

Chairman's Statement

“On behalf of the Board of Directors, I am pleased to present the Annual Report and the Audited Financial Statements of BHS INDUSTRIES BERHAD and its subsidiary companies for the financial year ended 30 June 2015.

**Dato' Sohaimi
Bin Shahadan**

*Chairman
Non-Independent
Non-Executive Director*



Financial Performance

There were unforeseeable events that had affected our financial performance in 2015. Our major overseas customers in Africa were plagued with a series of economic issues triggered by the Ebola outbreak, depressed oil prices and a stronger US currency. Their inability to cope with these factors had substantially reduced the print orders placed with us and these were reflected in the lower than expected financial performance of the Group. There were also changes in our domestic market as our local customers were adjusting to the introduction of GST and the depreciation of the ringgit currency. The overall market circumstances giving rise to the uncertainty in the economy had caused the Group revenue to drop from RM65.6 million in 2014 to RM31.7 million in 2015 as the Group's major customers struggled to cope with their own respective situations. The Group's profit after tax in 2015 declined to RM2.79 million compared with RM10.2 million in 2014 as the high overheads have squeezed the profit margins due to the lower sales volume.

Outlook



We would expect the printing orders from our major customers in Africa to resume after the first quarter of 2016 as the Ebola outbreak has subsided and the oil prices have stabilised to a level where their economies are in the process of recovering. The past nine months of low print orders would mean that the customers had relied on their local small printers and their existing stock to meet the demands. They will have to replenish their stock in months ahead and these will generate print orders for us.

It is timely that the Board of Directors and the management have already embarked on the diversification measures so that we buffer these types of shocks in the future. It is unfortunate that these events occurred so rapidly in a short

period of time before the diversification measures can be fully implemented, leaving the Group in a transitional period before seeing the fruits of the diversification.

The Board of Directors and management are confident that once the diversification measure using biotechnology Pre Conditioning Refiner Chemical Recycled Bleached Mechanised Pulp has materialised, it will greatly expand the

Chairman's Statement

income stream of the Group and at the same time enhance and value add our printing business as we would have our own ample supply and cheaper Empty Fruit Bunches pulp and paper source to cater to our needs and to expand to new markets. We assure the shareholders that the Board of Director and Management are continuously working hard towards shortening the transitional period and realising the goals of the Group as a leader in biotechnology.

Other Corporate Development

We thank the shareholders for their overwhelming support and approval for the recent corporate exercises. In a bearish market, the Group's recent rights issue corporate exercise was over subscribed thus indicating the support to forge ahead into the new business direction. We have successfully completed the following corporate exercises in 2015:



1. Proposed Diversification of the existing core businesses to include utilisation and sub licensing of paper pulp making technology, manufacturing of renewable paper pulp products generated from empty fruit bunches using the pre conditioning refiner chemical recycled bleached mechanised pulp technology and other related activities.
2. Proposed Renounceable Rights Issue of up to 106,666,666 new ordinary shares of RM0.25 each in BHS shares on the basis of one (1) rights issue for every three (3) existing BHS shares together with up to 213,333,332 free detachable warrants on the basis of two (2) warrants for every one (1) rights share subscribed.
3. Proposed Establishment of employees' share option scheme ('ESOS') of up to ten per cent (10%) of the prevailing issued and paid up ordinary share capital of BHS (excluding treasury shares) for the Directors and eligible employees of BHS group.
4. Proposed Allocation of ESOS options to executive directors and non executive directors of BHS.
5. Proposed Increase in the Authorised Share Capital of BHS from RM100,000,000 comprising of 400,000,000 shares to RM250,000,000 comprising of 1,000,000,000.

Appreciation

On behalf of the Board, I would like to thank all our valued customers, suppliers, business associates and especially the shareholders for their continuous support and confidence in BHS through this challenging period. I look forward to working with everyone to achieve the goals that we have set for 2016 and 2017. ”

Statement on Corporate Governance

The Board of Directors of BHS Industries Berhad (“the Board”) recognises the importance of corporate governance. Towards this end, the Board is pleased to report the manner in which the Company has applied the principles of the corporate governance and the extent of its compliance with the recommendations set out in the Malaysian Code on Corporate Governance 2012 (“the Code”) during the financial year ended 30 June 2015. The objective is to protect and enhance shareholders’ value and the financial performance of the Group.

Board Roles and Responsibilities

The objective of the principles stated in the Code is to establish the fundamental structures for effective functioning of the board.

Principally, the responsibilities of the Board cover the areas of strategic plan, risk management, succession planning, investor relation and system of internal control of the Group. Within its areas of responsibilities, the Board ensures the Group is properly managed and continuously improves in its performance.

The Board has formalised its ethical standards through a code of conduct and implemented whistle blowing policy to facilitate feedback and to monitor its compliance. Among others, these code and policy address:

- Fraud;
- Conflict of interest;
- Insider trading;
- Sexual harassment;
- Misuse of confidential information;
- Non-compliance of regulatory requirements; and
- Concealment of any or a combination of the above.

The Group is committed to sustainability development. The sustainability objective of the Group is to balance the shareholders’ value, the welfare of employees, community and environment in which it operates. Employees’ welfare and community services were carried out and organised in several occasions during the financial year. Further details of CSR and sustainability initiatives and activities are set out in Corporate Social Responsibility Statement on page 22 of this Annual Report.

The Board Charter, Code of Conduct, Whistle blowing Policy and Sustainability Policy (ie. Corporate Social

Responsibility Policy) are also available in the company’s website at www.bhs.my

Board Composition and Independence

Independence is important for ensuring objectivity and fairness in board’s decision making. Currently, the Board had seven (7) directors with more than 1/3 of independent directors and chaired by a non-executive and non-independent Chairman. The profiles of the members of the Board, as set out on Pages 10 to 13 of this Annual Report.

In order to provide further avenue to the shareholders to convey their concerns, the Board has identified Madam Chew Yuit Yoo to act as the Senior Independent Non-Executive Director, serving as an alternative for shareholders to convey their concerns and seek clarifications from the Board.

The tenure of all Independent Director is within 9 years.

The Board supports gender diversity in the board and encourages female participation in the board. Presently, out of the seven (7) board members, two of the board members are female.

