

Notes to the Financial Statements

for the year ended 30 June 2017

27. Other payables and accruals (continued)

The movements in provision for expected goods returns are as follows:

	Group	
	2017 RM	2016 RM
At beginning of year	-	50,000
Provision no longer required	-	(50,000)
At end of year	-	-

28. Short term borrowings

	Group	
	2017 RM	2016 RM
Foreign currency trade loan - unsecured	263,616	2,798,247
Term loan – current portion (Note 30)	719,315	663,193
	<u>982,931</u>	<u>3,461,440</u>
The average effective interest rates are as follows:		
	2017 %	2016 %
Foreign currency trade loan	3.46	3.30
Term loan	<u>4.52</u>	<u>4.65</u>

29. Hire purchase liabilities

	Group	
	2017 RM	2016 RM
Amount outstanding	379,869	276,143
Less: Interest in suspense	(18,094)	(17,282)
Principal portion	<u>361,775</u>	<u>258,861</u>
Less: Portion due within one year	(192,138)	(98,247)
Non current portion	<u>169,637</u>	<u>160,614</u>
The non current portion of the hire purchase obligations is payable as follows:		
Later than 1 year and not later than 2 years	153,027	99,574
Later than 2 years and not later than 5 years	<u>16,610</u>	<u>61,040</u>
	<u>169,637</u>	<u>160,614</u>

The effective interest rate of the hire purchase obligations is 4.82% (2016: 4.56%).

30. Term loan

	Group	
	2017 RM	2016 RM
Amount outstanding	6,578,699	7,268,722
Less: Portion due within one year (Note 28)	(719,315)	(663,193)
Non current portion	<u>5,859,384</u>	<u>6,605,529</u>
The non current portion of the term loan is payable as follows:		
Later than 1 year and not later than 2 years	752,510	703,236
Later than 2 years and not later than 5 years	2,472,378	2,349,968
Later than 5 years	2,634,496	3,552,325
	<u>5,859,384</u>	<u>6,605,529</u>

The term loan is secured by way of:

- (i) A registered open all monies first party charge stamped nominally over the leasehold land and building as disclosed in Note 12; and
- (ii) Corporate guarantee given by the Company.

31. Significant related party disclosures**31.1 Related party transactions**

Significant transactions with related parties are as follows:

	Group			Company	
	Type of transactions	2017 RM	2016 RM	2017 RM	2016 RM
With subsidiaries:					
- BHS Book Printing Sdn Bhd	Management fee income	-	-	396,898	563,129
	Printing expenses	-	-	24,160	19,960
- Pustaka Sistem Pelajaran Sdn Bhd	Management fee income	-	-	3,755	4,472
With directors of the Company					
- Dato' Lim Thiam Huat	Acquisition of shares	-	175,000	-	-
- Dato' Sohaimi Bin Shahadan	Acquisition of shares	-	175,000	-	-
With a company in which a director of the Company has an interest:					
- Green Patent Technologies Sdn Bhd	Acquisition of shares	-	150,000	-	-
With persons connected to a director of the Company					
- Loke Lai Wah	Rental expense	132,000	-	-	-
- Lim Kean Kiat	Rental expense	33,000	-	-	-

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31. Significant related party disclosures (continued)

31.2 Related party balances

Individually significant outstanding balances arising from transactions other than trade transactions are as follows:

	Group		
	Type of transactions	2017 RM	2016 RM
Financial liability			
With a director of the Company			
- Dato' Lim Thiam Huat	Advances	157,371	51,125

	Company		
	Type of transactions	2017 RM	2016 RM
Financial assets			
With subsidiaries:			
- BHS Book Printing Sdn Bhd	Advances	34,655,340	29,925,083
- BHS DS Solution Sdn Bhd	Advances	-	500,000
- Sistem Multimedia and Internet Sdn Bhd	Advances	30,000	30,000
- System Publishing House Sdn Bhd	Advances	510,000	510,000
- Nextgreen Pulp & Paper Sdn Bhd	Advances	25,743,746	18,028,546
- Ultimate Ivory Sdn Bhd	Advances	9,325,579	3,725,579
- BHS Palau Incorporated	Advances	4,720,354	4,656,280
- Firasat Prima Sdn Bhd	Advances	2	-
- BHS E Education Sdn Bhd	Advances	6,151	-
- BHS Land Development Sdn Bhd	Advances	2,560	-
Financial liabilities			
With subsidiaries:			
- Pustaka Sistem Pelajaran Sdn Bhd	Advances	721,794	2,675,775
- Pustaka Yakin Pelajar Sdn Bhd	Advances	300,000	300,000

31. Significant related party disclosures (continued)**31.3 Compensation of key management personnel**

Key management personnel are those personnel having authority and responsibility for planning, directing and controlling the activities of the entity either directly or indirectly.

