

Statements of Cash Flows

for the Year Ended 30 June 2015

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Cash flows from/(used in) operating activities				
Profit/(Loss) before tax	2,563,341	8,578,995	(162,076)	46,746,009
Adjustments for:				
Allowance for doubtful debts	410,380	1,600,540	-	-
Depreciation				
- plant and equipment	1,481,756	1,492,813	49,334	7,125
- investment properties	-	99,700	-	-
Impairment loss on investment in a subsidiary	-	-	2,719,000	2,200,000
Interest expense	81,493	43,217	-	-
Inventories written off	-	73,442	-	-
Provision for expected goods returns	-	50,000	-	-
(Gain)/Loss on foreign exchange - unrealised	(337,248)	124,250	-	-
Dividend income from				
- subsidiaries	-	-	-	(48,950,000)
- financial assets at fair value through profit or loss	(840)	-	-	-
Fair value gain on financial assets at fair value through profit or loss	(138,005)	(56,134)	(133,276)	(37,000)
Gain on disposal of				
- a subsidiary	(1,658,154)	-	(1,479,548)	-
- available-for-sale financial assets	(663,452)	-	(663,452)	-
- investment properties	(1,436,847)	-	(1,436,847)	-
- plant and equipment	(109,074)	(380,000)	-	-
- financial assets at fair value through profit or loss	(60,375)	-	(60,375)	-
Income distributed from financial assets at fair value through profit or loss	(711,485)	(364,828)	(237,088)	-
Interest income	(123,242)	(34,959)	(71,399)	-
Operating (loss)/profit before working capital changes	(701,752)	11,227,036	(1,475,727)	(33,866)
Decrease in inventories	2,731,278	4,309,143	-	-
Decrease in trade and other receivables	3,347,715	3,848,878	100,525	(119,080)
Increase/(Decrease) in trade and other payables	2,774,936	(10,233,997)	2,918	(14,172)
Cash generated from/(used in) operating activities	8,152,177	9,151,060	(1,372,284)	(167,118)
Income tax refunded	543,103	1,905,071	250,821	5,511
Income tax paid	(1,500,225)	(2,052,459)	(90,000)	(82,500)
Net cash from/(used in) operating activities	7,195,055	9,003,672	(1,211,463)	(244,107)

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

Statements of Cash Flows

for the Year Ended 30 June 2015

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Cash flows from/(used in) investing activities				
Purchase of plant and equipment	(10,215,229)	(608,102)	(584,327)	-
Acquisition of shares in subsidiaries	-	-	(350,003)	-
Acquisition of intangible asset	(500,000)	-	-	-
Increase in fixed deposit pledged	(35,000)	-	-	-
Increased in fixed deposit with maturity of more than three months	(1,000,000)	-	(1,000,000)	-
Income received from financial assets at fair value through profit or loss	711,485	364,828	237,088	-
Investment in financial assets at fair value through profit or loss	(11,733,666)	(364,828)	(11,259,269)	-
Proceeds from disposal				
- available-for-sale financial assets	2,016,178	-	2,016,178	-
- financial assets at fair value through profit or loss	2,120,956	5,307,936	2,120,956	-
- investment properties	5,289,036	-	5,289,036	-
- plant and equipment	712,400	380,000	-	-
Proceeds from disposal of a subsidiary (Note 18)	2,493,084	-	3,538,483	-
Deposits received from disposal of non current assets held for sales	-	988,565	-	988,565
Advances to subsidiaries	-	-	(5,893,276)	(255,407)
Dividends received	630	-	-	2,460,000
Deposits paid for purchase of plant and equipment	(6,161,020)	(1,400,000)	-	-
Interest received	123,242	34,959	71,399	-
Net cash (used in)/from investing activities	(16,177,904)	4,703,358	(5,813,735)	3,193,158
Cash flows from/(used in) financing activities				
Proceeds from				
- foreign currency trade loan	-	1,189,093	-	-
- banker acceptances	-	127,499	-	-
Repayments of				
- foreign currency trade loan	-	(2,064,996)	-	-
- term loans	(7,048)	(145,102)	-	-
- banker acceptances	-	(632,908)	-	-
Proceeds from disposal of treasury shares	13,767,380	-	13,767,380	-
Payments for repurchase of shares	(2,955,787)	-	(2,955,787)	-
Repayments to subsidiaries	-	-	(30,000)	(9,161)
Interest paid	(81,493)	(43,217)	-	-
Dividends paid	(2,399,741)	(2,163,000)	(2,399,741)	(2,163,000)
Net cash from/(used in) financing activities	8,323,311	(3,732,631)	8,381,852	(2,172,161)

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

Statements of Cash Flows

for the Year Ended 30 June 2015

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Net (decrease)/increase in cash and cash equivalents	(659,538)	9,974,399	1,356,654	776,890
Cash and cash equivalents at beginning of year	12,170,338	2,162,457	839,674	62,784
Effect of exchange rate changes on the balance of cash and cash equivalents of foreign subsidiary	-	33,482	-	-
Cash and cash equivalents at end of year	11,510,800	12,170,338	2,196,328	839,674
Cash and cash equivalents comprise:				
Cash and bank balances	9,270,100	11,124,939	2,196,328	839,674
Fixed deposits with a licensed banks	3,275,700	-	1,000,000	-
	12,545,800	11,124,939	3,196,328	839,674
Add: Bank balances and fixed deposit with a licensed bank classified as held for sale (Note 18)	-	1,045,399	-	-
Less: Fixed deposit pledged	(35,000)	-	-	-
Fixed deposit with maturity of more than three months	(1,000,000)	-	(1,000,000)	-
	11,510,800	12,170,338	2,196,328	839,674

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

Notes to the Financial Statements

for the Year Ended 30 June 2015

1. General information

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.

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

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The Company's registered office is located at 802, 8th Floor, Block C, Kelana Square, 17 Jalan SS7/26, 47301 Petaling Jaya, Selangor Darul Ehsan.

The principal place of business of the Company is located at Lot 17-22 & 17-23, Jalan Satu, Bersatu Industrial Park, Cheras Jaya, Balakong, 43200 Cheras, Selangor Darul Ehsan.

The financial statements of the Group and the Company were approved and authorised for issue by the board of directors on 26 October 2015.

2. Principal accounting policies

2.1 Statement of compliance

The financial statements of the Group and the Company have been prepared and presented in accordance with the provisions of the Companies Act 1965 and the Malaysian Financial Reporting Standards ("MFRS"), the Approved Accounting Standards for Entities Other Than Private Entities in Malaysia.

The financial statements also comply with the International Financial Reporting Standards as issued by the International Accounting Standards Board.

2.2 Basis of preparation of the financial statements

2.2.1 Basis of accounting

The financial statements have been prepared under the historical cost convention and

any other bases described in the significant accounting policies as summarised in Note 2.2.2.

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

The Group has not adopted the new standards, amendments to published standards and interpretations that have been issued but not yet effective. These new standards, amendments to published standards and interpretations do not result in significant changes in accounting policies of the Group upon their initial application other than the following:

- i. MFRS 9 Financial Instruments (effective for financial periods beginning on or after 1 January 2018)

MFRS 9 retains but simplifies the mixed measurement model in MFRS 139 and establishes three primary measurement categories for financial assets: amortised cost, fair value through profit or loss and fair value through other comprehensive income ("OCI"). The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial assets. Investments in equity instruments are always measured at fair value through profit or loss with an irrevocable option at the inception to present changes in fair value in OCI (provided the instrument is not held for trading). A debt instrument is measured at amortised cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest.

The Group is in the process of making an assessment of the financial impact that may arise from the adoption of MFRS 9.

2.2.2 Significant accounting policies

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and

Notes to the Financial Statements

for the Year Ended 30 June 2015

2.2.2 Significant accounting policies (continued)

Basis of consolidation (continued)

its subsidiaries as at the reporting date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

The formation of the Group during restructuring exercise on 8 August 2007 has been accounted for as a business combination under common control in which all of the combining entities are ultimately controlled by the same party or parties, both before and after the business combination, and that control is not transitory.

When the merger method of accounting is used, the cost of investment in the Company's book is recorded at the nominal value of shares issued and the difference between the cost of the investment and the nominal value of shares acquired is treated as a merger reserve or merger deficit. Merger deficit is adjusted against suitable reserves of the subsidiaries acquired to the extent that the laws and statutes do not prohibit the use of such reserves. The results and financial positions of the companies being merged are included as if the merger had been effected throughout the current and previous reporting periods.

The consolidated financial statements incorporate the financial statements of the combining entities in which the common control combination occurs as if they had been combined from the date when combining entities first came under the control of the controlling parties until the date that such control ceases.

