



**BHS Industries Berhad**

(719660-W)



***Annual  
Report  
2015***

*Quality • Efficiency • Delivery*

A photograph of a person in a green t-shirt working at a computer workstation in a server room. The person is seen from the side, looking at a monitor. The room is filled with rows of server racks, and the lighting is dim, with a warm orange glow. The person's shirt has some text on it, but it is not clearly legible.

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# Notice of 10th Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the 10th Annual General Meeting of the Company will be held at:

Hang Li Po Room, Mines Wellness Hotel,  
Jalan Dulang, Mines Resort City, 43300  
Seri Kembangan, Selangor Darul Ehsan  
Friday, 18 December 2015 at 10.30 a.m.



to transact the following businesses:-

## AGENDA

1. To receive the Audited Financial Statements for the financial year ended 30 June 2015 and the Reports of Directors and Auditors thereon. **Ordinary Resolution 1**
2. To approve the increase of the current annual limit for payment of Directors' fee and the payment of Directors' fee for the financial year ended 30 June 2015 in excess of the current annual limit. **Ordinary Resolution 2**
3. To re-elect the following Directors who retire by rotation in accordance with the Company's Articles of Association:-
  - (i) Dato' Lim Thiam Huat (Article 91) **Ordinary Resolution 3**
  - (ii) Datuk Lee Hwa Cheng (Article 91) **Ordinary Resolution 4**
  - (iii) Dato' Dr. Koe Seng Kheng (Article 84) **Ordinary Resolution 5**
  - (iv) Ms Thiang Chew Lan (Article 84) **Ordinary Resolution 6**
4. To appoint Auditors of the Company and to authorise the Board of Directors to fix their remuneration. **Ordinary Resolution 7**
5. As Special Business to consider and if thought fit, to pass the following Resolutions, with or without modifications: -

### ORDINARY RESOLUTION I - AUTHORITY TO ISSUE SHARES

"THAT subject always to the approvals of the relevant governmental and/or regulatory authorities, the Directors be and are hereby authorised pursuant to Section 132D of the Companies Act, 1965 to allot and issue shares in the Company at any time until the conclusion of the next Annual General Meeting upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares to be issued pursuant to this Resolution does not exceed 10% of the issued share capital of the Company for the time being."

**Ordinary Resolution 8**

## **ORDINARY RESOLUTION II - PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY**

### **Ordinary Resolution 9**

“THAT subject to the Companies Act, 1965 (“**Act**”), provisions of the Company’s Memorandum and Articles of Association and the requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) and any other relevant authorities, and other relevant approvals, the Directors of the Company be and are hereby authorised to purchase the Company’s ordinary shares of RM0.25 each (“**Shares**”) through Bursa Securities, subject to the following:

- (a) The maximum number of Shares which may be purchased by the Company shall not exceed ten per centum (10%) of the issued and paid-up ordinary share capital of the Company at any point in time;
- (b) The maximum fund to be allocated by the Company for the purpose of purchasing its shares shall not exceed the retained profits and share premium accounts of the Company;
- (c) The authority conferred by this resolution will be effective upon passing of this resolution and will continue in force until:-
  - (i) the conclusion of the next Annual General Meeting (“**AGM**”) of the Company following the AGM at which this resolution was passed, at which time the authority shall lapse, unless the authority is renewed by an ordinary resolution passed at the next AGM; or
  - (ii) the expiry of the period within which the next AGM of the Company after that date is required to be held pursuant to Section 143(1) of the Act (but shall not extend to such extensions as may be allowed pursuant to Section 143(2) of the Act); or
  - (iii) the authority is revoked or varied by an ordinary resolution passed by the shareholders in a general meeting;whichever occurs first;
- (d) Upon completion of the purchase(s) of the Shares by the Company, the Shares shall be dealt with in the following manner:-
  - (i) cancel the Shares so purchased; or
  - (ii) retain the Shares so purchased as Treasury Shares; or
  - (iii) retain part of the Shares so purchased as Treasury Shares and/or cancel the remainder; or
  - (iv) distribute the Treasury Shares as dividends to shareholders; or
  - (v) resell the Treasury Shares on Bursa Securities in accordance with the relevant rules of Bursa Securities.