The key management personnel comprises mainly executive directors of the Company and the key management of its subsidiaries whose remuneration is as follows:

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Salary and other emoluments	928,333	832,098	752,333	637,098
Defined contribution plan	111,400	99,863	90,280	76,463
Benefits in kind	42,700	21,380	42,700	21,380
	<u>1,082,433</u>	<u>953,341</u>	<u>885,313</u>	<u>734,941</u>

32. Commitments**32.1 Capital commitments**

Capital expenditures not provided for in the financial statements are as follows:

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	Group	
	2017 RM	2016 RM
Authorised and contracted for	<u>7,222,094</u>	<u>25,048,601</u>
Analysed as follows:		
Property, plant and equipment	<u>7,222,094</u>	<u>25,048,601</u>

32.2 Operating lease commitments

	Group	
	2017 RM	2016 RM
The future minimum lease payments under non cancellable operating lease are as follows:		
Not later than 1 year	<u>32,000</u>	<u>8,000</u>

33. Segment information

33.1 Business segment

Following the business diversification exercise in previous reporting period, the Group is now organised into five reportable segments comprising printing and publishing, manufacturing using green technology, property development and management, general construction and investment holding.

Management monitors the operating results of its reportable segments as well as relying on the segment information as disclosed below for the purpose of making decision about resource allocation and performance assessment.

The following table provides an analysis of Group's revenue, results, assets, liabilities and other information by reportable segments.

2017	Printing and publishing RM	Manufacturing using green technology RM	Property development and management RM	General construction RM	Investment holding RM	Eliminations RM	Consolidated RM
Revenue							
External sales	19,934,079	-	5,266,404	-	-	-	25,200,483
Inter-segment sales	98,595	-	-	384,340	400,653	(883,588)	-
	<u>20,032,674</u>	<u>-</u>	<u>5,266,404</u>	<u>384,340</u>	<u>400,653</u>	<u>(883,588)</u>	<u>25,200,483</u>
Results							
Segment results	(11,297,972)	(599,872)	2,946,032	(2,202,376)	(2,559,473)	1,508,147	(12,205,514)
Finance (costs)/income	(361,189)	(140)	(10,099)	(3,642)	10,753	-	(364,317)
(Loss)/Profit before tax	(11,659,161)	(600,012)	2,935,933	(2,206,018)	(2,548,720)	1,508,147	(12,569,831)
Income tax expense	2,375,380	-	-	(41,784)	-	175,961	2,509,557
Net (loss)/profit for the year	<u>(9,283,781)</u>	<u>(600,012)</u>	<u>2,935,933</u>	<u>(2,247,802)</u>	<u>(2,548,720)</u>	<u>1,684,108</u>	<u>(10,060,274)</u>

33. Segment information (continued)

33.1 Business segment

2017	Printing and publishing RM	Manufacturing using green technology RM	Property development and management RM	General construction RM	Investment holding RM	Eliminations RM	Consolidated RM
Assets							
Segment assets	79,469,970	37,719,583	33,566,262	3,548,307	78,945,882	(102,150,049)	131,099,955
Liabilities							
Segment liabilities	51,270,664	28,372,907	26,372,821	5,442,921	4,448,346	(101,592,839)	14,314,820
Other information							
Additions to non current assets	1,618,922	234,572	10,176,179	2,000	433,898	874,946	13,340,517
Depreciation	2,547,008	49,935	160,694	27,212	41,369	(15,201)	2,811,017
Non-cash items other than depreciation and amortisation:							
Allowance for doubtful debts	4,055,198	-	-	-	-	-	4,055,198
Fair value gain on financial assets at fair value through profit or loss	-	-	-	-	(24,528)	-	(24,528)
Gain on foreign exchange - unrealised	(589,093)	-	(260,467)	-	-	-	(849,560)
Impairment loss on investment in a subsidiary	-	-	-	-	618,000	(618,000)	-
Plant and equipment written off	145,330	-	-	-	-	-	145,330

33. Segment information (continued)

33.1 Business segment

2016	Printing and publishing RM	Manufacturing using green technology RM	Property development and management RM	General construction RM	Investment holding RM	Eliminations RM	Consolidated RM
Revenue							
External sales	28,365,125	-	-	-	-	-	28,365,125
Inter-segment sales	64,975	-	-	8,534,295	567,601	(9,166,871)	-
	<u>28,430,100</u>	<u>-</u>	<u>-</u>	<u>8,534,295</u>	<u>567,601</u>	<u>(9,166,871)</u>	<u>28,365,125</u>
Results							
Segment results	1,101,808	(47,289)	(662,778)	184,139	(2,152,007)	(1,623,318)	(3,199,445)
Finance (costs)/income	(168,586)	10,443	372	(416)	569,545	-	441,358
Profit/(Loss) before tax	<u>933,222</u>	<u>(36,846)</u>	<u>(662,406)</u>	<u>183,723</u>	<u>(1,582,462)</u>	<u>(1,623,318)</u>	<u>(2,788,087)</u>
Income tax expense	(355,816)	(2,500)	-	(4,800)	-	-	(363,116)
Net profit/(loss) for the year	<u>577,406</u>	<u>(39,346)</u>	<u>(662,406)</u>	<u>178,923</u>	<u>(1,582,462)</u>	<u>(1,623,318)</u>	<u>(3,151,203)</u>