Board Commitment

The underlying factors of directors’ commitment to the Group are devotion of time and continuous improvement of knowledge and skill sets.

The Board meets at least every quarter and on other occasions, as and when necessary, to approve quarterly financial results, statutory financial statements, the Annual Report as well as to review the performance of the company and its operating subsidiaries, governance matters, related party transactions, major acquisition or disposal of assets and other business development matters. Board papers are circulated to the Board members prior to the Board meetings so as to provide the Directors with relevant and timely information to enable them to deliberate issues raised during Board meetings more effectively.

The Board maintains specific Board committees namely Audit Committee, Nominating Committee and Remuneration Committee. These Committees ensure objectivity is provided to the specific Board agenda. However, in order to ensure the direction and control of the Group is firmly within the Board, the Board has defined the terms of reference for each Committee.

Statement on Corporate Governance

The Board has access to the advice and services of the Company Secretary and the Company Secretary had attended all the Board and Board Committees' meetings. During the financial year ended 30 June 2015, eight (8)

Board meetings were held. The details of attendance by the Board members during their tenure of office are as below.

Directors	No. of Board meetings attended by Directors
Dato' Sohaimi Bin Shahadan (Appointed on 8.8.14)	8/8
Dato' Lim Thiam Huat (Appointed on 17.12.14)	4/4
Koo Thiam Yoong	8/8
Datuk Lee Hwa Cheng (Appointed on 10.9.15)	N/A
Dato' Dr. Koe Seng Kheng	8/8
Chew Yuit Yoo	8/8
Thiang Chew Lan	8/8

Matters requiring Board decisions during the intervals between the Board meetings are circulated and approved through circular resolutions.

The Directors recognise the needs to attend training to enable them to discharge their duties effectively. The training needs of the directors would be assessed and proposed by individual directors. Each director

determines the areas of training that he/she may require for personal development as a director or as a member of the Board Committees. During the year, the Directors have participated in relevant training programmes to enhance their skills and knowledge and to keep abreast with the relevant change in laws, regulations and business environment. The trainings attended by the Directors during the financial year are listed below:

Director	Training Attended	Date	Duration
Dato' Sohaimi Bin Shahadan	Roles & Responsibilities of directors in relation to financial statements	15 Sept 15	1 day
Dato' Lim Thiam Huat	Mandatory Accreditation Programme for Directors of Public Listed Companies	11 & 12 Feb 15	2 days
Koo Thiam Yoong	Frankfurt Book Fair	8 – 12 Oct 14	5 days
	5 th All in Print China, Shanghai	15 – 17 Nov 14	3 days
	World Book Fair 2015, New Delhi	13 – 17 Feb 15	5 days
	Print China 2015, Dongguan	6 – 9 Apr 15	4 days
Dato' Dr. Koe Seng Kheng	Understanding GST for Trading & Manufacturing Industries	6 & 9 Feb 15	2 days
Chew Yuit Yoo	Product Centric Workshop	14 Mar 15	1 day
	Malaysian Anti-Money Laundering, Anti-Terrorism Financing & Proceeds of Unlawful Activities Act 2001 : The Law & Policy from A Capital Market Perspective	15 Aug 15	1 day
Thiang Chew Lan	Enhancing Internal Audit Practice	13 Aug 14	half day

Statement on Corporate Governance

The Board is provided with and has access to all company's information to enable it to discharge its duties. The management is invited to attend the Board and Audit Committee meetings and to brief and provide explanation to the directors on the operations in the Group. The Board is also briefed progressively by the Company Secretary, External Auditors and the Internal Auditors on the changes in corporate regulatory requirements. In addition, the Board collectively could engage independent professionals when necessary to seek their advices in furtherance their duties.

Board Committees

The Board maintains specific Board Committees namely Audit Committee, Nomination Committee and Remuneration Committee. These Committees ensure greater attention, objectivity and independence are provided in the deliberations of specific board agenda. However, in order to ensure the direction and control of the Group is firmly within the Board, the Board has defined the terms of reference for each Committee. The Chairman of the respective Board Committees would report to the Board during the Board meetings on significant matters and salient matters deliberated in the Committees.

Audit Committee

The composition requirement of the Audit Committee members is in accordance with the regulatory requirements. The Audit Committee Chairman has access to all the Executive Directors, senior management, External and Internal Auditors. The detailed information on the composition of the Audit Committee, its terms of reference and a summary of its activities are set out on pages 25 to 27 of this Annual Report.

Nominating Committee

The Nominating Committee is established and maintained to ensure that there are formal and transparent procedures for the appointment of new directors to the Board and for the performance appraisal of directors. The current members of the Nominating Committee are:

Chairperson : **Chew Yuit Yoo**
(Senior Independent Non-Executive Director)

Member : **Dato' Dr. Koe Seng Kheng**
(Independent Non-Executive Director)

: **Thiang Chew Lan**
(Independent Non-Executive Director)

During the financial year the Nomination Committee conducted **three (3)** meetings. At these meetings, the Nomination Committee:

- i. Deliberated the performance of the board and contribution of each individual director;
- ii. Reviewed the current composition of the Board and Board Committees and their required mix of skills, integrity, knowledge, expertise and experience to function effectively under the current size of operations of the Group;
- iii. Reviewed and recommended to the Board for re-election of retiring directors in AGM;
- iv. Reviewed and proposed to the Board for the appointment of new directors and members to the Board Committee.

Remuneration Committee

The present members of the Remuneration Committee are:

Chairperson : **Thiang Chew Lan**
(Independent Non-Executive Director)

Member : **Chew Yuit Yoo** (Senior Independent Non-Executive Director)

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

The Committee considers the principles recommended by the Code in determining the directors' remuneration, whereby, the executive remuneration is designed to link rewards to the Group's performance whilst the remuneration of the non-executive directors is determined in accordance with their experience and the level of responsibilities assumed.

Remuneration Committee meeting is held at least once a year. During the financial year, three (3) meetings were held which were attended by all members of the Remuneration Committee.