Subsequent acquisitions of subsidiaries are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in such a business combination are measured initially at their fair values at the acquisition date. Acquisition related costs are

recognised as expenses in the reporting periods in which the costs are incurred and the services are received.

In business combinations achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. All other components of non-controlling interests are measured at their acquisition-date fair values, unless another measurement basis is required by MFRSs.

Any excess of the sum of their fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's net identifiable assets and liabilities is recorded as goodwill in the statement of financial position. In instances where the latter amount exceeds the former, the excess is recognised as a gain on bargain purchase in profit or loss on the acquisition date.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and is presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to owners of the Company.

Notes to the Financial Statements

for the Year Ended 30 June 2015

2.2.2 Significant accounting policies (continued)

Basis of consolidation (continued)

Changes in the Company owners' ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributable to owners of the parent.

Revenue and income recognition

Revenue from sale of goods is recognised upon the transfer of significant risk and rewards of ownership of the goods to the customers. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of consideration due, associated costs or the possible return of goods.

Revenue from management services rendered is recognised in profit or loss when the services are rendered.

Rental income is recognised as it accrues unless collectibility is in doubt.

Dividend income is recognised when the shareholder's right to receive payment is established.

Interest income is recognised as it accrues (using the effective interest rate method) unless collectibility is in doubt.

Foreign currencies

(i) Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency.

(ii) Foreign currency transactions

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss.

The principal exchange rates for every unit of foreign currency ruling at reporting date used are as follows:

	2015 RM	2014 RM
Singapore Dollar	-	2.57
United States Dollar	3.77	3.21
Chinese Renminbi	-	0.51

(iii) Foreign operations

The assets and liabilities of foreign operations are translated into Ringgit Malaysia at the rate of exchange ruling at the reporting date and income and expenses are translated at exchange rates at the dates of the transactions. The exchange differences arising on the translation are taken directly to other comprehensive income. On disposal of a foreign operation, the cumulative amount recognised in other comprehensive income and accumulated in equity under foreign currency translation reserve relating to that particular foreign operation is recognised in profit or loss.

Notes to the Financial Statements

for the Year Ended 30 June 2015

2.2.2 Significant accounting policies (continued)

Employee benefits

(i) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised in profit or loss in the reporting period in which the associated services are rendered by employees of the Group. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) Defined contribution plans

Obligations for contributions to defined contribution plans such as Employees Provident Fund are recognised in profit or loss as incurred.

Income tax

Income tax on the profit or loss for the reporting period comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the reporting period and is measured using the tax rates that have been enacted at the reporting date.

Deferred tax is provided for, using the "liability" method, on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax is measured at the tax rates that are expected to apply in the reporting period

when the asset is realised or the liability settled, based on tax rates that have been enacted or substantively enacted at the reporting date. Deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised in equity or other comprehensive income respectively.

Deferred tax assets and liabilities are offset if there is legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Impairment of assets

The carrying amount of assets (other than financial assets) subject to accounting for impairment is reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or the cash generating unit to which it belongs exceeds its recoverable amount. Impairment losses are recognised in profit or loss in the reporting period in which it arises.

The recoverable amount is the greater of the asset's net selling price and its value in use. In assessing value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would

Notes to the Financial Statements

for the Year Ended 30 June 2015

2.2.2 Significant accounting policies (continued)

Impairment of assets (continued)

have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. The reversal is recognised in profit or loss.

Property, plant and equipment and depreciation

Plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Gain or loss arising from the disposal of an asset is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in profit or loss.

Depreciation on property, plant and equipment is calculated to write off the cost of the assets to its residual values on a straight line basis at the following annual rates based on their estimated useful lives:

Leasehold land	unexpired lease period 83 years
Leasehold building	2%
Factory equipment, plant and machinery	5% - 20%
Renovation	10%
Office equipment, furniture and fittings	10%
Computers	25%
Motor vehicles	20%

The residual values, useful life and depreciation method are reviewed at each reporting date

to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

Intangible asset

Intangible asset comprising a master license acquired separately is measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. Intangible assets are amortised on a straight line basis over the estimated economic useful lives and assessed for impairment whenever there is an indication that the intangible assets may be impaired. The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Gain or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

The costs of the master license is amortised on a straight line basis over its license period of fifteen (15) years.

Investment in subsidiaries

Subsidiaries are those companies controlled by the Company. Control exists when the Company is exposed or has rights to variable return from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The Company's investment in subsidiaries is stated at cost less impairment losses, if any.

Inventories

Inventories comprising raw materials, work in progress, trading merchandise and finished goods are stated at the lower of cost and net realisable value. Cost of inventories is determined on a first in first out basis. Net realisable value represents

Notes to the Financial Statements

for the Year Ended 30 June 2015

2.2.2 Significant accounting policies (continued)

Inventories (continued)

the estimated selling prices less all estimated costs to completion and costs to be incurred in selling and distribution. Cost of raw materials and trading merchandise comprises the cost of purchase plus the cost of bringing the inventories to their present location and condition. Cost of work in progress and finished goods comprises the cost of raw materials used, direct labour and appropriate production overheads.

Non current assets (or disposal group) classified as held for sale

Disposal group comprising investment properties and investment held, that are expected to be recovered primarily through sale rather than through use, and a sale is considered highly probable, are classified as assets held for sale.

Immediately before classification as held for sale, the disposal group are measured in accordance with the Group's accounting policies. Thereafter generally the disposal group is measured at the lower of its carrying amount and fair value less cost to sell.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risk specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Leases

(i) As lessee

Assets acquired under leases or hire purchase which transfers substantially all the risks and rewards incidental to ownership of the assets are capitalised under plant and equipment. The assets and the corresponding lease obligations are recorded at their fair values or, if lower, at the present value of the minimum lease payments of the leased assets at the inception of the respective leases.

Finance costs, which represent the difference between the total lease commitments and the fair values of the assets acquired, are charged to profit or loss over the terms of the relevant lease periods so as to give a constant periodic rate of charge on the remaining balance of the obligations for each reporting period.

All other leases which do not meet such criteria are classified as operating lease. Lease payments under operating leases are amortised as an expense in profit or loss on a straight line basis over the terms of the relevant lease.

(ii) As lessor

Leases where the Group retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and amortised on a straight line basis over the lease term on the same bases as rental income.

Segment information

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Notes to the Financial Statements

for the Year Ended 30 June 2015

2.2.2 Significant accounting policies (continued)

Financial instruments

Financial instruments are recognised in the statement of financial position when the Group has become a party to the contractual provisions of the instrument.

A financial instrument is recognised initially at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends and gains and losses relating to a financial instrument classified as a liability, are reported as expense or income.

Distributions to holders of financial instruments classified as equity are charged directly to equity. Financial instruments are offset when the Group has legal enforceable right to offset and intends to settle either on a net basis or realise the asset and settle the liability simultaneously.

Financial assets are classified as either at fair value through profit or loss, loans and receivables, held to maturity investments, or available-for-sale, as appropriate. Financial liabilities are classified as either at fair value through profit or loss (derivative financial liabilities) or at amortised cost (borrowings and trade and other payables), as appropriate.

(i) Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised

or impaired, and through the amortisation process.

Loans and receivables are classified as current assets, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current.

(ii) Financial assets at fair value through profit or loss

Financial assets are classified as financial assets at fair value through profit or loss if they are held for trading or are designated as such upon initial recognition. Financial assets held for trading are derivatives (including separated embedded derivatives) or financial assets acquired principally for the purpose of selling in the near term.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss do not include exchange differences, interest and dividend income. Exchange differences, interest and dividend income on financial assets at fair value through profit or loss are recognised separately in profit or loss as part of other losses or other income.

Financial assets at fair value through profit or loss could be presented as current or non-current. Financial assets that are held primarily for trading purposes are presented as current whereas financial assets that are not held primarily for trading purposes are presented as current or non-current based on the settlement dates.

(iii) Available-for-sale financial assets

Available-for-sale are financial assets that are designated as available-for-sale or are not classified as loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss.

Notes to the Financial Statements

for the Year Ended 30 June 2015

2.2.2 Significant accounting policies (continued)

Financial instruments (continued)

(iii) Available-for-sale financial assets (continued)

After initial recognition, available-for-sale financial assets are measured at fair value. Any gains or losses in fair value of the financial assets are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses, interest and dividend income are recognised in profit or loss. The accumulated gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised.

Investment in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

Available-for-sale financial assets are classified as non-current assets unless they are expected to be realised within 12 months after the reporting date.