THAT the Directors of the Company be and are hereby authorised to take all such steps and enter into all agreements, arrangements and guarantees with any party or parties as are necessary to implement, finalise and give full effect to the aforesaid purchase with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities from time to time to implement or to effect the purchase of its own shares.”

6. To transact any other business of which due notice shall have been received.

BY ORDER OF THE BOARD

**KANG SHEW MENG**

**SEOW FEI SAN**

Company Secretaries

Petaling Jaya

24 November 2015



**Notes to the Notice of 10th Annual General Meeting:-**

1. Only depositors whose names appear in the Record of Depositors as at 10 December 2015 shall be regarded as members and entitled to attend, speak and vote at the Meeting.
2. 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. The provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
3. 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.
4. 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.
5. 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.
6. 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.
7. 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.
8. Explanatory Notes on Special Business:-

**Resolution No. 8 – Authority to Issue Shares**

The Proposed Ordinary Resolution No. 8, if passed, will give the Directors of the Company, from the date of the above Annual General Meeting, authority to issue shares from the unissued capital of the Company for such purposes as the Directors may deem fit and in the interest of the Company. The authority, unless revoked or varied by the Company in general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

As at the date of this Notice, no new shares in the Company were issued pursuant to the authority granted to the Directors at the Ninth Annual General Meeting held on 13 December 2014 and which will lapse at the conclusion of the Tenth Annual General Meeting.

The authority will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for purpose of funding future investment project(s), working capital and/or acquisitions.

**Resolution No. 9 – Proposed Renewal of Share Buy-Back Authority**

The proposed Ordinary Resolution No. 9, if passed, will empower the Directors of the Company to continue to purchase the Company's shares up to ten percent (10%) of the issued and paid-up share capital of the Company by utilising the funds allocated which shall not exceed the total retained earnings and share premium account of the Company. Further information on the Proposed Renewal of the Share Buy-Back Authority is set out in the Share Buy-back Statement dated 24 November 2015 which is despatched together with Company's Annual Report 2015.



## BOARD OF DIRECTORS

**Dato' Sohaimi Bin Shahadan**  
*Chairman, Non-Independent Non-Executive Director*

**Dato' Lim Thiam Huat**  
*Managing Director*

**Koo Thiam Yoong**  
*Executive Director*

**Datuk Lee Hwa Cheng**  
*Executive Director*

**Chew Yuit Yoo**  
*Senior Independent Non-Executive Director*

**Thiang Chew Lan**  
*Independent Non-Executive Director*

**Dato' Dr. Koe Seng Kheng**  
*Independent Non-Executive Director*

## AUDIT COMMITTEE

**Chew Yuit Yoo – Chairperson**  
*Senior Independent Non-Executive Director*

**Thiang Chew Lan**  
*Independent Non-Executive Director*

**Dato' Dr. Koe Seng Kheng**  
*Independent Non-Executive Director*

## REMUNERATION COMMITTEE

**Thiang Chew Lan – Chairperson**  
*Independent Non-Executive Director*

**Chew Yuit Yoo**  
*Senior Independent Non-Executive Director*

**Dato' Dr. Koe Seng Kheng**  
*Independent Non-Executive Director*

## NOMINATING COMMITTEE

**Chew Yuit Yoo – Chairperson**  
*Senior Independent Non-Executive Director*

**Thiang Chew Lan**  
*Independent Non-Executive Director*

**Dato' Dr. Koe Seng Kheng**  
*Independent Non-Executive Director*

## COMPANY SECRETARIES

**Kang Shew Meng** (MAICSA 0778565)  
**Seow Fei San** (MAICSA 7009732)

## REGISTERED OFFICE

802, 8<sup>th</sup> Floor, Block C, Kelana Square  
17 Jalan SS7/26,  
47301 Petaling Jaya  
Selangor Darul Ehsan  
Telephone No : (03) 7803 1126  
Facsimile No : (03) 7806 1387