Statement on Corporate Governance

The number of Directors whose annual income falls within the following bands is set out as follows:

Remuneration Bands	Executive Directors	Non-Executive
RM50,000 and below	2*	3
RM100,000 – RM150,000	–	1
RM150,001 – RM200,000	1	–
RM200,001 – RM250,000	1	–

* The executive directors resigned in July 2014.

The aggregated annual remuneration paid or payable to all Directors of the Company are further categorised into the following components:

	Fees RM	Salaries and other emoluments RM	Benefit-in- kind RM	EPF RM	Total RM
Executive Directors	–	386,100	6,250	46,332	438,682
Non-Executive Directors	235,740*	–	–	3,840	239,580

* included meeting allowances of RM27,000.

Financial Reporting

The Audit Committee has the responsibility to ensure the Group's financial statements comply with applicable financial reporting standards. The integrity of financial reporting are influenced by the competency, quality and integrity of the management in charge of the preparation of financial reports and the competency, suitability and independence of external auditors.

As part of the Audit Committee review processes, the Audit Committee has obtained written assurance from the External auditors confirming that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements. Annually, the Audit Committee also reviews the appointment, performance and remuneration of the External Auditors before recommending them to the shareholders for re-appointment in the AGM.

Risk Management

Board acknowledges that risk management is an integral part of good governance. Risk is inherent in all business activities. It is however, not the Group's objective to

eliminate risk totally but to provide structural means to identify, prioritize and manage the risks involved in all the Group's activities and to balance between the cost and benefits of managing and treating risks, and the anticipated returns that will be derived from.

Further details of the Group's systems of risk management and internal control and the function of the internal auditors are reported in the Statement on Risk Management and Internal Control on pages 20 to 21.

Corporate Disclosure

Communication with shareholders and investors on all material business and corporate matters of the Group is important. The results of Group are published quarterly via the website of Bursa Malaysia Securities Berhad at <http://announcements.bursamalaysia.com>. The Company also maintains its website at www.bhs.my containing essential corporate information of the Group for the interest of the general public. It is believed that clear and consistent communication with investors promotes better appreciation of the Company's business and activities, reduces share price volatility, and allows the Company's business and prospects to be evaluated fairly.

Statement on Corporate Governance

The Group would leverage on its corporate website to communicate, disseminate and add depth to the governance reporting. Pursuant to Para 9.25 those principal and static governance information such as charter, board committees' terms of reference, policies and codes could be separately published in the website to avoid dilution of issues in the annual report.

Shareholders' Right

The Board recognises the need for transparency and accountability to the Company's shareholders and regular communication with its shareholders, stakeholders and investors on the performance and major developments in the Group. This is achieved through timely releases of quarterly financial results, circulars, Annual Reports, corporate announcement and press releases. In addition to the various announcements made during the period, information on the Company is available on the Company's website.

The Company would respond to meetings with institutional shareholders, analysts and members of the press to convey information regarding the Group's performance and strategic direction as and when requested. General meetings are an important avenue through which shareholders can exercise their rights. The Board would ensure suitability of venue and timing of meeting and undertake other measures to encourage Shareholders' participation in the meetings. Shareholders are reminded that they have the right to demand a poll vote at general meetings. Also, poll voting is mandated for related party transactions that require specific shareholders' approval.

Directors' Responsibility Statement

The Directors are responsible for ensuring that:

- I. The annual audited financial statements of the Group and of the Company are drawn up in accordance with applicable Financial Reporting Standards, the provisions of the Companies Act, 1965 and the Main Market Listing Requirements so as to give a true and fair view of the state of affairs of the Group and of the Company for the financial year, and
 - II. Proper accounting and other records are kept which enable the preparation of the financial statements with reasonable accuracy and taking reasonable steps to ensure that appropriate systems are in place to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.
- In the preparation of the financial statements for the financial year ended 30 June 2015, the Directors have adopted appropriate accounting policies and have applied them consistently in the financial statements with reasonable and prudent judgments and estimates. The Directors are also satisfied that all relevant approved accounting standards have been followed in the preparation of the financial statements.

Other Compliance Information

1. Imposition of sanctions and/or penalties

During the financial year, there were no sanctions or penalties imposed on the Company and its subsidiaries, the Directors or the Management by the relevant regulatory bodies.

2. Non-audit Fees

The amount of the non-audit fees payable to the external auditors by the Group for the financial year ended 30 June 2015 amounted to RM47,000.

3. Material contracts

There is no material contract entered into by the Company or its subsidiaries involving directors' and major shareholders' interest except for the announcement which was made on 10 November 2014 in relation to a Master License Agreement between System Publishing House Sdn. Bhd, a wholly-owned subsidiary of the Company and Green Patent Technologies Sdn. Bhd, a company in which a major shareholder has a 67% interest in its shares.

4. Share Buy-backs

On 1 July 2014, the Company retained as Treasury Shares a total of 7,900,000 ordinary shares for a consideration of RM4,223,922 with an average price of RM0.535. These shares were either sold or distributed to shareholders as share dividend as follows:

2014	Description	Unit	Average price RM	Sales Proceeds RM
October	Disposal	4,425,000	3.0621	13,549,998
December	Disposal	74,374	2.9263	217,641
		<u>4,499,374</u>	3.0599	<u>13,767,639</u>
2014 Distribution to Shareholders				
November	- Share dividend	3,400,626		
		<u>7,900,000</u>		

For the Financial year ended 30 June 2015, the Company repurchased 7,351,000 shares at an average cost of RM0.5790 totalling RM4,256,378 as follows:

2015		Unit	Average price RM	Cost RM
May	Purchase	1,909,200	0.5830	1,113,154
June	Purchase	5,441,800	0.5776	3,143,224
		<u>7,351,000</u>	0.5790	<u>4,256,378</u>

These shares were retained as Treasury Shares. The company did not made any cancellation of its Treasury Shares.

Corporate Social Responsibility

The Corporate Social Responsibility (CSR) objective of the Group is to balance the shareholders' value, welfare of employees, community and environment in which it operates. Towards this end, the Group continues to focus and strengthen CSR initiatives it has undertaken as follows:

Company Trip

During the year, the Group had organised a trip to Port Dickson for its employees to enable them to relax and enjoy the vastly different environment away from the factory. The Company had engaged the services of a consulting firm to run a two day course on **High Performance Work Team**. The objective was to enable workers to know their colleagues, be able to communicate with each other, with the management staff and functioned and worked as a team. Likewise, it also presented an opportunity for the management staff to mingle with workers and get to know them well.