(iv) Payables

Payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method. Payables are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

(v) Interest bearing borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

(vi) Equity instruments

Equity instruments issued by the Company are recorded at the fair value of the proceeds received net of direct issue costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the reporting period in which they are approved.

(vii) Treasury shares

When shares of the Company, that have not been cancelled, recognised as equity are reacquired, the amount of consideration paid is recognised directly in equity. Reacquired shares are classified as treasury shares and presented as a deduction from total equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of treasury shares. When treasury shares are reissued by resale, the difference between the sales consideration and the carrying amount is recognised in equity.

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Notes to the Financial Statements

for the Year Ended 30 June 2015

2.2.2 Significant accounting policies (continued)

Financial instruments (continued)

Financial assets, designated other than at fair value through profit or loss, are assessed for indicators of impairment at the end of each reporting date.

(i) Trade and other receivables and other financial assets carried at amortised cost

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Company considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis on similar risk characteristics. Objective evidence of impairment for a portfolio of receivables could include the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables.

If any such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

The carrying amount of the financial asset is reduced by the impairment loss through the use of an allowance account. When a debtor becomes uncollectible, it is written off against the allowance account.

If in a subsequent period, the amount of impairment loss decreases and the decrease

can be related objectively to an event occurring after impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

(ii) Available-for-sale financial assets

Significant or prolonged decline in fair value below cost, significant financial difficulties of the issuer or obligor, and the disappearance of an active trading market are considerations to determine whether there is objective evidence that investment securities classified as available-for-sale financial assets are impaired.

If available-for-sale financial assets are impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from equity to profit or loss.

Impairment losses on available-for-sale equity investments are not reversed in profit or loss in the subsequent periods. Increase in fair value, if any, subsequent to impairment loss is recognised in other comprehensive income.

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset.

Notes to the Financial Statements

for the Year Ended 30 June 2015

2.2.2 Significant accounting policies (continued)

Statements of cash flows

Statements of cash flows are prepared using the indirect method.

Cash equivalents comprise cash balances and short term deposits with maturities of three months or less, highly liquid investments that are readily convertible to known amount of cash and which are subject to insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of fixed deposits pledged and fixed deposits with maturities of more than 3 months.

3. Critical accounting estimates and judgements

In the preparation of the financial statements, the directors are required to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the reporting date and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Estimates and judgements are continually evaluated by the directors and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In the process of applying the Group's accounting policies, which are described above, management is of the opinion that there are no instances of application of judgement which are expected to have a significant effect on the amounts recognised in the financial statements.

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period other than as follows:

(i) Impairment of financial assets

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the trade and other receivables and default or significant delay in payments.

Where there is objective evidence of impairment, the impairment loss is determined based on the estimated future cash flows discounted at the financial asset's original effective interest rate.

4. Revenue

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Management fees	-	-	639,723	1,209,706
Printing services	30,905,617	64,868,929	-	-
Sales of books	730,807	431,272	-	-
Rental income	22,618	267,267	22,618	30,158
Dividend income	-	-	-	48,950,000
	<u>31,659,042</u>	<u>65,567,468</u>	<u>662,341</u>	<u>50,189,864</u>

Notes to the Financial Statements

for the Year Ended 30 June 2015

5. Profit/(Loss) before tax

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Profit/(Loss) before tax is arrived at after charging:				
Allowance for doubtful debts	410,380	1,600,540	-	-
Auditors' remuneration				
- statutory audit				
- current year	83,400	74,548	30,000	27,000
- over provision in prior years	(1,000)	(2,000)	-	-
- other services	47,000	-	47,000	-
Depreciation				
- plant and equipment	1,481,756	1,492,813	49,334	7,125
- investment properties	-	99,700	-	-
Impairment loss on investment in a subsidiary	-	-	2,719,000	2,200,000
Incorporation expenses	2,390	-	-	-
Inventories written off	-	73,442	-	-
Interest expense				
- banker acceptances	-	2,541	-	-
- bank overdrafts	-	35	-	-
- bank guarantees	5,262	-	-	-
- foreign currency trade loan	-	10,763	-	-
- term loans	76,231	29,878	-	-
Loss on foreign exchange				
- unrealised	-	124,250	-	-
Provision for expected goods returns	-	50,000	-	-
Rental of				
- equipment	6,000	6,635	-	-
- premises	797,573	681,240	-	-
Staff costs				
- directors of the Company				
- remuneration other than fees	432,432	721,280	432,432	558,880
- fees	239,580	86,880	239,580	86,880
- directors of a subsidiary	166,410	-	-	-
- other staff costs	3,170,284	2,896,890	5,277	-
	4,008,706	3,705,050	677,289	645,760
And crediting:				
Dividend income from				
- subsidiaries (unquoted)	-	-	-	48,950,000
- financial assets at fair value through profit or loss (quoted)	840	-	-	-
Fair value gain on financial assets at fair value through profit or loss	138,005	56,134	133,276	37,000
Gain on disposal of				
- a subsidiary	1,658,154	-	1,479,548	-
- available-for-sale financial assets	663,452	-	663,452	-
- investment properties	1,436,847	-	1,436,847	-

Notes to the Financial Statements

for the Year Ended 30 June 2015

5. Profit/(Loss) before tax (continued)

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
- plant and equipment	109,074	380,000	-	-
- financial assets at fair value through profit or loss (quoted)	60,375	-	60,375	-
Gain on foreign exchange				
- realised	2,086,960	116,126	-	-
- unrealised	337,248	-	-	-
Income distributed from financial assets at fair value through profit or loss	711,485	364,828	237,088	-
Interest income from				
- bank account	82,220	34,959	50,591	-
- fixed deposits	41,022	-	20,808	-
Rental income from land and building	22,618	461,430	22,618	30,158

Staff costs comprise:

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Defined contribution plan	488,798	216,603	50,770	62,760
Salaries, bonus, allowances and overtime	3,482,545	3,457,871	626,440	583,000
Other employee related expenses	37,363	30,576	79	-
	4,008,706	3,705,050	677,289	645,760

The key management personnel of the Company whose remuneration is analysed as follows:

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Executive directors:				
- remuneration other than fees	432,432	721,280	432,432	558,880
Non executive directors:				
- fees	239,580	86,880	239,580	86,880
Total directors' remuneration	672,012	808,160	672,012	645,760
Estimated money value of benefits in kind				
- Executive directors	6,250	42,665	6,250	9,900
Total directors' remuneration including benefits in kind	678,262	850,825	678,262	655,660

Notes to the Financial Statements

for the Year Ended 30 June 2015

5. Profit/(Loss) before tax (continued)

The number of directors of the Company where total remuneration during the reporting period falls within the following bands is analysed as follows:

	Group	
	2015	2014
Executive directors:		
Below RM50,000	2	1
RM150,001 – RM200,000	1	-
RM200,001 – RM250,000	1	1
RM300,001 – RM350,000	-	1
	<hr/>	<hr/>
Non executive directors:		
Below RM50,000	3	4
RM100,001 – RM150,000	1	1
	<hr/>	<hr/>

6. Income tax expense

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Estimated Malaysia income tax payable				
- current year	-	(1,688,000)	-	(66,000)
- over/(under) provision in prior years	132,597	2,868,415	-	(689)
	132,597	1,180,415	-	(66,689)
Foreign income tax				
- current year	-	(25,749)	-	-
Deferred tax (Note 23)				
- current year	78,926	348,263	-	-
- over provision in prior years	12,000	82,600	-	-
	90,926	430,863	-	-
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	223,523	1,585,529	-	(66,689)
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Notes to the Financial Statements

for the Year Ended 30 June 2015

6. Income tax expense (continued)

A reconciliation of income tax expense applicable to profit/(loss) before tax at the statutory income tax rate to income tax expense at the effective income tax rate is as follows:

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Profit/(Loss) before tax	2,563,341	8,578,995	(162,076)	46,746,009
Taxation at statutory tax rate of 25% (2014: 25%)	(640,800)	(2,144,700)	40,500	(11,686,500)
Different tax rates in foreign jurisdiction	-	4,240	-	-
Effect on opening deferred tax on reduction in tax rate	49,000	-	-	-
Expenses not deductible for tax purposes	(396,924)	(129,770)	(935,500)	(626,300)
Income not subject to tax	1,059,450	105,500	895,000	12,246,800
Tax effect of double deduction	1,800	-	-	-
Tax incentive on increase in export	-	890,744	-	-
Utilisation of previously unrecognised deferred tax	6,400	-	-	-
Deferred tax assets not recognised	-	(91,500)	-	-
Over/(Under) provision in prior years				
- income tax	132,597	2,868,415	-	(689)
- deferred tax	12,000	82,600	-	-
Income tax expense	223,523	1,585,529	-	(66,689)

The income tax rate is proposed to be reduced to 24% from the current year's tax rate of 25%, effective year of assessment 2016.