## SHARE REGISTRAR

**Tricor Investor Services Sdn Bhd** (118401-V)  
Unit 32-01, Level 32, Tower A,  
Vertical Business Suite, Avenue 3, Bangsar South,  
No. 8, Jalan Kerinchi, 59200 Kuala Lumpur  
Telephone No : (03) 2783 9299  
Facsimile No : (03) 2783 9222  
E-mail: [is.enquiry@my.tricorglobal.com](mailto:is.enquiry@my.tricorglobal.com)

## PRINCIPAL BANKERS

**Public Bank Berhad** (6463-H)  
Menara Public Bank  
No. 146, Jalan Ampang, 50450 Kuala Lumpur  
Telephone No : (03) 2176 6000  
Facsimile No : (03) 2163 9917

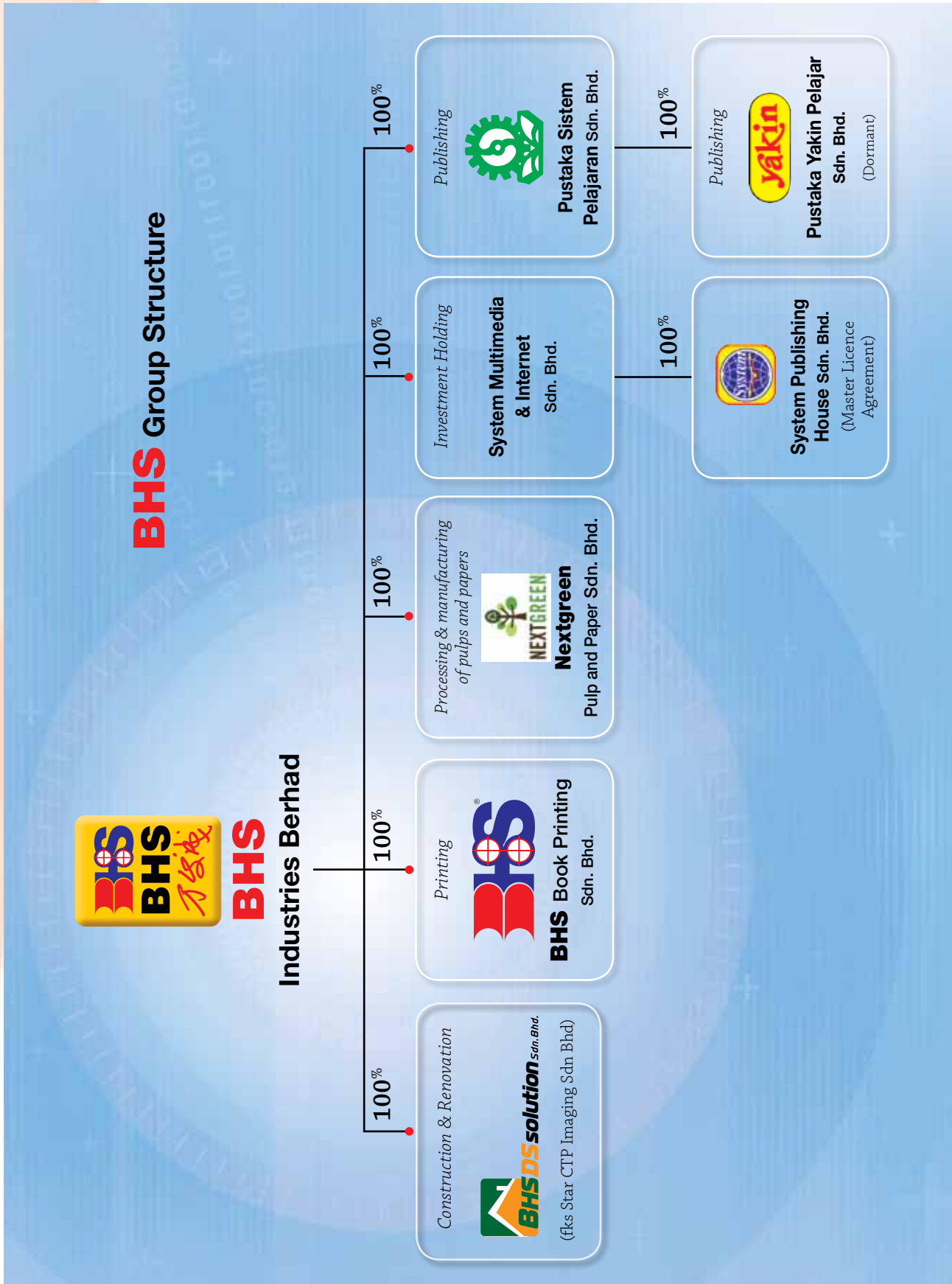
**AmBank (M) Berhad** (8515-D)  
Menara AmBank  
8 Jalan Yap Kwan Seng, 50450 Kuala Lumpur  
Telephone No : (03) 2167 3040  
Facsimile No : (03) 2161 2110