Safety and Health

The Occupational Safety and Health Committee continue to monitor the safety and health procedures are appropriately adhered to by all employees.

Skill Development

The Group continues to upgrade its machinery. This has provided on-going personal improvement opportunities to our employees. The suppliers would organise and provide training to members of staff who have been selected to run the machines.

Environmental Management

The Group continues to

monitor the discharge and disposal of waste generated from the production processes. Waste is separated into hazardous and non-hazardous, packed and stored away in a room and collected by a licensed agent under the Environment Quality Act 1974.

The Group has also contracted with agents to collect for recycling waste paper and used plated it

Team Building



generates from the production.

Charitable Donation

During the year, the Group made donations and sponsorships to various organisations.

The management would review the results of the above activities undertaken in relation to the Group's business and environmental conditions. The Group would improve its CSR activities and will introduce new initiatives progressively.

Games & activities



Participants' photo

Statement on Risk Management & Internal Control

The Malaysia Code on Corporate Governance specify that the Board of Directors of public listed companies should establish a sound risk management framework and internal controls system to safeguard shareholders' investment and Group's assets. The Board of BHS Industries Berhad is pleased to present the following statement on Risk Management and Internal Control for the financial year ended 30 June 2015. This Statement is prepared pursuant to paragraph 15.26(b) of the Main Market Listing Requirements and guided by the latest "Statement on Risk Management and Internal Control – Guidelines for Directors of Listed Issuers" ("the Guideline") endorsed by the Exchange.

Board Responsibilities

As the Group operates in a dynamic business environment, a sound risk management and internal control system must be in place to help the Group to achieve its business objectives. Therefore, the Board remains committed towards maintaining a sound system of risk management and internal control and believes that a balanced achievement of its business objectives and operational efficiency can be attained.

Principally, the responsibilities of the Board as provided in the Guideline for risk governance are:

- To embed risk management in all aspects of the Group's activities, which also encompass subsidiary companies; and
- To review risk management framework, processes, responsibilities and assessing whether the present policies and systems provide reasonable assurance that risk is managed appropriately.

The Board undertakes to identify the principal risks, implement appropriate systems to manage risks and review the adequacy and integrity of the Group's systems of internal control.

Risk Management

The Group's risk management continues to be driven by all Executive Directors and assisted by the management. The Executive Directors and management are responsible for implementing the risk management processes for identifying, evaluating, monitoring and reporting of

risks and internal control, taking appropriate and timely corrective actions as needed, and for providing assurance to the board that the processes have been carried out. These processes are embedded and carried out as part of the Group's operating and business management processes. External and relevant professionals would be drawn on to assist and provide advices to the management team when necessary.

The Review Mechanism

In order to ensure the objectivity of the review of the systems of internal control and risk management framework in the Group, the Audit Committee is instituted by the Board to undertake this role. In conducting its review, the Audit Committee is assisted by the Internal Auditors who report to the Audit Committee quarterly on the state of control of the selected key functions. Additionally, the Audit Committee obtains feedback from the External Auditors on the risk and control issues highlighted by them in the course of their statutory audit.

Management further supplements the Audit Committee review on control and risk assessment when presenting their quarterly financial performance and results to the Audit Committee. With the management consultation, the Audit Committee reviews and analyses the interim financial results in corroboration with management representations on operations and the performance of its subsidiaries as well as deliberates the integrity of the financial results, annual report and audited financial statements before recommending to the Board to be presented to the shareholders and public investors.

Key Elements Of Internal Control

Apart from the above, the present key internal controls and review processes in the Group are as follows:

- i. Organisational structure defining the management responsibilities and hierarchical structure of reporting lines and accountability;
- ii. Limit of authority and approval facilitating delegation of authority;
- iii. Periodic performance reports for the management monitoring and ensuring that the business operations are progressed in accordance with the objectives and targets;

Statement on Risk Management & Internal Control

- iv. Preparation of annual sales forecast for monthly monitoring and tracking of performance; and
- v. Provision of on-job training to employees in order to strengthen our controls on the business competitiveness and capability of our organisation.

Management Responsibilities And Assurance

In accordance to the Bursa's Guidelines, management is responsible to the Board for identifying risks relevant to the business of the Group's objectives and strategies implementing, maintaining sound systems of risk management and internal control and monitoring and reporting to the Board of significant control deficiencies and changes in risks that could significantly affect the Group's achievement of its objective and performance.

Before producing this Statement, the Board has received an assurance from the Managing Director that, to the best of his knowledge that the Group's risk management and internal control systems are operating adequately and effectively, in all material aspects.

Board Assurance And Limitation

In making this Statement, the Board had considered the Guidelines.

For the financial year under review, the Board confirms that there is an ongoing process for identifying, evaluating and managing significant risks faced by the Group and the Board is satisfied that the existing level of systems of internal control and risk management are effective to enable the Group to achieve its business objectives and there were no material losses resulted from significant control weaknesses.

Nonetheless, the Board wishes to reiterate that risk management and internal control should be continuously improved in line with the evolving business development. It should also be noted that risk management systems and systems of internal control are only designed to manage rather than eliminate risks of failure to achieve business objectives. Therefore, these systems can only provide a reasonable but not an absolute assurance against material misstatements, frauds and losses. During the current financial year, there were no major internal control weaknesses which led to material

losses, contingencies or uncertainties that would require disclosure in this Annual Report.

Review Of Statement On Internal Control By External Auditors

The external auditors have reviewed this Statement on Risk Management and Internal Control for inclusion in the Annual Report for the year ended 30 June 2015 and have reported to the Board that nothing has come to their attention that causes them to believe that this Statement is inconsistent with their understanding of the processes the Board has adopted in reviewing the adequacy and integrity of the systems of internal control of the Group.

Audit Committee Report

The Board of Directors of BHS Industries Berhad (“the Board”) is pleased to present the Audit Committee Report for the financial year ended 30 June 2015.