7. Earnings per share

Basic

Basic earnings per ordinary share is calculated based on the net profit attributable to owners of the Company and the weighted average number of ordinary shares in issue as follows:

	Group	
	2015 RM	2014 RM
Net profit attributable to owners of the Company	2,786,684	10,164,524
Weighted average number of ordinary shares in issue (net of treasury shares held)	319,154,132	320,000,000
Basic earnings per ordinary share (sen)	0.87	3.18

Comparative figures for the weighted average number of ordinary shares for basic earnings per share have been restated to reflect the adjustments arising from the bonus issue and share split exercise during the reporting period.

Diluted

Diluted earnings per share is not presented in the financial statements since there are no dilutive potential ordinary shares as at 30 June 2015 and 2014.

8. Property, Plant and equipment

Group	Leasehold land and building RM	Factory equipment, plant and machinery RM	Renovation RM	Office equipment, furniture and fittings RM	Computers RM	Motor vehicles RM	Total RM
Cost/Deemed cost							
At 1 July 2013	-	25,452,111	100,944	721,416	915,074	1,144,284	28,333,829
Additions	-	111,500	-	25,400	36,202	-	173,102
Disposals	-	(780,000)	-	-	-	-	(780,000)
At 30 June 2014	-	24,783,611	100,944	746,816	951,276	1,144,284	27,726,931
Additions	16,133,850	2,208,800	148,339	195,136	36,139	892,965	19,615,229
Disposals	-	(1,155,905)	-	-	-	(51,568)	(1,207,473)
At 30 June 2015	16,133,850	25,836,506	249,283	941,952	987,415	1,985,681	46,134,687
Accumulated depreciation							
At 1 July 2013	-	15,237,656	99,481	696,836	821,897	923,750	17,779,620
Charge for the year	-	1,369,346	1,460	7,485	41,326	73,196	1,492,813
Disposals	-	(780,000)	-	-	-	-	(780,000)
At 30 June 2014	-	15,827,002	100,941	704,321	863,223	996,946	18,492,433
Charge for the year	66,777	1,211,017	14,447	18,331	46,714	124,470	1,481,756
Disposals	-	(552,579)	-	-	-	(51,568)	(604,147)
At 30 June 2015	66,777	16,485,440	115,388	722,652	909,937	1,069,848	19,370,042
Net book value							
At 30 June 2015	16,067,073	9,351,066	133,895	219,300	77,478	915,833	26,764,645
At 30 June 2014	-	8,956,609	3	42,495	88,053	147,338	9,234,498

Notes to the Financial Statements

for the Year Ended 30 June 2015

8. Property, Plant and equipment (continued)

Company	Computer RM	Motor vehicles RM	Total RM
Cost			
At 1 July 2013 and 1 July 2014	3,199	129,704	132,903
Additions	-	584,327	584,327
As 30 June 2015	3,199	714,031	717,230
Accumulated depreciation			
At 1 July 2013	1,760	123,218	124,978
Charge for the year	640	6,485	7,125
At 30 June 2014	2,400	129,703	132,103
Charge for the year	640	48,694	49,334
At 30 June 2015	3,040	178,397	181,437
Net book value			
At 30 June 2015	159	535,634	535,793
At 30 June 2014	799	1	800

At the reporting date:

- (a) Property, plant and equipment of the Group have been charged as collaterals to secure the term loan referred to in Note 22 are as follows:

	Group	
	2015 RM	2014 RM
<u>At carrying amount</u>		
Leasehold land	11,018,283	-
Leasehold building	5,048,790	-
	16,067,073	-

- (b) During the reporting period, cash payments made to purchase property, plant and equipment are as follows:

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Total additions	19,615,229	173,102	584,327	-
Additions through term loan	(8,000,000)	-	-	-
Deposit paid in previous year	(1,400,000)	-	-	-
	10,215,229	173,102	584,327	-
Payments made for previous year acquisition	-	435,000	-	-
Cash payments	10,215,229	608,102	584,327	-

Notes to the Financial Statements

for the Year Ended 30 June 2015

9. Intangible asset

	Group License RM
Cost	
At 1 July 2014	-
Addition	500,000
At 30 June 2015	<u>500,000</u>

On 10 November 2014, the Group had entered into a Master License Agreement with Green Patent Technologies Sdn Bhd (“GPTSB”), a company which is 65% owned by Dato’ Lim Thiam Huat, a major shareholder and a director of the Company for the grant of a master licence at purchase consideration of RM500,000 to use the inventions and designs owned by GPTSB as licensor upon the terms and conditions contained in the agreement. The licence is granted for an initial period of fifteen (15) years commencing the date when the intended factory or plant for manufacturing of pulps and papers is constructed and commissioned by the Company.

10. Investment in subsidiaries

	Company	
	2015 RM	2014 RM
Unquoted shares at cost		
At beginning of year	38,507,559	40,959,659
Additional subscription of shares in subsidiaries	21,400,000	-
Acquisition of subsidiaries	3	-
Transfer to non current assets held for sale (Note 18)	-	(2,452,100)
At end of year	<u>59,907,562</u>	<u>38,507,559</u>
Accumulated impairment losses		
At beginning of year	10,784,335	8,584,335
Addition	2,719,000	2,200,000
At end of year	<u>13,503,335</u>	<u>10,784,335</u>
Carrying amount	<u>46,404,227</u>	<u>27,723,224</u>

Notes to the Financial Statements

for the Year Ended 30 June 2015

10. Investment in subsidiaries (continued)

The details of the subsidiaries are as follows:

	Country of incorporation	Group's effective interest		Principal activities
		2015 %	2014 %	
Subsidiaries of the Company				
BHS Book Printing Sdn Bhd	Malaysia	100	100	Printing of books and magazines
Pustaka Sistem Pelajaran Sdn Bhd	Malaysia	100	100	Book publisher
System Multimedia and Internet Sdn Bhd	Malaysia	100	-	Dormant
BHS DS Solution Sdn Bhd (formerly known as Star CTP Imaging Sdn Bhd)	Malaysia	100	100	Dormant
Nextgreen Pulp & Paper Sdn Bhd	Malaysia	100	-	Dormant
BHS Resources Pte Ltd	Singapore	-	100	Property investment
Subsidiaries of Pustaka Sistem Pelajaran Sdn Bhd				
Pustaka Yakin Pelajar Sdn Bhd	Malaysia	100	100	Dormant
System Multimedia and Internet Sdn Bhd	Malaysia	-	100	Dormant
System Publishing House Sdn Bhd	Malaysia	-	100	Dormant
Subsidiary of System Multimedia and Internet Sdn Bhd				
System Publishing House Sdn Bhd	Malaysia	100	-	Dormant

Acquisition of subsidiaries

During the reporting period:

- the Company further subscribed for additional 21,050,000 new ordinary shares of RM1.00 each in the share capital of BHS Book Printing Sdn Bhd for a total consideration of RM21,050,000 by way of capitalisation of the amount due from the subsidiary.

Notes to the Financial Statements

for the Year Ended 30 June 2015

10. Investment in subsidiaries (continued)

Acquisition of subsidiaries (continued)

- (b) the Company further subscribed for additional 350,000 new ordinary shares of RM1 each in the share capital of BHS DS Solution Sdn Bhd (formerly known as Star CTP Imaging Sdn Bhd) for a total cash consideration of RM350,000;
- (c) the Company incorporated a wholly-owned subsidiary namely Nextgreen Pulp & Paper Sdn Bhd (“NPP”). The Company has subscribed for 2 ordinary shares of RM1 each representing 100% of the issued and paid up share capital of NPP; and
- (d) the Company acquired 932,000 ordinary shares of RM1 each representing 100% of the issued and paid up share capital of System Multimedia and Internet Sdn Bhd, for a total cash consideration of RM1.

Impairment of investment in subsidiaries

During the reporting period, the directors performed an impairment test for the investment in Pustaka Sistem Pelajaran Sdn Bhd (“PSP”) which had been making losses. An impairment loss of RM2,719,000 (2014: RM2,200,000) was recognised to write down the investment in PSP to its recoverable amount of RM7,830,000 (2014: RM10,549,000). The recoverable amount of the investment in PSP has been determined based on its fair value less costs of disposal. The fair value of the investment in PSP is determined by reference to the net assets of PSP.