33. Segment information (continued)

33.1 Business segment

2017	Printing and publishing RM	Manufacturing using green technology RM	Property development and management RM	General construction RM	Investment holding RM	Eliminations RM	Consolidated RM
Assets							
Segment assets	89,994,779	28,159,758	11,493,863	2,768,539	67,845,564	(68,115,601)	132,146,902
Liabilities							
Segment liabilities	52,511,694	18,213,072	9,859,699	2,415,351	3,681,364	(66,492,283)	20,188,897
Other information							
Additions to non current assets	16,584,885	249,675	11,256,335	131,668	3,888	(1,623,318)	26,603,133
Depreciation	1,621,501	-	3,786	1,566	117,738	-	1,744,591
Non-cash items other than depreciation and amortisation:							
Fair value gain on financial assets at fair value through profit or loss	(19,636)	-	-	-	(364,818)	-	(384,454)
Loss on foreign exchange - unrealised	90,294	-	-	-	-	-	90,294
Plant and equipment written off	2,988	-	-	-	-	-	2,988
Provision for expected goods returns no longer required	(50,000)	-	-	-	-	-	(50,000)

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33. Segment information (continued)

33.2 Geographical segments

In presenting information on the basis of geographical segments, segment revenue is based on geographical location of customers. Segment assets are based on the geographical location of the assets.

	Revenue		Non-current assets	
	2017 RM	2016 RM	2017 RM	2016 RM
Malaysia	18,451,356	12,281,790	55,152,775	45,608,143
Nigeria	5,416,634	15,971,737	-	-
Kenya	1,332,493	111,598	-	-
Republic of Palau	-	-	7,476,352	6,440,095
	<u>25,200,483</u>	<u>28,365,125</u>	<u>62,629,127</u>	<u>52,048,238</u>

33.3 Customers segment information

Revenue from transactions with major customers that individually accounted for 10 percent or more of the Group's revenue are summarised below:

	2017 RM	2016 RM
Customer A	5,266,404	-
Customer B	-	9,798,121
Customer C	-	4,273,101
	<u>5,266,404</u>	<u>14,071,222</u>

34. Financial instruments and financial risks

34.1 Categories of financial instruments

The following table sets out the financial instruments as at the reporting date:

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Financial assets				
Loans and receivables:				
- trade and other receivables excluding prepayments	25,066,759	24,252,473	74,996,706	57,397,528
- fixed deposits with licensed banks	-	800,000	-	-
- cash and bank balances	1,487,520	6,426,164	1,776	448,436
	26,554,279	31,478,637	74,998,482	57,845,964
Financial assets at fair value through profit or loss:				
- other investments	12,689	12,689	-	-
- short term investments	-	9,479,861	-	8,574,268
	12,689	9,492,550	-	8,574,268
	<u>26,566,968</u>	<u>40,971,187</u>	<u>74,998,482</u>	<u>66,420,232</u>
Financial liabilities				
Amortised cost:				
- term loan (floating rate)	5,859,384	6,605,529	-	-
- hire purchase liabilities (fixed rate)	361,775	258,861	-	-
- short term borrowings (floating rate)	982,931	3,461,440	-	-
- trade and other payables	7,104,281	8,434,749	1,288,211	3,054,788
	<u>14,308,371</u>	<u>18,760,579</u>	<u>1,288,211</u>	<u>3,054,788</u>

34.2 Financial risk management objectives and policies

The Group's overall financial risk management programme seeks to minimise potential adverse effects on financial performance of the Group.

The Group does not hold or issue derivative financial instruments for speculative purposes.

There has been no change in the Group's exposure to these financial risks or the manner in which it manages and measures the risk.

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34. Financial instruments and financial risks (continued)

34.2 Credit risk management

Credit risk refers to the risk that a counterparty will default on its obligations resulting in financial loss to the Group. The Group's credit risk is primarily attributable to its trade and other receivables. Credit risks are minimised and monitored via strictly limiting the Group's associations to business partners with high creditworthiness. For other financial assets including cash and bank balances, other investments and short term investments, the Group minimises credit risk by dealing exclusively with high credit rating counterparties. The Group's exposure and the credit ratings of its counterparties are continuously monitored on an ongoing basis via the Group's management reporting procedures.

At reporting date, there were no significant concentrations of credit risk other than the following:

	Group	
	2017 RM	2016 RM
Amount due from two (2016: one) customers	12,175,296	9,634,280
Refundable deposits paid for purchase of plant and equipment and construction of factory building	5,803,030	-
	<u>17,978,326</u>	<u>9,634,280</u>
	Company	
	2017 RM	2016
Amount due from two (2016: two) subsidiaries	60,399,086	47,953,629
	<u>60,399,086</u>	<u>47,953,629</u>

The Company provides unsecured financial guarantee to a licensed bank in respect of banking facilities granted to a subsidiary. Accordingly, the Company is contingently liable to the extent of credit facilities utilised by the subsidiary. The Company monitors on an ongoing basis the results of the subsidiary and repayments made by it. The maximum exposure to credit risk amounts to RM6,578,699 (2016: RM7,268,722) representing the outstanding banking facilities of the subsidiary as at reporting date.