1. COMPOSITION OF AUDIT COMMITTEE

The Audit Committee comprised the following Board members:

Name	Position held	Nature of Appointment
Chew Yuit Yoo	Chairperson	Senior Independent Non-Executive Director
Thiang Chew Lan	Member	Independent Non-Executive Director
Dato’ Dr. Koe Seng Kheng	Member	Independent Non-Executive Director

2. TERMS OF REFERENCE

• Membership

The Committee shall be appointed by the Board of Directors from amongst the non-executive directors excluding Alternate Directors; which fulfils the following requirements:

- i. The Audit Committee shall compose of at least three (3) members;
- ii. The majority of the Audit Committee must be of independent directors;
- iii. The Chairman of the Audit Committee shall be an independent director;
- iv. All members of the Audit Committee should be non-executive directors;
- v. All members of the Audit Committee should be financially literate and at least one of the members of the Committee must:
 - a. be a member of the Malaysian Institute of Accountants (“MIA”); or
 - b. have at least three (3) years working experience and
 - must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act, 1967; or

- must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act, 1967; and

- c. fulfill such other requirements as prescribed by Bursa Malaysia Securities Berhad (“Bursa Securities”).

In the event of any vacancy in the Audit Committee, the Company shall fill in the vacancy not later than three (3) months.

• Authority

The Audit Committee shall in accordance with the procedure determined by the Board and at the cost of the Company:

- i. Have explicit authority to investigate any matter within its terms of reference;
- ii. Have the resources which are required to perform its duties;
- iii. Have full and unrestricted access to any information pertaining to the Company;
- iv. Have direct communication channels with the external auditors and person(s) carrying out the internal audit function;

Audit Committee Report

- v. Be able to obtain independent / external professional or other advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary; and
- vi. Be able to convene meetings with the external auditors, the internal auditors or both excluding the attendance of the executive members of the Company, whenever deemed necessary.

- **Duties & Functions**

The Audit Committee shall review and report to the Board on the following key matters:

- i. To review the appointment, resignation, conduct and audit plans of the Internal and External Auditors;
- ii. To review the assistance given by the employees of the Company to the external auditors and the internal auditors;
- iii. To review the quarterly results and year end financial statements, prior to the approval by the Board;
- iv. To review any related party transactions and conflict of interest situations that may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of management integrity;
- v. To review and report to the board of the state of the systems of internal control of the Group.
- vi. To review the adequacy of the scope, functions, competency and resources of the internal audit function, and the internal audit programme and results of the internal audit process to ensure that appropriate actions are taken on the recommendations of the internal audit function.

- **Meetings**

- i. The Committee shall meet at least four (4) times in a year or more frequently as circumstances required with due notice of issues to be discussed and shall record its conclusions in discharging its duties and responsibilities.
- ii. The quorum of the meeting is two (2) who shall be Independent Non-Executive Directors.
- iii. Upon the request of any member of the Committee, the external auditors or the internal auditors, the Chairman of the Committee shall convene a meeting of the Committee to consider matters which should be brought to the attention of the directors or shareholders.
- iv. The external auditors and internal auditors have the right to appear and be heard at any meeting of the Committee and shall appear before the Committee when required to do so by the Committee.
- v. The Committee may invite any Board member or any member of management or any employee of the Company who the Committee thinks fit to attend its meetings to assist and to provide pertinent information as necessary.
- vi. The Company must ensure that other directors and employees attend any particular Audit Committee meeting only at the Audit Committee's invitation, specific to the relevant meeting.

- **Secretary**

The Company Secretary or other appropriate senior official shall be the Secretary to the Audit Committee.

3. AUDIT COMMITTEE MEETINGS ATTENDANCE

During the financial year, the Audit Committee conducted five (5) meetings and these meetings were attended by all members.

Audit Committee Report

4. ACTIVITIES OF THE AUDIT COMMITTEE

The principal activities undertaken by the Audit Committee during the financial period were summarized as follows:

- (a) Reviewed the quarterly financial results, cash flows and financial positions for each financial quarter prior to submission to the Board for consideration and approval for announcement to the public;
- (b) Reviewed the annual audited financial statement, auditors' report and accounting issues arising from the financial year ended 30 June 2014 audit;
- (c) Reviewed the external auditors' planning memorandum;
- (d) Conducted independent meeting session with the External Auditors without the presence of executive board members and management personnel;
- (e) Reviewed the progress of audit findings, reports and management comments on audit recommendations;
- (f) Reviewed the performance and effectiveness of the external auditors and made recommendations to the Board on appointment and remuneration of auditors;
- (g) Reviewed the corporate governance statement, audit committee report, statement on internal control and corporate social responsibilities prior to submission to the Board for consideration and approval for inclusion in the annual report;
- (h) Reviewed and recommended to the Board on disposal of assets to related parties and also the purchase of Master License from a related party.
- (i) Reported to the Board on matters addressed at the Audit Committee meetings.

5. INTERNAL AUDIT FUNCTION

The Main Market Listing Requirement provides that a listed company must establish an internal audit function which is independent of the activities it audits and reports directly to the Audit Committee.

The Group had established an internal audit function. This function is outsourced to an internal audit services company. The primary responsibility of this internal audit function is to assist the Board and the Audit Committee in reviewing the system of internal control and providing recommendations to strengthen these systems.

Internal audit reviews are carried out quarterly in accordance with the internal audit plan approved by the Audit Committee. Prior to the presentation of report to the Audit Committee, comments from the management are obtained and incorporated into the internal audit findings and reports. The internal audit reviews also cover the follow-up actions taken by the management on the implementation of recommendations. The internal auditors had attended four (4) Audit Committee meetings during the financial year under review.

The total cost incurred during the current financial year for the internal audit function of the Group is RM46,398 (2014: RM46,108)

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Directors' Report

The directors submit their report and the audited financial statements of the Group and the Company for the financial year ended 30 June 2015.