## AUDITORS

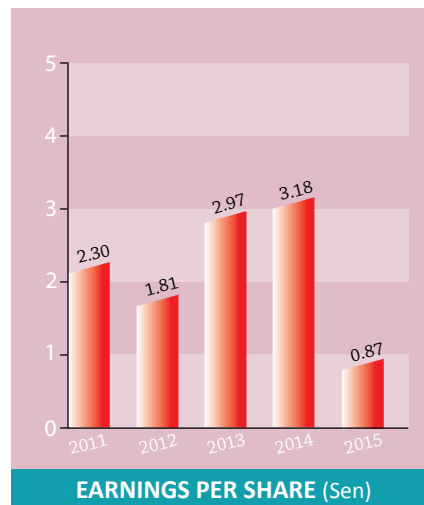
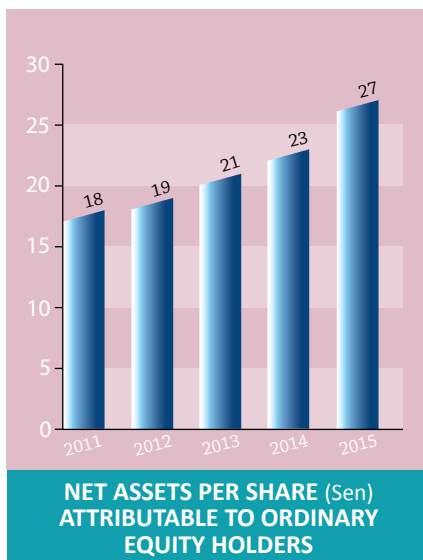
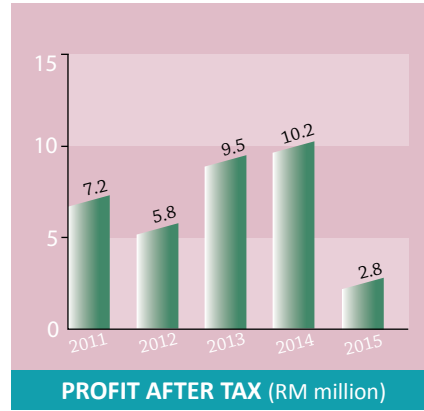
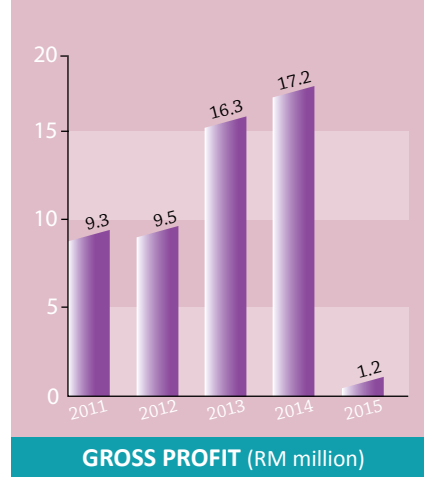
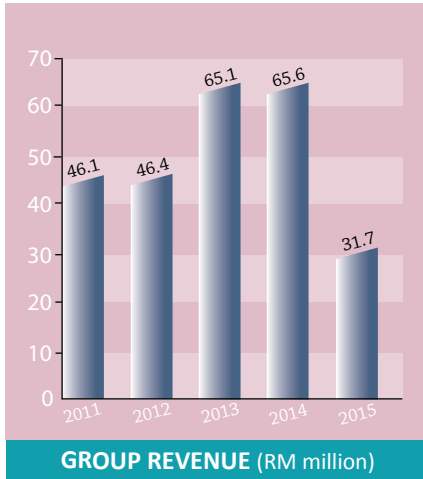
**Russell Bedford LC & Company**  
**Chartered Accountants**  
10<sup>th</sup> Floor, Bangunan Yee Seng  
15, Jalan Raja Chulan  
50200 Kuala Lumpur  
Telephone No : (03) 2031 8223  
Facsimile No : (03) 2031 4223