The Company has evaluated the fair value of the corporate guarantee and is of the view that the consequential liabilities derived from its guarantee to the bank with regard to the subsidiary are minimal. The subsidiary for which the guarantee was provided is in favourable equity position, with no default in the payment of borrowing and credit facilities.

Interest rate risk management

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in the market interest rates.

34. Financial instruments and financial risks (continued)**Interest rate risk management (continued)**

The Group's primary interest rate risk relates to interest bearing debts and investment in quoted funds classified as held for trading financial assets. The Group manages its interest rate exposure by maintaining a prudent mix of fixed and floating rate borrowings. The Group actively reviews its debt portfolio, taking into account the investment holding period and nature of its assets. The information on maturity dates and effective interest rates of financial liabilities are disclosed in their respective notes.

The Group manages the interest rate risk of its investment in quoted funds with licensed banks and management companies by placing them at most competitive interest rate obtainable.

The sensitivity analysis below has been determined based on the exposure to interest rates for the banking facilities and investment in quoted funds at the reporting date. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis point higher/lower and all other variables were held constant, the Group's and Company's loss before tax would increase/decrease by the amount shown below:

	Group	
	50 basis point higher RM	50 basis point lower RM
2017 - Increase/(Decrease) in loss	32,000	(32,000)
2016 - Decrease/(Increase) in loss	15,000	(15,000)
	Company	
	50 basis point higher RM	50 basis point lower RM
2017 - Decrease/(Increase) in loss	-	-
2016 - Decrease/(Increase) in loss	43,000	(43,000)

34. Financial instruments and financial risks (continued)

Liquidity risk management

The Group maintains sufficient cash and bank balances, and internally generated cash flows to finance its activities. The Group finances its operations by a combination of equity and bank borrowings.

The following tables detail the remaining contractual maturity for non derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

Group	Contractual cash flows (including interest payments)					
	Carrying amount RM	Total RM	On demand or within 1 year RM	Within 1 to 2 years RM	Within 2 to 5 years RM	More than 5 years RM
2017						
Non interest bearing debts	7,104,281	7,104,281	7,104,281	-	-	-
Interest bearing debts	6,842,315	8,084,124	1,266,648	1,001,982	3,005,946	2,809,548
Hire purchases liabilities	361,775	379,869	200,152	162,979	16,738	-
	<u>14,308,371</u>	<u>15,568,274</u>	<u>8,571,081</u>	<u>1,164,961</u>	<u>3,022,684</u>	<u>2,809,548</u>
2016						
Non interest bearing debts	8,434,749	8,434,749	8,434,749	-	-	-
Interest bearing debts	10,066,969	11,755,493	3,824,010	1,001,982	3,005,946	3,923,555
Hire purchases liabilities	258,861	276,143	108,756	104,884	62,503	-
	<u>18,760,579</u>	<u>20,466,385</u>	<u>12,367,515</u>	<u>1,106,866</u>	<u>3,068,449</u>	<u>3,923,555</u>

34. Financial instruments and financial risks (continued)**Liquidity risk management (continued)**

Company	Contractual cash flows (including interest payments)		
	Carrying amount	Total	On demand or within 1 year
2017	RM	RM	RM
Non interest bearing debts	1,288,211	1,288,211	1,288,211
2016			
Non interest bearing debts	3,054,788	3,054,788	3,054,788

Foreign exchange risk management

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group operates internationally and is exposed to foreign exchange risk. Foreign currency denominated assets and liabilities together with expected cash flows from highly probable sales and purchases give rise to foreign exchange exposures.

The net unhedged financial assets and financial liabilities of the Group companies that are not denominated in their functional currencies are as follows:

Functional currency of the Group	Net Financial Assets Held in Non-functional Currencies		
	United States Dollar	Nigerian Naira	Net
2017	RM	RM	RM
Ringgit Malaysia	8,489,000	75,000	8,564,000
Functional currency of the Group	Net Financial Assets Held in Non-functional Currencies		
	United States Dollar		Net
2016	RM		RM
Ringgit Malaysia	6,716,000		6,716,000

There is no such exposure for the Company.

The following table details the sensitivity to a 10% increase and decrease in the relevant foreign currencies against the respective functional currencies of the Group. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items adjusted at the period end for a 10% change in foreign currency rates. If the relevant foreign currencies strengthen by 10% against the respective functional currencies of the Group, loss before tax will decrease by:

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34. Financial instruments and financial risks (continued)

Foreign exchange risk management (continued)

	Group	
	2017 RM	2016 RM
United States Dollar	848,900	671,600
Nigerian Naira	7,500	-

The opposite applies if the relevant foreign currencies weaken by 10% against the functional currency of the Group.

Market price risk

Market price is the risk that the fair value of future cash flows of the Group's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates).

The Group is exposed to unit trust price risk arising from its investment in quoted funds. The quoted funds are placed with licensed banks and management companies in Malaysia and are classified as held for trading financial assets.