Principal activities

The principal activities of the Company are that of investment holding and the provision of management services. The principal activities of the subsidiaries are disclosed in Note 10 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

Financial results

	Group RM	Company RM
Net profit/(loss) for the year attributable to owners of the Company	2,786,864	(162,076)

In the opinion of the directors, the results of the operations of the Group and the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

Dividends

Since the end of the previous financial year, the Company:

- paid a final tax exempt dividend of 6% per ordinary share of RM0.50 each totalling RM2,399,741 in respect of the financial year ended 30 June 2014 on 8 January 2015; and
- distributed 3,400,626 treasury shares of RM0.50 each as share dividends to the shareholders of the Company on the basis of two (2) treasury shares for every forty five (45) ordinary shares of RM0.50 each held in the Company on 20 November 2014.

Reserves and provisions

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

Issue of shares and debentures

During the financial year, the number of authorised ordinary shares of the Company was increased from

200,000,000 to 400,000,000 through a share split exercise involving the subdivision of every one (1) existing ordinary share of RM0.50 each into two (2) ordinary shares of RM0.25 each.

The issued and paid up share capital of the Company was increased from RM40,000,000 to RM80,000,000 by way of the issuance of 80,000,000 new ordinary shares of RM0.50 each pursuant to a bonus issue on the basis of one (1) bonus share for every one (1) existing share held as at 24 February 2015. A subsequent share split exercise involving the subdivision of every one (1) existing ordinary share of RM0.50 each into two (2) ordinary shares of RM0.25 each was undertaken to enlarge the number of ordinary shares in issue from 160,000,000 of RM0.50 each to 320,000,000 of RM0.25 each.

The new ordinary shares issued rank pari passu with the then existing ordinary shares of the Company.

The Company has not issued any debentures during the financial year.

Treasury shares

During the financial year, the Company:

- disposed of 4,499,374 of its treasury shares of RM0.50 each for a total cash consideration of RM13,767,380 in the open market;
- distributed 3,400,626 treasury shares of RM0.50 each as share dividends to the shareholders of the Company on the basis of two (2) treasury shares for every forty five (45) ordinary shares of RM0.50 each held in the Company; and
- repurchased 7,351,000 treasury shares of RM0.25 each for a total cash consideration of RM4,256,378 from the open market.

As at 30 June 2015, the Company held a total of 7,315,000 treasury shares of its 320,000,000 issued ordinary shares. The treasury shares are held at a carrying amount of RM4,256,378. The shares repurchased are being held as treasury shares in accordance with Section 67A(3A)(b) of the Companies Act 1965. Further relevant details on treasury shares are disclosed in Note 27 to the financial statements.

Directors' Report

Share options

No options have been granted by the Company to any parties during the financial year to take up unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of any option to take up unissued shares of the Company. As at the end of the financial year, there were no unissued shares of the Company under options.

Directors

The directors of the Company in office since the date of the last report are:

Dato' Lim Thiam Huat - Appointed on
17 December 2014
Datuk Lee Hwa Cheng - Appointed on
10 September 2015
Dato' Sohaimi Bin Shahadan
Dato' Dr. Koe Seng Kheng
Koo Thiam Yoong
Chew Yuit Yoo
Thiang Chew Lan

Directors' interests

The interests in the Company and its related companies of those who were directors at the end of the financial year, as recorded in the Register of Directors' Shareholdings kept under Section 134 of the Companies Act 1965, are as follows:

	Number of ordinary shares of RM0.50 each					RM0.25 each	
	Balance as at 1.7.2014/ date of appointment	Bought	Sold	Total before bonus issue	Bonus issue	Share split after bonus issue	Balance as at 30.6.2015
In the company							
Direct interest							
Dato' Lim Thiam Huat	15,214,999	-	-	15,214,999	15,214,999	30,429,998	60,859,96
Dato' Dr. Koe Seng Kheng	2,600,000	71,988	1,500,000	1,171,988	1,171,988	2,343,976	4,687,952
Koo Thiam Yoong	1,155,000	44,444	155,000	1,044,444	1,044,444	2,088,888	4,177,776
Thiang Chew Lan	99,600	4,426	-	104,026	104,026	208,052	416,104
Indirect interest							
Thiang Chew Lan	50,300	2,235	-	52,535	52,535	105,070	210,140
Chew Yuit Yoo	46,900	2,084	-	48,984	48,984	97,968	195,936

Dato' Lim Thiam Huat by virtue of his holdings of not less than 15% in the share capital of the Company, are deemed to have an interest in the share capitals of the Company's subsidiaries to the extent the Company and its subsidiaries have an interest during the financial year.

Other than as stated, none of the other directors in office at the end of the financial year had an interest in the shares of the Company and its related companies during the financial year.

Directors' Report

Directors' benefits

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the directors as shown in the financial statements) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for any benefit which may be deemed to have arisen by virtue of the transactions between the related corporations and companies in which certain directors of the Company have interests as disclosed in Note 28.1 to the financial statements.

There were no arrangements during or at the end of the financial year, which had the object of enabling directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Other statutory information

Before the financial statements of the Group and the Company were made out, the directors took reasonable steps:

- (a) to ascertain that action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and had satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
- (b) to ensure that any current assets which were unlikely to realise their book values in the ordinary course of business had been written down to their expected realisable values.

At the date of this report, the directors are not aware of any circumstances:

- (a) which would render the amount written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and the Company inadequate to any substantial extent;
- (b) which would render the values attributed to current assets in the financial statements of the Group and the Company misleading; and

- (c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and the Company misleading or inappropriate.

In the interval between the end of the financial year and the date of this report:

- (a) no item, transaction or event of a material and unusual nature has arisen which, in the opinion of the directors, would substantially affect the results of the operations of the Group and the Company for the financial year in which this report is made; and
- (b) no charge has arisen on the assets of the Group and the Company which secures the liability of any other person nor have any contingent liabilities arisen in the Group and the Company.

No contingent or other liability of the Group and the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may affect the ability of the Group and the Company to meet their obligations as and when they fall due.

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements, which would render any amount stated in the financial statements misleading.

Auditors

The auditors, Messrs Russell Bedford LC & Company, have indicated their willingness to continue in office.

Signed on behalf of the Board
in accordance with a resolution of the directors,

DATO' LIM THIAM HUAT

KOO THIAM YOONG
Kuala Lumpur
Dated: 26 October 2015

Statement by Directors

The directors of BHS INDUSTRIES BERHAD state that, in the opinion of the directors, the accompanying financial statements are drawn up in accordance with the provisions of the Companies Act 1965 and the Malaysian Financial Reporting Standards, the Approved Accounting Standards for Entities Other Than Private Entities in Malaysia, so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2015, and of their financial performance and their cash flows for the year ended on that date.