## STOCK EXCHANGE LISTING

**Main Market of Bursa Malaysia Securities Berhad**  
Stock code: 7241



# Financial Highlights



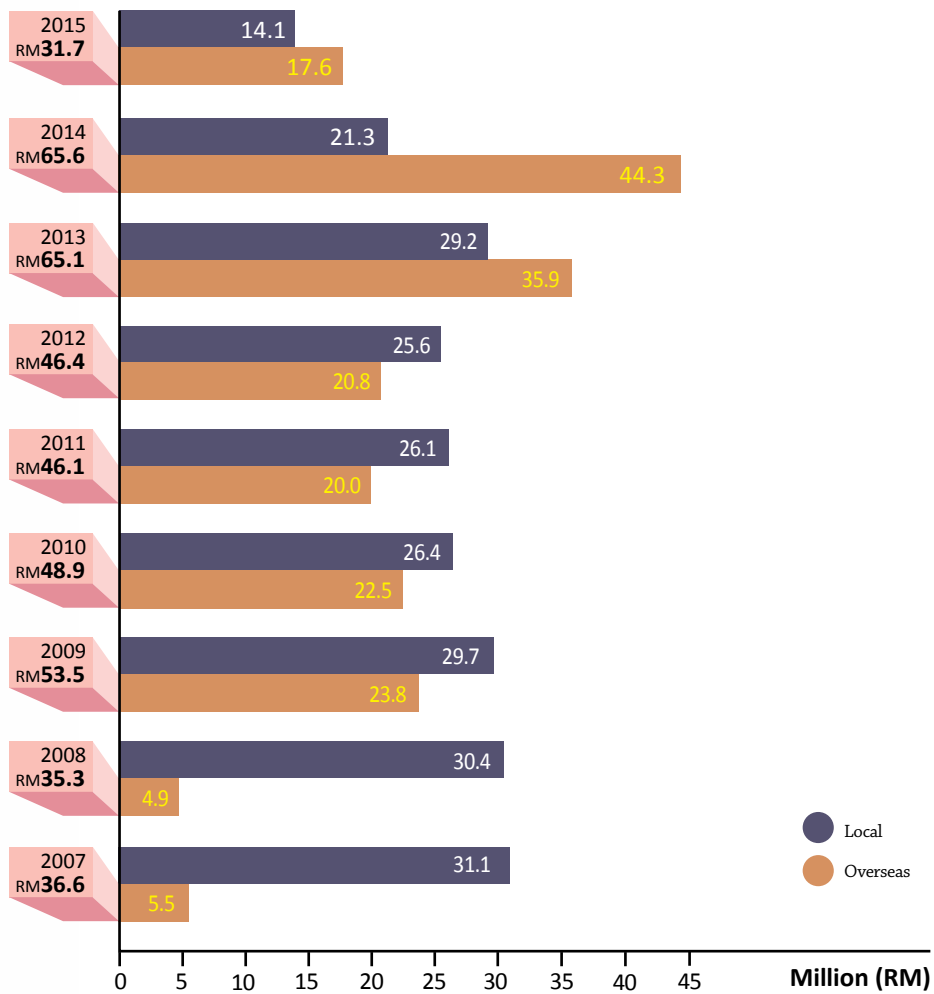
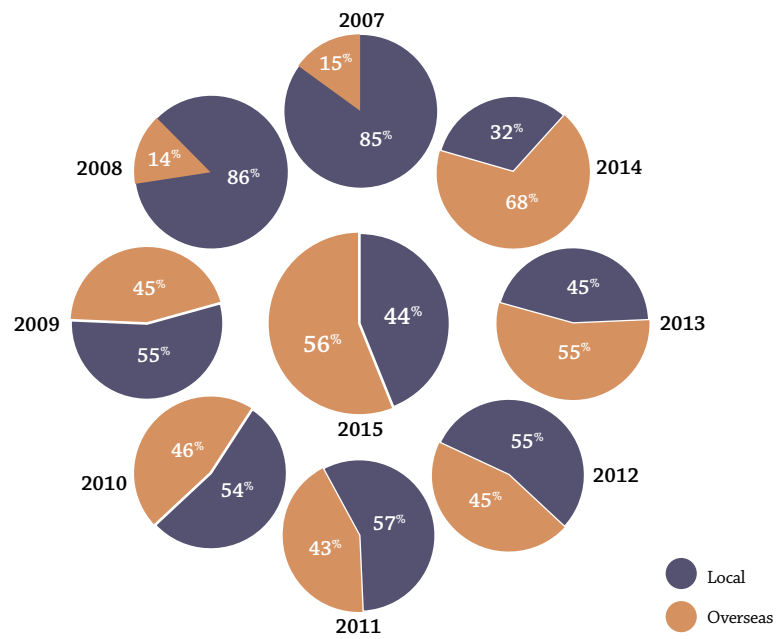
The comparative figures for Net Assets per share have been restated to reflect the adjustment arising from the bonus issue and share split completed during the financial year 2015.