The effect of a 10% strengthening/weakening in the specified unit trust prices at the end of the reporting period with all other variables held constant, the Group's and the Company's loss before tax will decrease/increase by the amount shown below:

	Group	
	10% strengthened RM	10% weakened RM
2017 - Decrease/(Increase) in loss	1,000	(1,000)
2016 - Decrease/(Increase) in loss	949,000	(949,000)
	<u>949,000</u>	<u>(949,000)</u>
	Company	
	10% strengthened RM	10% weakened RM
2017 - Decrease/(Increase) in loss	-	-
2016 - Decrease/(Increase) in loss	857,000	(857,000)
	<u>857,000</u>	<u>(857,000)</u>

35. Fair value of assets and liabilities

35.1 Fair value hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

35. Fair value of assets and liabilities (continued)**35.2 Assets measured at fair value**

2017	Group Fair value measurements at the end of the reporting period using			
	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
Recurring fair value measurements				
Financial assets				
Other investments				
- quoted equity shares	12,689	-	-	12,689
2016				
Recurring fair value measurements				
Financial assets				
Other investments				
- quoted equity shares	12,689	-	-	12,689
Short term investments				
- quoted funds	9,479,861	-	-	9,479,861
	9,492,550	-	-	9,492,550
2017	Company Fair value measurements at the end of the reporting period using			
	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
Non recurring fair value measurements				
Investment in subsidiaries				
- impaired subsidiary carried at fair value less cost of disposal	-	-	7,830,000	7,830,000
2016				
Recurring fair value measurements				
Financial assets				
Short term investments				
- quoted funds	8,574,268	-	-	8,574,268
Non recurring fair value measurements				
Investment in subsidiaries				
- impaired subsidiary carried at fair value less cost of disposal	-	-	7,830,000	7,830,000
	8,574,268	-	7,830,000	16,404,268

There were no transfers between these levels in the current and previous reporting periods.

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35. Fair value of assets and liabilities (continued)

35.3 Financial assets and financial liabilities not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The carrying amounts of cash and cash equivalents, receivables and payables approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

The fair value of the Group's borrowings approximates their carrying amount as these instruments were entered with interest rates which are reasonable approximation of the market interest rates on or near the reporting date.

36. Capital structure and capital risk management

The Group sets the amount of capital in proportion to risk. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholder, return capital to shareholder, issue new shares, or sell assets to reduce debt. No changes were made in the objectives, policies or processes during the reporting period ended 30 June 2017 and 30 June 2016.

The Group is not subject to any externally imposed capital requirements.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital. The Group includes within net debt, loans and borrowings less cash and bank balances. Capital includes equity attributable to the owners of the Company. There were no changes in the Group's approach to capital management during the reporting period.

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Loans and borrowings	7,204,090	10,325,830	-	-
Less: cash and bank balances	(1,487,520)	(7,226,164)	(1,776)	(448,436)
Net debt/(cash)	5,716,570	3,099,666	(1,776)	(448,436)
Total equity	116,785,135	111,958,005	134,831,243	122,596,035
Gearing ratio (%)	4.9	2.8	N/A	N/A

37. Events subsequent to the reporting date

Subsequent to the reporting date,

- the Company incorporated a wholly-owned subsidiary, Nextgreen Energy Sdn Bhd ("Nextgreen Energy"). The Company has subscribed for 2 ordinary shares for RM2 representing 100% of the issued and paid up share capital of Nextgreen Energy.

The intended principal activity of Nextgreen Energy is to produce and supply of Biomass Power/Energy.

- the Company acquired and subscribed 70 ordinary shares representing 70% of the issued and paid up capital of Nextgreen Sawarak Sdn Bhd ("NSSB"), for a total cash consideration of RM70.

The intended principal activities of NSSB are manufacturing, trading and selling of pulps and papers and its related products and development of Integrated Green Technology Park.

- a wholly owned subsidiary of the Company, Pustaka Sistem Pelajaran Sdn. Bhd. ("PSP") disposed of 245,691 ordinary shares representing 50% of the issued and paid up capital in its subsidiary, Pustaka Yakin Sdn Bhd ("PYP"), for a total cash consideration of RM146,717 and consequently, PYP ceased to be a subsidiary of PSP.

38. Comparative figures

Certain comparative figures of the Group and the Company have been reclassified to conform with current year's presentation.