11. Other Investments

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
At initial measurement				
Equity shares quoted in Malaysia designated as at fair value through profit or loss				
At beginning of year	61,689	61,689	49,000	49,000
Additions	1,022,181	-	1,022,181	-
Disposals	(60,581)	-	(60,581)	-
At end of year	1,023,289	61,689	1,010,600	49,000
Quoted funds in Malaysia designated as available-for-sale financial assets				
At beginning of year	1,750,000	1,750,000	1,750,000	1,750,000
Disposals	(1,750,000)	-	(1,750,000)	-
At end of year	-	1,750,000	-	1,750,000
	1,023,289	1,811,689	1,010,600	1,799,000
Accumulated impairment losses				
At beginning of year	(397,274)	(397,274)	(397,274)	(397,274)
Disposals	397,274	-	397,274	-
At end of year	-	(397,274)	-	(397,274)

Notes to the Financial Statements

for the Year Ended 30 June 2015

11. Other Investments (continued)

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Fair value adjustments				
At beginning of year	331,887	61,245	331,887	61,245
Changes for the year				
- recognised in				
- profit or loss	118,890	37,000	118,890	37,000
- other comprehensive income	368,565	233,642	368,565	233,642
- reclassified to profit or loss arising from disposals	(663,452)	-	(663,452)	-
	(175,997)	270,642	(175,997)	270,642
At end of year	155,890	331,887	155,890	331,887
Carrying amount				
Equity shares quoted in Malaysia designated as at fair value through profit or loss	1,179,179	98,689	1,166,490	86,000
Quoted funds in Malaysia designated as available-for-sale financial assets	-	1,647,613	-	1,647,613
	1,179,179	1,746,302	1,166,490	1,733,613

Quoted fund investments relate to portfolio of equity fund investments placed with licensed fund management companies. These funds aim to achieve capital growth over medium to long term period by investing in the domestic and regional markets.

12. Inventories

	Group	
	2015 RM	2014 RM
Raw materials	12,304,903	11,206,980
Work in progress	-	560,490
Trading merchandise	-	2,667
Finished goods		
- on hand	-	202,830
- in transit	-	3,063,214
	-	3,266,044
	12,304,903	15,036,181

During the reporting period, the amount of inventories recognised as an expense in cost of sales of the Group was RM30,762,149 (2014: RM48,484,862).

Notes to the Financial Statements

for the Year Ended 30 June 2015

13. Trade receivables

	Group	
	2015	2014
	RM	RM
Trade receivables	16,263,143	21,458,073
Less: Allowance for doubtful debts	(2,499,434)	(3,041,308)
	13,763,709	18,416,765

The Group's normal trade credit terms range from 30 to 120 days (2014: 30 to 120 days).

The following table provides information on the trade receivables' credit risk exposure.

	Group	
	2015	2014
	RM	RM
Not impaired or past due	2,072,883	7,525,931
1 - 30 days past due not impaired	3,335,818	5,451,294
31 - 60 days past due not impaired	2,490,558	1,912,636
61 - 90 days past due not impaired	1,832,804	1,341,420
91 to 120 days past due not impaired	775,545	-
More than 120 days past due not impaired	3,256,101	2,185,484
	13,763,709	18,416,765
Impaired	2,499,434	3,041,308
	16,263,143	21,458,073

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group.

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

The movements in the allowances account for trade receivables that are individually impaired at reporting date is as follows:

	Group	
	2015	2014
	RM	RM
At beginning of year	3,041,308	1,440,768
Allowance for the year	410,380	1,600,540
Write offs	(952,254)	-
At end of year	2,499,434	3,041,308

The allowance for doubtful debts amount is included in the "Other operating expenses" line item in the statement of comprehensive income.

Notes to the Financial Statements

for the Year Ended 30 June 2015

14. Other receivables, deposits and prepayments

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Advance payments to a supplier	160,000	-	-	-
Amount due from subsidiaries	-	-	6,595,082	701,806
Sundry deposits	102,806	18,377	500	500
Dividend receivable from subsidiaries	-	-	27,900,000	48,950,000
Other receivables	29,213	119,080	18,555	119,080
Goods and services tax recoverable	987,900	-	-	-
Prepayments	89,747	-	-	-
Deposits paid for purchase of plant and equipment	6,161,020	1,400,000	-	-
	<u>7,530,686</u>	<u>1,537,457</u>	<u>34,514,137</u>	<u>49,771,386</u>

The amount due from subsidiaries represents unsecured interest free advances receivable on demand.

15. Short term investments

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Designated as at fair value through profit or loss				
Quoted funds in Malaysia at fair value upon initial recognition				
At beginning of year	13,721,603	18,356,775	-	-
Additions	10,711,485	364,828	10,237,088	-
Disposals	(2,000,000)	(5,000,000)	(2,000,000)	-
At end of year	<u>22,433,088</u>	<u>13,721,603</u>	<u>8,237,088</u>	<u>-</u>
Fair value adjustments:				
At beginning of year	60,955	349,757	-	-
Changes recognised in profit or loss	19,115	19,134	14,386	-
Disposals	-	(307,936)	-	-
At end of year	<u>80,070</u>	<u>60,955</u>	<u>14,386</u>	<u>-</u>
Carrying amount	<u>22,513,158</u>	<u>13,782,558</u>	<u>8,251,474</u>	<u>-</u>

Short term investments relate to portfolio of money market fund investments placed with licensed banks/fund management companies. These funds aim to provide a regular stream of monthly income through direct investment portfolio investing in short term money market instruments and other fixed income instruments.

Notes to the Financial Statements

for the Year Ended 30 June 2015

16. Fixed deposits with licensed banks

	Group		Company	
	2015 %	2014 %	2015 %	2014 %
Weighted average effective annual interest rate	1.76	-	3.98	-
	2015 Days	2014 Days	2015 Days	2014 Days
Weighted average maturity	53	-	120	-

Fixed deposit of the Group of RM35,000 (2014: RM Nil) has been pledged with a licensed bank to secure a bank guarantee in favour of the Ministry of Education.

17. Cash and bank balances

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Cash in hand	2	-	-	-
Cash at banks				
- interest bearing	3,216,481	5,300,618	114,713	-
- non interest bearing	6,053,617	5,824,321	2,081,615	839,674
	9,270,100	11,124,939	2,196,328	839,674

The average effective annual interest rate for interest bearing bank balance is as follows:

	Group		Company	
	2015 %	2014 %	2015 %	2014 %
Current account at bank	1.27	0.86	2.10	-

18. Non current assets (or disposal group) classified as held for sale

On 2 April 2014, the Company had entered into:

- (i) a conditional master Sales and Purchase Agreement with Harta Sistem Sdn Bhd for the proposed disposal of seven (7) parcels of land comprising six (6) parcels of freehold agricultural land held under Lot 1081 GM 1489, Lot 1082 GM 1488, Lot 1083 GM 1499, Lot 1085 GM1504, Lot 462 GM 436 and Lot 463 GM 1479 and one (1) parcel of freehold vacant land held under Lot 99 GRN 379407, all located in mukim and district of Kota Tinggi and state of Johor to Harta Sistem Sdn Bhd for a total cash consideration of RM5,954,000; and
- (ii) a conditional Share Sale Agreement with Mr Heng Boon Seng and Ms Liew Sai Ying for proposed disposal of the entire equity interests in BHS Resources Pte Ltd, a wholly-owned subsidiary of BHS Industries Berhad to Mr Heng Boon Seng and Ms Liew Sai Ying for a total cash consideration of SGD1,516,079 (equivalent to RM3,931,648).

This disposals were completed in July 2014.

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18. Non current assets (or disposal group) classified as held for sale (continued)

The major classes of assets and liabilities classified as disposal group and assets held for sale are as follows:

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
<u>Assets classified as held for sale</u>				
Investment in a subsidiary	-	-	-	2,452,100
Investment properties	-	6,794,307	-	4,447,589
Fixed deposit with a licensed bank	-	257,000	-	-
Bank balances	-	788,399	-	-
	-	7,839,706	-	6,899,689

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
<u>Liabilities classified as held for sale</u>				
Other payables and accruals	-	109,051	-	-
Term loan	-	897,742	-	-
	-	1,006,793	-	-

The effects of the disposal of a subsidiary on the Group's statement of financial position are as follows:

	Group	
	At date of disposal	
	2015 RM	2014 RM
Assets classified as held for sale	3,392,117	-
Liabilities classified as held for sale	(1,006,793)	-
Foreign currency translation reserves reclassified to profit or loss arising from disposal	(111,830)	-
Net assets of disposed of	2,273,494	-
Gain on disposal of a subsidiary	1,658,154	-
Total proceeds received	3,931,648	-
Less : Cash and cash equivalents disposed of	(1,045,399)	-
Disposal deposit received in previous year	(393,165)	-
Net cash inflow on disposal of a subsidiary	2,493,084	-

19. Trade payables

The normal trade credit terms granted to the Group range from 30 to 120 days (2014: 30 to 120 days).