The supplementary information set out in Note 36, which is not part of the financial statements, is prepared in all material respects, 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 and the directive of Bursa Malaysia Securities Berhad.

Signed on behalf of the Board
in accordance with a resolution of the directors,

DATO' LIM THIAM HUAT
Kuala Lumpur
Dated: 26 October 2015

KOO THIAM YOONG

Statutory Declaration

I, KOO THIAM YEN, being the officer primarily responsible for the financial management of BHS INDUSTRIES BERHAD, do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements are correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the above)
named KOO THIAM YEN at Kuala Lumpur in)
Wilayah Persekutuan on 26 October 2015)

Before me,

KOO THIAM YEN

MOHAN A.S. MANIAM
COMMISSIONER FOR OATHS
License no: W 521

Report of the Independent Auditors

to the Members of BHS INDUSTRIES BERHAD (Incorporated in Malaysia)

1. Report on the financial statements

We have audited the accompanying financial statements which comprise the statements of financial position of the Group and of the Company as at 30 June 2015, and the related statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

1.1 Directors' responsibility for the financial statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with the Companies Act 1965 ("Act") and the Malaysian Financial Reporting Standards, the Approved Accounting Standards for Entities Other Than Private Entities in Malaysia, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

1.2 Auditors' responsibility

It is our responsibility to form an independent opinion, based on our audit, on these financial statements and to report our opinion solely to you, as a body, in accordance with Section 174 of the Act, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the content of this report.

We conducted our audit in accordance with the Approved Standards on Auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's

judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

1.3 Opinion

In our opinion, the financial statements have been properly drawn up in accordance with the Act and the Malaysian Financial Reporting Standards, the Approved Accounting Standards for Entities Other Than Private Entities in Malaysia, so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2015, and of their financial performance and their cash flows for the year ended on that date.

2. Report on other legal and regulatory requirements

In accordance with the requirements of the Act, we also report on the following:

- (a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and by its subsidiaries have been properly kept in accordance with the provisions of the Act.
- (b) We are satisfied that the financial statements of the subsidiaries that have been consolidated

Report of the Independent Auditors

to the Members of BHS INDUSTRIES BERHAD (Incorporated in Malaysia)

with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the Group's financial statements and we have received satisfactory information and explanations required by us for those purposes.

- (c) The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification material in relation to the Group's financial statements and did not include any comment made under Section 174(3) of the Act.

3. Other reporting responsibilities

The supplementary information set out in Note 36 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information 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 ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

RUSSELL BEDFORD LC & COMPANY
AF 1237
CHARTERED ACCOUNTANTS

LOH KOK LEONG
1965/06/17 (J)
PARTNER

Kuala Lumpur
Dated: 26 October 2015

Statements of Comprehensive Income

for the Year Ended 30 June 2015

	Note	Group		Company	
		2015 RM	2014 RM	2015 RM	2014 RM
Revenue	4	31,659,042	65,567,468	662,341	50,189,864
Cost of sales		(30,461,371)	(48,345,993)	-	-
Gross profit		1,197,671	17,221,475	662,341	50,189,864
Other operating income		7,698,870	1,338,408	4,081,985	37,000
Other operating expenses		(6,251,707)	(9,937,671)	(4,906,402)	(3,480,855)
Profit/(Loss) from operations		2,644,834	8,622,212	(162,076)	46,746,009
Finance costs		(81,493)	(43,217)	-	-
Profit/(Loss) before tax	5	2,563,341	8,578,995	(162,076)	46,746,009
Income tax expense	6	223,523	1,585,529	-	(66,689)
Net profit/(loss) for the year		2,786,864	10,164,524	(162,076)	46,679,320
Other comprehensive income					
Items, all with no tax effect, that will be reclassified subsequently to profit or loss					
Net changes on available-for-sale financial assets					
- gain on changes in fair value		368,565	233,642	368,565	233,642
- reclassification to profits or loss arising from disposal		(663,452)	-	(663,452)	-
		(294,887)	233,642	(294,887)	233,642
Foreign currency translation					
- current year		-	62,533	-	-
- reclassification to profit or loss arising from disposal		(111,830)	-	-	-
		(111,830)	62,533	-	-
Other comprehensive (loss)/income for the year, net of tax		(406,717)	296,175	(294,887)	233,642
Total comprehensive income/(loss) for the year		2,380,147	10,460,699	(456,963)	46,912,962
Basic earnings per share (sen)	7	0.87	3.18		

The accompanying notes form an integral part of the financial statements.

Statements of Financial Position

as at 30 June 2015

		Group		Company	
	Note	2015 RM	2014 RM	2015 RM	2014 RM
Non current assets					
Property, plant and equipment	8	26,764,645	9,234,498	535,793	800
Intangible asset	9	500,000	-	-	-
Investment in subsidiaries	10	-	-	46,404,227	27,723,224
Other investments	11	1,179,179	1,746,302	1,166,490	1,733,613
		28,443,824	10,980,800	48,106,510	29,457,637
Current assets					
Inventories	12	12,304,903	15,036,181	-	-
Trade receivables	13	13,763,709	18,416,765	-	-
Other receivables, deposits and prepayments	14	7,530,686	1,537,457	34,514,137	49,771,386
Tax recoverable		1,964,996	710,723	85,756	246,577
Short term investments	15	22,513,158	13,782,558	8,251,474	-
Fixed deposits with licensed banks	16	3,275,700	-	1,000,000	-
Cash and bank balances	17	9,270,100	11,124,939	2,196,328	839,674
Assets classified as held for sale	18	-	7,839,706	-	6,899,689
		70,623,252	68,448,329	46,047,695	57,757,326
Current liabilities					
Trade payables	19	2,249,726	529,321	-	-
Other payables and accruals	20	4,011,749	2,645,192	1,729,394	1,444,450
Tax payable		164,344	-	-	-
Short term borrowing	21	623,136	-	-	-
Liabilities classified as held for sale	18	-	1,006,793	-	-
		7,048,955	4,181,306	1,729,394	1,444,450
Net current assets		63,574,297	64,267,023	44,318,301	56,312,876
Non current liabilities					
Term loan	22	7,369,816	-	-	-
Deferred tax liabilities	23	1,169,000	1,259,926	-	-
		(8,538,816)	(1,259,926)	-	-
		83,479,305	73,987,897	92,424,811	85,770,513
Represented by:					
Share capital	24	80,000,000	40,000,000	80,000,000	40,000,000
Reserves	25	3,479,305	33,987,897	12,424,811	45,770,513
Shareholders' fund		83,479,305	73,987,897	92,424,811	85,770,513

The accompanying notes form an integral part of the financial statements.