	As previously reported RM	Group Reclassification RM	As restated RM
Statement of comprehensive income			
For the year ended 30 June 2016			
Other operating income	3,131,192	(695,062)	2,436,130
Finance income	-	695,062	695,062
	<u> </u>	<u> </u>	<u> </u>
	As previously reported RM	Company Reclassification RM	As restated RM
Statement of comprehensive income			
For the year ended 30 June 2016			
Other operating income	934,362	(569,545)	364,817
Finance income	-	569,545	569,545
	<u> </u>	<u> </u>	<u> </u>

39. Supplementary information – breakdown of retained profits/accumulated losses into realised and unrealised

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The breakdown of the retained profits of the Group and of the Company into realised and unrealised is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and prepared in accordance with Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

	Group	
	2017 RM	2016 RM
Total retained profits of the Company and its subsidiaries		
- Realised	9,281,403	22,674,556
- Unrealised	2,075,649	(1,257,230)
	<u>11,357,052</u>	<u>21,417,326</u>
Less: Consolidation adjustments	-	-
Retained profits as per financial statements	<u>11,357,052</u>	<u>21,417,326</u>
	Company	
	2017 RM	2016 RM
Total retained profits of the Company		
- Realised	12,693,773	15,220,461
- Unrealised	-	3,164
	<u>12,693,773</u>	<u>15,223,625</u>
Less: Consolidation adjustments	-	-
Retained profits as per financial statements	<u>12,693,773</u>	<u>15,223,625</u>

List of Group's Properties

Location / address	Description/ Existing use	Approximate age of building	Land area	Leasehold expiry date	Net book value as at 30.6.2017 (RM)	Date of acquisition
H.S.(M): 13154 Lot PT 23675 in the Mukim of Ceras, of Hulu Langat, Selangor.	Factory	17 years	7,356 square metres	30.12.2098	19,844,293	31.12.2014
Ngetkib Hamlet Airai State Palau Cadastral Lot No. 037N06	Land held for development	–	16,225 square metres	30.09.2114	6,775,284	23.06.2016
Kg. Paloh Hinai Mukim Lepar, Daerah Pekan, Pahang Darul Makmur	Land held for development	–	13.91	Pending issuance of land title from Pejabat Tanah Pahang	11,523,695	10.03.2016

Analysis of Shareholdings

as at 25 September 2017

Issued Share Capital :	RM114,591,679.50 represented by 458,366,718 ordinary shares
Class of shares :	Ordinary Shares
Voting rights :	One vote per shareholder on a show of hands or one vote per ordinary share on a poll

Distribution of Shareholdings

Size of holding	No. of Shareholders	% of Shareholders	No. of Shares	% of Issued Share Capital
Less than 100	135	7.14	5,091	0.01
100 to 1,000	222	11.74	98,860	0.02
1,001 to 10,000	501	26.49	3,295,608	0.76
10,001 to 100,000	754	39.87	27,654,983	6.41
100,001 – 21,571,334 (*)	275	14.54	257,588,399	59.7
21,571,335 and above (**)	4	0.22	142,783,777	33.10
Total	1,891	100.00	431,426,718***	100.00

Remarks: * Less than 5% of issued shares
 ** 5% and above of issued shares
 *** Excluding 26,940,000 treasury shares

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Directors' Shareholdings as per Register of Directors' Shareholdings

Directors	Direct		Indirect	
	No. of Shares	% of Issued Share Capital	No. of Shares	% of Issued Share Capital
Dato' Sohaimi Bin Shahadan	-	-	-	-
Dato' Lim Thiam Huat	79,075,998	18.33	-	-
Koo Thiam Yoong	5,570,368	1.29	-	-
Datuk Lee Hwa Cheng	4,177,776	0.97	4,177,776*	0.97
Datuk Lawrence Yeo Chua Poh	-	-	30,000,000@	6.95
Chew Yuit Yoo	-	-	261,248#	0.06
Thiang Chew Lan	554,805	0.13	280,186#	0.07
Dato' Dr. Koe Seng Kheng	6,250,602	1.45	-	-

Notes:

- * Deemed interested by virtue of his interest in Hebat Koordinasi (Asia) Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016
- @ Deemed interested by virtue of his interest in Amechanus Ventures Sdn. Bhd. pursuant to section 8 of the Companies Act 2016
- # Deemed interested by virtue of her spouse's interest pursuant to Section 221 (9) of the Companies Act 2016.

Analysis of Shareholdings (con't)

as at 25 September 2017

Substantial Shareholders as per Register of Substantial Shareholders

Substantial Shareholders	Direct		Indirect	
	No. of Shares	% of Issued Share Capital	No. of Shares	% of Issued Share Capital
Dato' Lim Thiam Huat	79,075,998	18.33	-	-
Pelaburan MARA Berhad	41,593,776	9.64	-	-
Federal Land Development Authority	44,423,701	10.30	-	-
Ling Siew Luan	35,572,999	7.55	-	-
Amechanus Ventures Sdn. Bhd.	30,000,000	6.95	-	-

LIST OF TOP 30 HOLDERS

(Without Aggregating Securities From Different Securities Accounts Belonging To The Same Registered Holder)

No.	Name	Holdings	%
1	LEMBAGA KEMAJUAN TANAH PERSEKUTUAN (FELDA)	44,423,701	10.296
2	PELABURAN MARA BERHAD	40,727,776	9.440
3	AMECHANUS VENTURES SDN BHD	30,000,000	6.953
4	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM THIAM HUAT	27,632,300	6.404
5	TA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LING SIEW LUAN	19,040,497	4.413
6	PM NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM THIAM HUAT (B)	17,281,477	4.005
7	PM NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LING SIEW LUAN (B)	12,503,740	2.898
8	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM THIAM HUAT (008)	11,220,000	2.600
9	TENG SWEE LAN @ FONG SWEE LAN	10,880,000	2.521
10	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT – AMBANK (M) BERHAD FOR LIM THIAM HUAT (SMART)	10,600,000	2.456
11	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ESA BIN MOHAMED	10,300,000	2.387