Notes to the Financial Statements

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20. Other payables and accruals

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Amount due to subsidiaries	-	-	360,000	390,000
Advance payments received from a customer	407,374	-	-	-
Advance payments received for:				
- proposed disposal of investment properties	-	595,400	-	595,400
- proposed disposal of a subsidiary	-	393,165	-	393,165
Provision for expected goods returns	50,000	50,000	-	-
Overpayments from customers	169,649	258,473	-	-
Bonus payable to directors	-	53,550	-	-
Accruals				
- sales commission	309,847	283,189	-	-
- others	183,637	600,958	48,631	65,885
Sales commission payable	-	208,772	-	-
Rental related expenses payable	666,305	-	-	-
Amount payable for repurchase of shares	1,300,591	-	1,300,591	-
Other payables	924,346	201,685	20,172	-
	<u>4,011,749</u>	<u>2,645,192</u>	<u>1,729,394</u>	<u>1,444,450</u>

The amount due to subsidiaries represents unsecured interest free advances repayable on demand.

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

	Group	
	2015 RM	2014 RM
At beginning of year	50,000	80,000
Provision made during the year	-	50,000
Utilised during the year	-	(80,000)
At end of year	<u>50,000</u>	<u>50,000</u>

21. Short term borrowing

	Group	
	2015 RM	2014 RM
Term loan – current portion (Note 22)	623,136	-
	2015 %	2014 %
Bank overdraft	-	10.35
Foreign currency trade loan	-	2.57
Banker acceptances	-	3.56
Term loans	4.65	2.68

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22. Term loan

	Group 2015 RM	2014 RM
Amount outstanding	7,992,952	-
Less: Portion due within one year (Note 21)	(623,136)	-
Non current portion	<u>7,369,816</u>	<u>-</u>
The non current portion of the term loan is payable as follows:		
Later than 1 year and not later than 2 years	663,181	-
Later than 2 years and not later than 5 years	2,229,810	-
Later than 5 years	4,476,825	-
	<u>7,369,816</u>	<u>-</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 8; and
- (ii) Corporate guarantee given by the Company.

23. Deferred tax liabilities

	Group 2015 RM	2014 RM
At beginning of year	(1,259,926)	(1,690,789)
Recognised in profit or loss (Note 6)		
- current year	78,926	348,263
- over provision in prior years	12,000	82,600
At end of year	<u>(1,169,000)</u>	<u>(1,259,926)</u>

	Group 2015 RM	2014 RM
Presented after appropriate offsetting as follows:		
Deferred tax assets	751,500	811,200
Deferred tax liabilities	(1,920,500)	(2,071,126)
	<u>(1,169,000)</u>	<u>(1,259,926)</u>

Deferred tax liabilities of the Group are in respect of the following:

	Group 2015 RM	2014 RM
Tax effects of:		
Unrealised gain on foreign exchange	(81,000)	-
Excess of tax capital allowances over related depreciation of plant and equipment	(1,839,500)	(2,071,126)
	<u>(1,920,500)</u>	<u>(2,071,126)</u>

Notes to the Financial Statements

for the Year Ended 30 June 2015

23. Deferred tax liabilities (continued)

The analysis of unrecognised deductible temporary differences, unused tax losses and unused tax credits is as follows:

	Gross		Tax effects	
	2015 RM	2014 RM	2015 RM	2014 RM
Unabsorbed capital allowances	70,100	66,470	16,800	16,600
Unutilised business losses	3,790,900	3,100,090	909,800	775,000
Unrealised loss on foreign exchange	-	128,000	-	32,000
Allowance for doubtful debts	2,501,300	3,040,000	600,300	760,000
Provision	50,000	50,000	12,000	12,500
Sales commission payable	308,300	484,000	74,000	121,000
	6,720,600	6,868,560	1,612,900	1,717,100
Less: Amount recognised	(3,131,200)	(3,244,800)	(751,500)	(811,200)
Amount not recognised	3,589,400	3,623,760	861,400	905,900

Portion of the deferred tax assets have not been recognised for certain subsidiaries as it is not probable that taxable profit will be available in the foreseeable future to utilise these unused tax credits.

24. Share capital

	Par value RM	Group and Company		Par value RM	2014 No. of ordinary shares	2014 RM
		2015 No. of ordinary shares	2015 RM			
Authorised:						
At beginning of year	0.50	200,000,000	100,000,000	0.50	200,000,000	100,000,000
Share split	0.25	200,000,000	-	0.50	-	-
At end of year	0.25	400,000,000	100,000,000	0.50	200,000,000	100,000,000
Issued and fully paid:						
At beginning of year	0.50	80,000,000	40,000,000	0.50	80,000,000	40,000,000
Bonus issue of shares	0.50	80,000,000	40,000,000	0.50	-	-
Share split	0.25	160,000,000	-	0.50	-	-
At end of year	0.25	320,000,000	80,000,000	0.50	80,000,000	40,000,000

Notes to the Financial Statements

for the Year Ended 30 June 2015

25. Reserves

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Distributable :				
Retained profits	24,568,529	52,953,756	16,681,189	48,015,356
Non distributable:				
Share premium	-	1,684,192	-	1,684,192
Foreign currency translation reserve	-	111,830	-	-
Merger reserve	(16,832,846)	(16,832,846)	-	-
Fair value adjustment reserve	-	294,887	-	294,887
Treasury shares (Note 27)	(4,256,378)	(4,223,922)	(4,256,378)	(4,223,922)
	(21,089,224)	(18,965,859)	(4,256,378)	(2,244,843)
	<u>3,479,305</u>	<u>33,987,897</u>	<u>12,424,811</u>	<u>45,770,513</u>

The Company has tax exempt income account of approximately RM4,235,000 (2014: RM6,627,000) available for distribution as tax exempt dividend.

Share premium represents the excess of the consideration received over the nominal value of the shares issued by the Company.

The Group's foreign exchange translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

Merger reserve represents the difference between the nominal value of shares issued by the Company over the nominal value of shares acquired in exchange for those shares, accounted for using the merger method of accounting.

Fair value adjustment reserve represents the cumulative fair value changes, net of tax, of available-for-sale financial assets until they are disposed of or impaired.

26. Dividends

	Gross dividend per share		Amount of dividend net of tax	
	2014 Sen	2013 Sen	2015 RM	2014 RM
Final tax exempt dividend of 6% for the financial year ended				
- 30 June 2014	3.0	-	2,399,741	-
- 30 June 2013	-	3.0	-	2,163,000
	<u>3.0</u>	<u>3.0</u>	<u>2,399,741</u>	<u>2,163,000</u>

The Company also 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. The cost of treasury shares distributed amounted to RM1,818,484,

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for the Year Ended 30 June 2015

27. Treasury shares

	Group and Company			
	2015 No. of treasury shares	2014 No. of treasury shares	2015 RM	2014 RM
At beginning of year	7,900,000	7,900,000	(4,223,922)	(4,223,922)
Disposals	(4,499,374)	-	2,405,438	-
Distributed as share dividends	(3,400,626)	-	1,818,484	-
Shares repurchased	7,351,000	-	(4,256,378)	-
	(549,000)	-	(32,456)	-
At end of year	7,351,000	7,900,000	(4,256,378)	(4,223,922)

Treasury shares relate to ordinary shares of the Company that are held by the Company in accordance with Section 67A(3A)(b) of the Companies Act 1965 and are presented as a deduction from shareholders' equity.

Of the total 320,000,000 (2014: 80,000,000) issued and fully paid ordinary shares as at 30 June 2015, 7,315,000 (2014: 7,900,000) are held as treasury shares by the Company. As at 30 June 2015, the number of outstanding ordinary shares in issue after the setoff is therefore 312,649,000 (2014: 72,100,000) ordinary shares of RM0.25 (2014: RM0.50) each.

