhad (Company no: 719660-W)
Notes To The Interim Report
For The First Quarter Ended 30 Sept 2017
(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 30.9.2017 RM'000	1st Quarter 30.9.2016 RM'000
Revenue	<u>3,528</u>	<u>6,676</u>
Profit Before Tax (PBT)	<u>(3,285)</u>	<u>(2,370)</u>

The revenue for 1st Quarter 17 compared with the corresponding quarter was reduced by RM3.1 million which can be attributed to reduced overseas sales of RM2.7 million and local sales of RM0.4 million. The expected orders from overseas did not materialise in the quarter and the magazine printing is reduced because of the drop in circulation. The printing incurred a loss of RM1.93 million, holding company RM0.37 million and the balance of RM1 million loss incurred by the start up businesses.

The low revenue was not sufficient to cover the fixed costs of operation and the losses were incurred.

2 Variation of Results Against Preceding Quarter

	Current Quarter 30.9.2017 RM'000	Preceding Quarter 30.06.2017 RM'000
Revenue	<u>3,528</u>	<u>10,379</u>
Profit Before Tax (PBT)	<u>(3,285)</u>	<u>(3,247)</u>

Compared with the preceding quarter, the revenue dropped RM6.85 million. Of this, RM5.3 million was attributed to the revenue from the Park Development; the printing experienced a drop in revenue of RM1.55 million which was made up of lower overseas revenue of RM0.9 million and local revenue of RM0.65 million. The low revenue was not sufficient to cover the fixed costs of operation and the losses were incurred.

3 Prospects

The absence of overseas Government print orders coupled with the shrinking magazine circulation has contributed to the low revenue for the printing. The award by the Ministry of Education in Oct 2017 to Pustaka Yakin Pelajar Sdn Bhd, an associate company for the publishing, printing and distribution of the past year questions and answers would help lift the printing revenue in the Dec 17 quarter. The Board would expect the results to improve in that quarter.

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 2017 RM'000
Provision of Income tax	<u>-</u>

Since the operating companies incurred losses and no tax provision has been made.

BHS Industries Berhad (Company no: 719660-W)
Notes To The Interim Report
For The First Quarter Ended 30 September 2017
(The figures have not been audited)

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

	3 month Ended 30 Sept 2017 RM'000	3 months Ended 30 Sept 2017 RM'000
Depreciation and amortisation	721	721
Foreign exchange loss/(gains)	181	181

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, impairment of assets and allowance for bad debts.

7 Group's Borrowings and Debt Securities

The Company's borrowing in the quarter under review as follows:

	RM '000
Bank borrowing -12 months	717
Bank borrowing -more than 12 months	5,702
Hire purchase-12 months	177
Hire purchase-more than 12 months	142
Foreign currency trade loan	1,214
	<u>7,952</u>

The bank borrowing refers to a 10 year flexible 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	6,038
-Unrealised	1,130
	<u>7,168</u>
Less Consolidated adjustment	904
	<u>8,072</u>

BHS Industries Berhad (Company no: 719660-W)
Notes To The Interim Report
For The First Quarter Ended 30 September 2017
(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 30 Sept 2017 RM'000	3 months Ended 30 Sept 2017 RM'000
Loss attributable to shareholders	<u>(3,285)</u>	<u>(3,285)</u>
Weighted average number of shares in issue ('000) (Excluding treasury shares)	<u>431,427</u>	<u>431,427</u>
Basic earnings per share (sen)	<u>(0.76)</u>	<u>(0.76)</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 total gross proceeds of RM41,640,984 from the Rights Issue. The utilisation of proceeds as at 17 November 2017 (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 17.11.17	Balance to be utilised	Extended to 22 Oct 18 For Utilisation
	RM'000	RM'000	RM'000	
Acquisition of land	7,000	7,000	-	
Purchase of plant & machinery & other ancillary facilities	33,641	27,404	6,237	Within 12 months
Estimated expenses in relation to the Corporate Exercises	1,000	1,000	-	
	<u>41,641</u>	<u>35,404</u>	<u>6,237</u>	

The corporate exercise for private placement was completed on 3 November 2016. The Company raised total gross proceeds of RM14,904,178 from the private placement. The utilisation of proceeds as at 17 Nov 2017 (the latest practicable date not earlier than 7 days from the date of issuance of this report) is as follows:

	Proposed Utilisation	Actual utilised as at 17.11.17	Balance to be utilised	Intended Timeframe For Utilisation
	RM'000	RM'000	RM'000	
Repayment of bank loan	7,200	7,200	-	Within 3 months
machinery/equipment	2,000	2,000	-	Within 12 months
Working capital	5,544	5,544	-	Within 12 months
Estimated expenses relating to the Corporate Exercise	160	160	-	Within 1 month
	<u>14,904</u>	<u>14,904</u>	<u>-</u>	from listing of Placement Shares

13 Authorisation for Issue

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