Analysis of Shareholdings (con't)

as at 25 September 2017

No.	Name	Holdings	%
12	CIMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LING PIEN HUOI @ LING BENG HUI (GLENEAGLES-CL)	9,536,304	2.210
13	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM THIAM HUAT	9,453,333	2.191
14	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB BANK FOR KOE SENG KHENG (MY1866)	6,250,602	1.448
15	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LING SWEE HOI (MARGIN)	5,653,110	1.310
16	KOO THIAM YOONG PLEDGED SECURITIES ACCOUNT FOR LIEW LEE CHU	5,570,368	1.291
17	CIMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TERENCE WONG @ HUANG THAR REARN	4,930,000	1.142
18	RHB NOMINEES (TEMPATAN) SDN BHD TAN AH LOY @ TAN MAY LING	4,600,000	1.066
19	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR MOHD AQLIFF SHANE ABDULLAH	4,532,976	1.050
20	TA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEE HWA CHENG	4,177,776	0.968
21	TA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR HEBAT KOORDINASI (ASIA) SDN BHD	4,177,776	0.968
22	TAN KIM CHAI	4,124,000	0.955
23	MAYBANK SECURITIES NOMINEES (ASING) SDN BHD MAYBANK KIM ENG SECURITIES PTE LTD FOR KEY STEP PTE LTD	4,070,000	0.943
24	ALLIANCE GROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NG WAI HAN (6000678)	3,900,000	0.903
25	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR WEE SIEW HENG	3,649,559	0.845
26	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LOK JEAN HUI (6000228)	2,500,000	0.579
27	TAN CHUEN YONG	2,500,000	0.579
28	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR JIA ZHENG CORPORATION SDN BHD (001)	2,196,708	0.509
29	ALLIANCE GROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM THIAM HUAT (6000051)	2,088,888	0.484
30	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIEW LEE CHU	1,949,900	0.451
TOTAL		320,470,791	74.281

Analysis of Warrant Holdings

as at 25 September 2017

No. of 2015/2020 Warrants Issued : 198,290,398

No. of 2015/2020 Warrants Outstanding : 198,290,398

Distribution of Warrant Holdings

Size of holding	No. of Warrant Holders	% of Warrant Holders	No. of Warrants	% of Issued Warrants
Less than 100	47	6.00	2,089	0.00
100 to 1,000	35	4.47	15,137	0.01
1,001 to 10,000	128	16.35	822,798	0.41
10,001 to 100,000	378	48.28	18,885,778	9.52
100,001 – 9,914,518 (*)	192	24.52	102,132,592	51.51
9,914,519 and above (**)	3	0.38	76,432,004	38.55
Total	783	100.00	198,290,398	100.00

Remarks: * Less than 5% of issued warrants

** 5% and above of issued warrants

Directors' Warrant Holdings as per Register of Directors' Warrant Holdings

Directors	Direct		Indirect	
	No. of Warrants	% of Issued Warrants*	No. of Warrants	% of Issued Warrants*
Dato' Sohaimi Bin Shahadan	-	-	-	-
Dato' Lim Thiam Huat	76,432,004	38.54	-	-
Koo Thiam Yoong	2,785,184	1.40	-	-
Datuk Lee Hwa Cheng	-	-	-	-
Datuk Lawrence Yeo Chua Poh	-	-	-	-
Chew Yuit Yoo	-	-	130,624 [#]	0.07
Thiang Chew Lan	277,402	0.14	140,092 [#]	0.07
Dato' Dr. Koe Seng Kheng	3,125,300	1.58	-	-

Notes: # Deemed interested by virtue of her spouse's interests pursuant to Section 221(9) of the Companies Act 2016

* Based on percentage of outstanding securities as at 25 September 2017.

Analysis of Warrant Holdings (con't)

as at 25 September 2017

LIST OF TOP 30 HOLDERS

(Without Aggregating Securities From Different Securities Accounts Belonging To The Same Registered Holder)

No.	Name	Holdings	%
1	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM THIAM HUAT	55,264,600	27.870
2	PM NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM THIAM HUAT (B)	11,140,738	5.618
3	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM THIAM HUAT	10,026,666	5.056
4	NG TIOW MIN	4,730,000	2.385
5	TA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LING SIEW LUAN	3,612,898	1.822
6	CIMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LING PIEN HUOI @ LING BENG HUI (GLENEAGLES-CL)	3,241,600	1.634
7	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB BANK FOR KOE SENG KHENG (MY1866)	3,125,300	1.576
8	TAN KIM CHAI	2,970,000	1.497
9	KOO THIAM YOONG	2,785,184	1.404
10	MAYBANK NOMINEES (TEMPATAN) SDN BHD LEE KOK TAH	2,674,536	1.348
11	TAN SWEE HOCK	2,100,000	1.059
12	TAN CHUEN YONG	1,950,000	0.983
13	LING SIEW LUAN	1,918,400	0.967
14	CIMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YAP CHOW PENG (D J KEPONG-CL)	1,840,000	0.927
15	CIMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEE YUET NGOH (KAJANG-CL)	1,700,000	0.857
16	EE SHEAU SHENG PLEDGED SECURITIES ACCOUNT FOR TAN BEE CHU	1,600,000	0.806
17	LAY SOOK HWEY	1,530,000	0.771