Statements of Changes in Equity
 for the Year Ended 30 June 2015

	Share capital (Note 24) RM	Share premium RM	Foreign currency translation reserve RM	Merger reserve RM	Fair value adjustment reserve RM	Treasury shares (Note 27) RM	Retained profits RM	Total RM
Group								
At 1 July 2013	40,000,000	1,684,192	49,297	(16,832,846)	61,245	(4,223,922)	44,952,232	65,690,198
Transactions with owners:								
Dividends (Note 26)	-	-	-	-	-	-	(2,163,000)	(2,163,000)
	40,000,000	1,684,192	49,297	(16,832,846)	61,245	(4,223,922)	42,789,232	63,527,198
Foreign currency translation	-	-	62,533	-	-	-	-	62,533
Changes in available-for-sale financial assets								
- gain on changes in fair value	-	-	-	-	233,642	-	-	233,642
Other comprehensive income for the year	-	-	62,533	-	233,642	-	-	269,175
Net profit for the year	-	-	-	-	-	-	10,164,524	10,164,524
Total comprehensive income for the year	-	-	62,533	-	233,642	-	10,164,524	10,460,699
At 30 June 2014	40,000,000	1,684,192	111,830	(16,832,846)	294,887	(4,223,922)	52,953,756	73,987,897

The accompanying notes form an integral part of the financial statements.

Statements of Changes in Equity

for the Year Ended 30 June 2015

Group	Share capital (Note 24) RM	Share premium RM	Foreign currency translation reserve RM	Merger reserve RM	Fair value adjustment reserve RM	Treasury shares (Note 27) RM	Retained profits RM	Total RM
At 1 July 2014	40,000,000	1,684,192	111,830	(16,832,846)	294,887	(4,223,922)	52,953,756	73,987,897
Transactions with owners:								
Disposal of treasury shares	-	11,361,942	-	-	-	2,405,438	-	13,767,380
Dividends (Note 26)								
- distribution of treasury shares	-	-	-	-	-	1,818,484	(1,818,484)	-
- cash	-	-	-	-	-	-	(2,399,741)	(2,399,741)
Bonus issue of shares	40,000,000	(13,046,134)	-	-	-	-	(26,953,866)	-
Repurchase of shares	-	-	-	-	-	(4,256,378)	-	(4,256,378)
Total transactions with owners	40,000,000	(1,684,192)	-	-	-	(32,456)	(31,172,091)	7,111,261
Foreign currency translation								
- reclassification to profit or loss arising from disposal								
Changes in available-for-sale financial assets	-	-	(111,830)	-	-	-	-	(111,830)
- gain on changes in fair value	-	-	-	-	368,565	-	-	368,565
- reclassification to profit or loss arising from disposal	-	-	-	-	(663,452)	-	-	(663,452)
Other comprehensive loss for the year	-	-	(111,830)	-	(294,887)	-	-	(406,717)
Net profit for the year	-	-	-	-	-	-	2,786,864	2,786,864
Total comprehensive income for the year	-	-	(111,830)	-	(294,887)	-	2,786,864	2,380,147
At 30 June 2015	80,000,000	-	-	(16,832,846)	-	(4,256,378)	24,568,529	83,479,305

The accompanying notes form an integral part of the financial statements.

Company	Share capital (Note 24) RM	Share premium RM	Fair value adjustment reserve RM	Treasury shares (Note 27) RM	Retained profits RM	Total RM
At 1 July 2013	40,000,000	1,684,192	61,245	(4,223,922)	3,499,036	41,020,551
Transactions with owners:						
Dividends (Note 26)	-	-	-	-	(2,163,000)	(2,163,000)
	40,000,000	1,684,192	61,245	(4,223,922)	1,336,036	38,857,551
Changes in available-for-sale financial assets						
- gain on changes in fair value	-	-	233,642	-	-	233,642
Other comprehensive income for the year	-	-	233,642	-	-	233,642
Net profit for the year	-	-	-	-	46,679,320	46,679,320
Total comprehensive income for the year	-	-	233,642	-	46,679,320	46,912,962
At 30 June 2014	40,000,000	1,684,192	294,887	(4,223,922)	48,015,356	85,770,513
At 1 July 2014	40,000,000	1,684,192	294,887	(4,223,922)	48,015,356	85,770,513
Transactions with owners:						
Disposal of treasury shares	-	11,361,942	-	2,405,438	-	13,767,380
Dividends (Note 26)						
- distribution of treasury shares	-	-	-	1,818,484	(1,818,484)	-
- cash	-	-	-	-	(2,399,741)	(2,399,741)
Bonus issue of shares	40,000,000	(13,046,134)	-	-	(26,953,866)	-
Repurchase of shares	-	-	-	(4,256,378)	-	(4,256,378)
Total transactions with owners	40,000,000	(1,684,192)	-	(32,456)	(31,172,091)	7,111,261
Changes in available-for-sale financial assets						
- gain on changes in fair value	-	-	368,565	-	-	368,565
- reclassification to profit or loss arising from disposal	-	-	(663,452)	-	-	(663,452)
Other comprehensive income for the year	-	-	(294,887)	-	-	(294,887)
Net loss for the year	-	-	-	-	(162,076)	(162,076)
Total comprehensive loss for the year	-	-	(294,887)	-	(162,076)	(456,963)
At 30 June 2015	80,000,000	-	-	(4,256,378)	16,681,189	92,424,811

The accompanying notes form an integral part of the financial statements.