The comparative figures for Earnings per share have been restated to reflect the adjustment arising from the bonus issue and share split completed during the financial year 2015.



# Revenue

## Analysis by Location



# Board of Directors & Management Team

## Directors



**Dato' Sohaimi Bin Shahadan**  
Chairman  
Non-Independent  
Non-Executive Director



**Dato' Lim Thiam Huat**  
Managing Director



**Koo Thiam Yoong**  
Executive Director



**Datuk Lee Hwa Cheng**  
Executive Director



**Chew Yuit Yoo**  
Senior Independent  
Non-Executive Director



**Dato' Dr. Koe Seng Kheng**  
Independent  
Non-Executive Director



**Thiang Chew Lan**  
Independent Non-Executive  
Director

## Management team



**Koo Thiam Yen**  
Group Accountant



**Thirugnana Sambantham**  
Senior Sales Manager



**Frances Liew**  
Personal Assistant to Executive Director  
Human Resource Manager  
Prepress Manager



**Vivian Yat**  
Senior Manager

### Dato' Sohaimi Bin Shahadan



Dato' Sohaimi Bin Shahadan, Malaysian, aged 46, was appointed as the Non-Independent Non-Executive Chairman of the Company on 8 August 2014.

He graduated with a Bachelor Degree in Business Administration from Universiti Kebangsaan Malaysia in 2000 and obtained a Master Degree in Business Administration from West Coast Institute of Technology & Management, Perth, Australia in 2002. He also holds a Master Degree in Corporate Communication from University Pertanian Malaysia in 2004.

Currently Dato' Sohaimi is the Independent Non-Executive Chairman for KBB Resources Berhad, a public limited company engaged in rice and vermicelli business. He is also an Independent Non Executive Director of KUB Malaysia Berhad since 2013. Dato' Sohaimi also serves on the Board of PDZ Holdings Berhad and BHS Industries Berhad as Chairman.