28. Related party disclosures

28.1 Related party transactions

Significant transactions with related parties are as follows:

	Type of transactions	Group		Company	
		2015 RM	2014 RM	2015 RM	2014 RM
With subsidiaries:					
- BHS Book Printing Sdn Bhd	Management fee income	-	-	625,116	1,200,194
	Printing expenses	-	-	10,560	-
- Pustaka Sistem Pelajaran Sdn Bhd	Management fee income	-	-	14,607	9,512
With companies in which certain directors have interests:					
- Green Patent Technologies Sdn Bhd	Acquisition of master license	500,000	-	-	-
- Rakan Bersatu Sdn Bhd	Rental expenses	109,501	644,580	-	-
- System Publishing House Pte Ltd	Sales	-	30,365	-	-

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for the Year Ended 30 June 2015

28. Related party disclosures (continued)

28.2 Related party balances

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

	Type of transactions	Company 2015 RM	2014 RM
Financial assets			
With subsidiaries:			
- BHS Book Printing Sdn Bhd	Advances	906,326	701,456
- Pustaka Sistem Pelajaran Sdn Bhd	Advances	15,068	350
- System Publishing House Sdn Bhd	Advances	500,000	-
- Nextgreen Pulp & Paper Sdn Bhd	Advances	5,173,688	-
Financial liabilities			
With a subsidiary:			
- Pustaka Yakin Pelajar Sdn Bhd	Advances	360,000	390,000

28.3 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	
	2015 RM	2014 RM	2015 RM	2014 RM
Salary and other emoluments	534,100	728,000	386,100	583,000
Defined contribution plan	64,742	80,160	46,332	62,760
Benefits in kind	-	42,665	-	9,900
	599,842	850,825	432,432	655,660

29. Contingent liability

The Company has issued corporate guarantees amounting to RM8,000,000 (2014: RM Nil) to a bank for term loan of a subsidiary. The term loan of the subsidiary amounted to RM7,992,952 (2014: RM Nil) at the 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 were provided is in favourable equity position, with no default in the payment of borrowing and credit facilities.

Notes to the Financial Statements

for the Year Ended 30 June 2015

30. Capital commitments

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

	2015 RM	Group 2014 RM
Authorised and contracted for	12,638,180	600,000
Analysed as follows:		
Plant and equipment	12,638,180	600,000

31. Segment information

31.1 Business segment

The Group comprises three main business segments, namely printing, publishing and investment property. Other operations of the Group mainly comprise binding services and educational electronic products using information and communication technology, neither of which constitutes a separately reportable segment.

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

2015	Printing RM	Publishing RM	Investment property RM	Others RM	Eliminations RM	Consolidated RM
Revenue						
External sales	30,905,617	730,807	-	22,618	-	31,659,042
Inter-segment sales	364,060	-	-	639,723	(1,003,783)	-
	<u>31,269,677</u>	<u>730,807</u>	<u>-</u>	<u>662,341</u>	<u>(1,003,783)</u>	<u>31,659,042</u>
Results						
Segment results	15,835	330,654	-	(546,574)	2,721,677	2,521,592
Interest income	51,526	317	-	71,399	-	123,242
Profit/(Loss) from operations	67,361	330,971	-	(475,175)	2,721,677	2,644,834
Finance costs	(81,493)	-	-	-	-	(81,493)
(Loss)/Profit before tax	(14,132)	330,971	-	(475,175)	2,721,677	2,563,341
Income tax expense	223,523	-	-	-	-	223,523
Net profit/(loss) for the year	<u>209,391</u>	<u>330,971</u>	<u>-</u>	<u>(475,175)</u>	<u>2,721,677</u>	<u>2,786,864</u>
Assets						
Segment assets	<u>69,002,935</u>	<u>11,374,039</u>	<u>-</u>	<u>100,413,138</u>	<u>(81,723,036)</u>	<u>99,067,076</u>
Liabilities						
Segment liabilities	<u>39,485,889</u>	<u>3,543,887</u>	<u>-</u>	<u>7,432,607</u>	<u>(34,874,612)</u>	<u>15,587,771</u>

31. Segment information (continued)

31.1 Business segment (continued)

2015	Printing RM	Publishing RM	Investment property RM	Others RM	Eliminations RM	Consolidated RM
Other information						
Capital expenditure on plant and equipment	19,023,034	3,960	-	588,235	-	19,615,229
Depreciation	1,429,368	2,982	-	49,406	-	1,481,756
Non-cash items other than depreciation and amortisation						
Allowance for doubtful debts	380,015	30,365	-	-	-	410,380
Fair value gain on financial assets at fair value through profit or loss	-	(4,729)	-	(133,276)	-	(138,005)
Gain on foreign exchange - unrealised	(337,248)	-	-	-	-	(337,248)
	42,767	25,636	-	(133,276)	-	(64,873)
2014						
Revenue						
External sales	64,868,929	431,272	237,109	30,158	-	65,567,468
Inter-segment sales	150,330	-	-	50,159,456	(50,309,786)	-
	65,019,259	431,272	237,109	50,189,614	(50,309,786)	65,567,468
Results						
Segment results	8,645,668	(107,945)	81,960	3,545,111	(3,577,541)	8,587,253
Interest income	34,420	539	-	-	-	34,959
Profit/(Loss) from operations	8,680,088	(107,406)	81,960	3,545,111	(3,577,541)	8,622,212
Finance costs	(13,339)	-	(29,878)	-	-	(43,217)
Profit/(Loss) before tax	8,666,749	(107,406)	52,082	3,545,111	(3,577,541)	8,578,995
Income tax expense	1,680,972	-	(25,750)	(69,693)	-	1,585,529
Net profit/(loss) for the year	10,347,721	(107,406)	26,332	3,475,418	(3,577,541)	10,164,524

31. Segment information (continued)

31.1 Business segment (continued)

2014	Printing RM	Publishing RM	Investment property RM	Others RM	Eliminations RM	Consolidated RM
Assets						
Segment assets	58,172,489	10,868,437	3,392,117	42,926,239	(35,930,153)	79,429,129
Liabilities						
Segment liabilities	7,914,613	369,256	1,006,793	1,460,980	(5,310,410)	5,441,232
Other information						
Capital expenditure on plant and equipment	171,962	1,140	-	-	-	173,102
Depreciation	1,480,300	5,388	99,700	7,125	-	1,592,513
Non-cash items other than depreciation and amortisation						
Allowance for doubtful debts	1,540,540	60,000	-	-	-	1,600,540
Provision for expected goods returns	-	50,000	-	-	-	50,000
Inventories written off	-	73,442	-	-	-	73,442
Loss on foreign exchange - unrealised	124,250	-	-	-	-	124,250
Fair value gain on financial assets at fair value through profit or loss	(17,651)	(1,483)	-	(37,000)	-	(56,134)
	1,647,139	181,959	-	(37,000)	-	1,792,098

Notes to the Financial Statements

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31. Segment information (continued)

31.2 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	
	2015 RM	2014 RM	2015 RM	2014 RM
Malaysia	14,489,370	21,019,541	28,443,824	10,980,800
Singapore	24,000	237,109	-	-
Nigeria	13,383,383	39,451,572	-	-
Kenya	1,353,269	2,207,847	-	-
Tanzania	54,567	2,651,399	-	-
United Kingdom	14,400	-	-	-
Republic of Mozambique	1,973,797	-	-	-
Republic of Sierra Leone	366,256	-	-	-
	<u>31,659,042</u>	<u>65,567,468</u>	<u>28,443,824</u>	<u>10,980,800</u>

31.3 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:

	2015 RM	2014 RM
Customer A	5,155,684	16,268,983
Customer B	4,942,720	18,524,159
	<u>10,098,404</u>	<u>34,793,142</u>

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32. Financial instruments and financial risks

32.1 Categories of financial instruments

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

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Financial assets				
Loans and receivables:				
- trade and other receivables excluding prepayments	19,056,748	18,554,222	6,614,137	821,386
- fixed deposits with licensed banks	3,275,700	257,000	1,000,000	-
- bank balances	9,270,100	11,913,338	2,196,328	839,674
	31,602,548	30,724,560	9,810,465	1,661,060
Available-for-sale financial assets:				
- other investments	-	1,647,613	-	1,647,613
Financial assets at fair value through profit or loss:				
- other investments	1,179,179	98,689	1,166,490	86,000
- short term investments	22,513,158	13,782,558	8,251,474	-
	23,692,337	13,881,247	9,417,964	86,000
	55,294,885	46,253,420	19,228,429	3,394,673
Financial liabilities				
Amortised cost:				
- term loan (floating rate)	7,369,816	897,742	-	-
- short term borrowing (floating rate)	623,136	-	-	-
- trade and other payables	5,804,101	2,244,999	1,729,394	455,885
	13,797,053	3,142,741	1,729,394	455,885

32.2 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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for the Year Ended 30 June 2015

32. Financial instruments and financial risks (continued)

32.2 Financial risk management objectives and policies (continued)

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 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. This represents the Group's maximum exposure to credit risk.

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

	Group	
	2015	2014
	RM	RM
Short term investments with one (2014: one) investment funds	14,672,944	9,031,234
	Company	
	2015	2014
	RM	RM
Short term investments with two (2014: Nil) investment funds	8,251,474	-

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 RM8,000,000 (2014: RM Nil) representing the outstanding banking facilities of the subsidiary as at reporting date.

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.