Analysis of Warrant Holdings (con't)

as at 25 September 2017

No.	Name	Holdings	%
18	ALLIANCE GROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NG ONN TEE @ NG CHONG TANN	1,527,000	0.770
19	TEH BOON KING	1,475,000	0.743
20	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN BEE CHU	1,200,000	0.605
21	TEE SO GUAT	1,200,000	0.605
22	NIGEL LOH KWONG WENG	1,170,000	0.590
23	PAIK KIM @ KOAY PAIK KIM	1,103,600	0.556
24	HLIB NOMINEES (TEMPATAN) SDN BHD HONG LEONG BANK FOR WEI JUI FUNG	1,075,300	0.542
25	CHONG SIU FANG	1,000,000	0.504
26	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEOW TEIK HENG (023)	1,000,000	0.504
27	MAYBANK SECURITIES NOMINESS (ASING) SDN BHD MAYBANK KIM ENG SECURITIES PTE LTD FOR KEY STEP PTE LTD	1,000,000	0.504
28	TIONG YIIN KING	995,000	0.501
29	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB BANK FOR YAP JUN WAH (MY1867)	901,100	0.454
30	WONG WING HENG	900,000	0.453
Total		126,756,922	63.924

BHS INDUSTRIES BERHAD (719660-W)
(Incorporated in Malaysia)

FORM OF PROXY

Number of shares held	
CDS No.	

I/We _____
(FULL NAME IN CAPITAL LETTERS AND I/C NO.)

of _____
(ADDRESS)

being a member/members of **BHS INDUSTRIES BERHAD** (the "Company") hereby appoint _____
_____ of
(FULL NAME IN CAPITAL LETTERS AND I/C NO.)

_____ (ADDRESS)

or failing him/her, _____
(FULL NAME IN CAPITAL LETTERS AND I/C NO.)

of _____
(ADDRESS)

or failing him/her, the CHAIRMAN OF THE MEETING as *my/our proxy, to vote for *me/us and on *my/our behalf at the Twelfth Annual General Meeting of the Company to be held at **Langkawi Room, Bukit Jalil Golf and Country Resort, Jalan Jalil Perkasa 3, Bukit Jalil, 57000 Kuala Lumpur on Tuesday, 28 November 2017 at 10.30 a.m.** and at any adjournment thereof and to vote as indicated below:-

	FOR	AGAINST
ORDINARY RESOLUTION 1		
ORDINARY RESOLUTION 2		
ORDINARY RESOLUTION 3		
ORDINARY RESOLUTION 4		
ORDINARY RESOLUTION 5		
ORDINARY RESOLUTION 6		
ORDINARY RESOLUTION 7		
ORDINARY RESOLUTION 8		
ORDINARY RESOLUTION 9		
ORDINARY RESOLUTION 10		
ORDINARY RESOLUTION 11		
SPECIAL RESOLUTION 1		

Please indicate with an "X" in the space provided above how you wish your votes to be cast on the resolutions specified. If no specific direction as to the voting is given, the Proxy will vote or abstain at his/her discretion.

Signed this day of, 2017

Signature of Shareholder or Common Seal

Notes:

- Only depositors whose names appear in the Record of Depositors as at 20 November 2017 shall be regarded as members and entitled to attend, speak and vote at the Meeting.
- A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a Member of the Company and a member may appoint any persons to be his proxy.
- A member shall be entitled to appoint not more than two (2) proxies to attend and vote at the Annual General Meeting. Where a member appoints two (2) proxies, the appointment shall be invalid unless the member specifies the proportions of his holding to be represented by each proxy.
- Where a member of the Company is an authorised nominee as defined under the Central Depositories Act, it may appoint at least one proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.
- Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account known as an omnibus account, there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.
- The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing, or if the appointer is a corporation, either under its Common Seal or under the hand of its officer or attorney duly authorised.
- The instrument appointing a proxy must be deposited at the Registered Office of the Company at 802, 8th Floor, Block C, Kelana Square, 17 Jalan SS7/26, 47301 Petaling Jaya, Selangor Darul Ehsan at least forty eight (48) hours before the time for holding the meeting or any adjournment thereof.

----- Lastly, fold this flap for sealing -----

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Affix Stamp here

The Company Secretary
BHS INDUSTRIES BERHAD (719660-W)
802, 8th Floor, Block C
Kelana Square, 17 Jalan SS7/26
47301 Petaling Jaya
Selangor Darul Ehsan
Malaysia

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PRINT AWARDS 2017



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