From 1998 to 2010, he was the Director of Institute of Bumiputra Entrepreneurs and from 2013 to 2015 he was entrusted by the Ministry of Rural and Regional Development (KKLW) to lead the investment entity for Majlis Amanah Rakyat, Pelaburan MARA Berhad from 2013 to 2015. He served as the Chairman of Kraftangan Malaysia from 2011 to 2014. He was also the Chairman of Kolej Poly-Tech MARA (KPTM) from 2010 until 2013.

While engaging in his business, Dato' Sohaimi is also passionate in the political arena. In 2009, he was entrusted as the Chairman of the Economic Development Bureau of UMNO Youth (BePU) until elected as a member of UMNO High Supreme Council since 2013. In addition, he also served as the Chairman of Asean Young Entrepreneurs Secretariat, the Chairman of PERDASAMA MUDA Malaysia before appointed as Vice President of PERDASAMA, the Committee Member of Selangor Malay Chamber of Commerce Malaysia (DPMM), the Patron of Consortium Cartoonist at Work (CaW), the Entrepreneurs Speaker for Institute Keusahawan Negara (INSKEN) and the Entrepreneur Speaker for Pusat Pembangunan Usahawan Malaysia (MEDEC).

Despite his busy schedule engaging in business and politics, Dato' Sohaimi also working closely with charity organization and founded an orphanage shelter, "Teratak Che Dah" in Kuang, Selangor. The orphanage house set to provide better education, protection and housing to the unfortunates.





### Dato' Lim Thiam Huat

Aged 51, Malaysian, is our Managing Director. He was appointed to the Board on 17 December 2014. Dato' Lim has vast experience in managing construction and development projects for more than 28 years. He had successfully completed projects like commercial high rise cum shopping complexes, industrial buildings, housing projects, hotel/resorts, hospital and luxurious apartments. In 2003, Dato Lim diversified his business focus to environmental friendly business and entered into a partnership with a Chinese partner to research into using Empty Fruit Bunches ("EFB") from palm oil waste to manufacture pulp and paper. In 2008, Dato' Lim and his partner incorporated Green Patent Technologies Sdn Bhd to patent the technology in Malaysia, China, Indonesia and Thailand. This technology is called Pre Conditioning Refiner Chemical Recycled Bleached Mechanised Pulp ("PRC RBMP"). Dato' Lim 's experience and involvement in PRC RBMP technology started from the incubation stage of the technology. PRC RBMP was specially researched and developed to solve the palm oil industry and paper industry problems without harming the ecological system. The design of PRC RBMP uniquely allow for the creation of multiple business ventures that are "green" in nature and groundbreaking. Dato' Lim drives the business direction of the Group and sets the missions and objectives for the Group to achieve.

Dato' Lim was appointed as Economic Consultant to the Republic of Palau in Malaysia on 28 August 2015 and he was also appointed as Honorary Consul of the Republic of Palau to Malaysia on 5 November 2015.



## Directors' Profile



### Koo Thiam Yoong

Aged 62, Malaysian, is our Executive Director. He was appointed to the Board of our Company on 28 April 2014. He obtained his LCC Higher Diploma in Accounting in 1973 and has about 40 years of working experience. Mr Koo started his career as an Audit Clerk with Robert Lim Kwong & Company (Now known as E & Y). Following that he worked for a subsidiary of United Motor Works Berhad as Accounts/Administration Officer. After a two year's stint there, he joined a 100% Foreign owned Dutch Company named Anglo American Corporation Sdn Bhd as an Accountant/Secretary. Mr Koo was promoted to Finance Director after 3 years. Through a management buy-out, Mr Koo and three of his colleagues jointly owned the Company. In 1990, he sold his shares in the Company to join TA Securities Bhd as a Business Development Manager. At the same time, he also acted as a Business Consultant for investment in China, particularly, Shanghai. Mr Koo has also involved in the investments of properties and foreign currencies. At present, Mr Koo is responsible for the overall operation and management of our Group.



### Datuk Lee Hwa Cheng

Aged 54, Malaysian, is our Executive Director. He was appointed to the Board on 10 September 2015. Datuk Lee started his career with Sinma Jewellery Sdn Bhd ("Sinma") in 1986 and grew it to become the largest costume jewellery retail chain in Malaysia with outlets spanning across the Asian region. During his tenure as a Chief Executive Officer of Sinma, Datuk Lee was appointed as a President of Malaysia Retailers Chain Association ("MRCA"). In recognition of his contribution and vast experience, Datuk Lee was made a Life Time Honorary President of MRCA. He exited the costume jewellery business in 2011 to venture into the construction and property developments industry. Datuk Lee entered into joint venture businesses with the China's State owned Enterprise, China Engineering Group to set up Zhonghe Huaxing Development (M) Sdn Bhd as the Executive Chairman. On 15 December 2014, Datuk Lee was appointed as an Executive Director of Stone Master Corporation Bhd.



### Dato' Dr. Koe Seng Kheng

Aged 44, Malaysian, is our Independent Non-Executive Director. He was appointed to the Board of our Company on 28 April 2014. He started his career as a teacher in Confucian Private Secondary School and part-time lecturer for College for the past 15 years. While he was working, he has successfully pursued a Bachelor Degree of Business Administration in Year 1993, Master Degree in Business Administration in Year 1998, and also successfully obtained a PhD in Business Administration in Year 2011, accredited by the Infrastructure University Kuala Lumpur. After a long service in education field, he started to focus and manage businesses in property investment and management in Malaysia. At present, he sits on the Board of Director of several other private limited companies that involve in different industries such as Trading, Food and Beverage industries. In 2012, Dr. Koe was awarded DIMP which carries the title Dato' with Sultan of Pahang. Dato' Dr. Koe is a member of the Audit Committee, Nominating Committee and also Remuneration Committee.



## Directors' Profile



### Chew Yuit Yoo

Aged 56, Malaysian, is our Senior Independent Non-Executive Director. She was appointed to the Board of our Company on 7 August 2007. She is a Member of the Malaysian Institute of Accountants. She brings with her over 20 years of finance, accounting and stock broking experience. After obtaining her professional accounting qualification from ACCA in 1983, she was trained in several accounting firms, namely Keyse, Poulter Partners & Co, Lawrence Fink & Co and Maliney Wilkins & Co in London for three years. She subsequently joined Bolton Finance Bhd as an Assistant Accountant after returning from London in 1985 and was holding the post of an Accountant before she left the company in 1990. Thereafter, she joined Prime Credit Leasing Sdn. Bhd (a subsidiary of Berjaya Group) in 1990 as an Accountant. She then left to join her present employer, Maybank Investment Bank Bhd (formerly known as Aseambankers Malaysia Berhad) as a Remisier in 1993. At present, she sits on the Board of Directors of several other private limited companies. Madam Chew is the Chairperson of the Audit Committee and Nominating Committee and also a member of Remuneration Committee.



### Thiang Chew Lan

Aged 63, she was appointed on 30 January 2009. She started her career as a Bank teller in Hock Hua Bank Berhad in 1971. She obtained her certificate in Book-Keeping (Intermediate) accredited by the London Chamber of Commerce (LCCI) and Pitman Examinations Institute London in Book-Keeping (Intermediate and Advanced) in 1970. She was promoted to head the department for General Ledger/Statistics in 1974 until 1979. There she moved on to head the department for Fixed Deposits and Remittances and was given authority to authenticate test-keys for 3 years. Between 1983-1991, she was transferred to take charge of the Savings/Fixed Deposits, Current Account and Clearing. She was given the task Branch Audit from 1992 to 1993. When Hock Hua Bank was merged with Public Bank in 2001, she had experiences in taking charged of the ATM/Safe Deposit Box and as a Frontline officer. Over the years, she had accumulated more than 36 years in Banking Industry until her retirement in September 2007. Madam Thiang is the Chairperson of Remuneration Committee and the member of the Audit Committee and Nominating Committee.



#### Notes:

1. None of the directors has any family relationship with each other and/or with any substantial shareholders of the Company.
2. None of the directors has any conviction for offences other than traffic offences in the past 10 years.
3. The directors' holdings in shares of the company are disclosed in the analysis of shareholdings of the Annual Report.