The Group's primary interest rate risk relates to interest bearing debts and investment in quoted funds classified as held for trading financial assets and available-for-sale 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.

Notes to the Financial Statements

for the Year Ended 30 June 2015

32. Financial instruments and financial risks (continued)

32.2 Financial risk management objectives and policies (continued)

Interest rate risk management (continued)

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 profit/(loss) before tax would increase/decrease by the amount shown below:

	Group	
	50 basis point higher RM	50 basis point lower RM
2015 - Increase/(Decrease) in profit	89,000	(89,000)
2014 - Increase/(Decrease) in profit	92,000	(92,000)
	<hr/> <hr/>	<hr/> <hr/>
	Company	
	50 basis point higher RM	50 basis point lower RM
2015 - Decrease/(Increase) in loss	46,000	(46,000)
2014 - Increase/(Decrease) in profit	-	-
	<hr/> <hr/>	<hr/> <hr/>

32. Financial instruments and financial risks (continued)

32.2 Financial risk management objectives and policies (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. In addition, the Group has available banking facilities to meet its liquidity and working capital requirements.

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
2015						
Non interest bearing debts	5,804,101	5,804,101	5,804,101	-	-	-
Interest bearing debts	7,992,952	9,935,429	1,001,892	1,001,892	3,005,676	4,925,969
	<u>13,797,053</u>	<u>15,739,530</u>	<u>6,805,993</u>	<u>1,001,892</u>	<u>3,005,676</u>	<u>4,925,969</u>
2014						
Non interest bearing debts	2,244,999	2,244,999	2,244,999	-	-	-
Interest bearing debts	897,742	897,742	897,742	-	-	-
	<u>3,142,741</u>	<u>3,142,741</u>	<u>3,142,741</u>	<u>-</u>	<u>-</u>	<u>-</u>
Company						
2015						
Non interest bearing debts	<u>1,729,394</u>	<u>1,729,394</u>	<u>1,729,394</u>			
2014						
Non interest bearing debts	<u>455,885</u>	<u>455,885</u>	<u>455,885</u>			

Notes to the Financial Statements

for the Year Ended 30 June 2015

32. Financial instruments and financial risks (continued)

32.2 Financial risk management objectives and policies (continued)

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 RM	Chinese Renminbi RM	Net RM
2015			
Ringgit Malaysia	10,223,000	-	10,223,000

Functional currency of the Group	Net Financial Assets Held in Non-functional Currencies		
	United States Dollar RM	Chinese Renminbi RM	Net RM
2014			
Ringgit Malaysia	15,074,000	-	15,074,000
Singapore Dollar	-	257,000	257,000

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, profit before tax will increase by:

	Group	
	2015 RM	2014 RM
Chinese Remenbi	-	25,700
United States Dollar	1,022,300	1,507,400

Notes to the Financial Statements

for the Year Ended 30 June 2015

32. Financial instruments and financial risks (continued)

32.2 Financial risk management objectives and policies (continued)

Foreign exchange risk management (continued)

The opposite applies if the relevant foreign currencies weaken by 10% against the respective functional currencies 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 and available-for-sale 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 profit/(loss) before tax will increase/decrease by the amount shown below:

	Group	
	10% strengthened RM	10% weakened RM
2015 - Increase/(Decrease) in profit	2,369,000	(2,369,000)
2014 - Increase/(Decrease) in profit	1,553,000	(1,553,000)
	<hr/> <hr/>	<hr/> <hr/>
	Company	
	10% strengthened RM	10% weakened RM
2015 - Decrease/(Increase) in loss	942,000	(942,000)
2014 - Increase/(Decrease) in profit	173,000	(173,000)
	<hr/> <hr/>	<hr/> <hr/>

33. Fair value of assets and liabilities

33.1 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).

Notes to the Financial Statements

for the Year Ended 30 June 2015

33. Fair value of assets and liabilities (continued)

33.2 Assets measured at fair value

2015	Group			
	Fair value measurements at the end of the reporting period using			
Financial assets	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
Other investments				
- quoted equity shares	1,179,179	-	-	1,179,179
Short term investments				
- quoted funds	22,513,158	-	-	22,513,158
	<u>23,692,337</u>	<u>-</u>	<u>-</u>	<u>23,692,337</u>
2014	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
Other investments				
- quoted equity shares	98,689	-	-	98,689
- quoted funds	1,647,613	-	-	1,647,613
Short term investments				
- quoted funds	13,782,558	-	-	13,782,558
	<u>15,528,860</u>	<u>-</u>	<u>-</u>	<u>15,528,860</u>

2015	Company			
	Fair value measurements at the end of the reporting period using			
Financial assets	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
Other investments				
- quoted equity shares	1,166,490	-	-	1,166,490
- quoted funds	8,251,174	-	-	8,251,474
Investment in subsidiaries				
- impaired subsidiary carried at fair value				
less cost of disposal	-	-	7,830,000	7,830,000
	<u>9,417,664</u>	<u>-</u>	<u>7,830,000</u>	<u>17,247,964</u>
2014	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
Other investments				
- quoted equity shares	86,000	-	-	86,000
- quoted funds	1,647,613	-	-	1,647,613
Investment in subsidiaries				
- impaired subsidiary carried at fair value				
less cost of disposal	-	-	10,549,000	10,549,000
	<u>1,733,613</u>	<u>-</u>	<u>10,549,000</u>	<u>12,282,613</u>

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

Notes to the Financial Statements

for the Year Ended 30 June 2015

33. Fair value of assets and liabilities (continued)

33.3 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 respective 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.

34. 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 financial year ended 30 June 2015 and 30 June 2014.

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	
	2015 RM	2014 RM	2015 RM	2014 RM
Loans and borrowings	7,992,952	897,742	-	-
Less: cash and bank balances	(12,545,800)	(12,170,338)	(3,196,328)	(839,674)
Net cash	(4,552,848)	(11,272,596)	(3,196,928)	(839,674)
Total equity	83,479,305	73,987,897	92,424,811	85,770,513
Gearing ratio (%)	N/A	N/A	N/A	N/A

35. Significant events during the reporting period

Pursuant to the Company's announcements on 29 April 2015, the Company has proposed to undertake the following:

- (i) proposed diversification of the existing core businesses of the Company and its subsidiaries ("BHS Group") to include the utilisation and sub-licensing of paper pulp making technology, manufacturing of renewable paper pulp products generated from empty palm fruit bunches using the Pre-conditioning Refiner Chemical Recycled Bleached Mechanised Pulp Technology, and other related activities;

Notes to the Financial Statements

for the Year Ended 30 June 2015

- (ii) proposed renounceable rights issue of up to 106,666,666 new ordinary shares of RM0.25 each in the Company (“BHS Share(s)”)(“Rights Share(s)”) on the basis of one (1) Rights Share for every three (3) existing BHS Shares held, together with up to 213,333,332 free detachable warrants (“Warrant(s)”) on the basis of two (2) Warrants for every one (1) Rights Share subscribed (“Proposed Rights Issue with Warrants”);
- (iii) proposed establishment of an Employees’ Share Option Scheme (“ESOS”) of up to ten percent (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 to be implemented after the completion of the Proposed Rights Issue with Warrants;
- (iv) proposed allocation of ESOS options to the executive directors and non-executive directors of the Company; and
- (v) proposed increase in the authorised share capital of the Company from RM100,000,000 comprising 400,000,000 BHS Shares to RM250,000,000 comprising 1,000,000,000 BHS Shares.

(Collectively referred to as the “Proposals”)

The Proposals have been approved by the shareholders at the Extraordinary General Meeting of the Company held on 14 August 2015.

The Abridged Prospectus for the Proposed Rights Issue with Warrants has been approved by the Securities Commission of Malaysia and issued to the Company’s shareholders on 9 September 2015.

106,666,666 Rights Shares together with 213,333,332 Warrants was allotted on 7 October 2015 and duly listed and quoted on the Main Market of Bursa Malaysia Securities Berhad on 22 October 2015.

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

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	
	2015 RM	2014 RM
Total retained profits of the Company and its subsidiaries		
- Realised	25,551,569	60,583,326
- Unrealised	(983,040)	(1,537,045)
	24,568,529	59,046,281
Less: Consolidation adjustments	-	(6,092,525)
Retained profits as per financial statements	24,568,529	52,953,756
	Company	
	2015 RM	2014 RM
Total retained profits of the Company		
- Realised	16,510,913	48,015,356
- Unrealised	170,276	-
	16,681,189	48,015,356
Less: Consolidation adjustments	-	-
Retained profits as per financial statements	16,681,189	48,015,356

List of Group's Properties

Location / address					
H.S.(M) : 13154 Lot PT 23675 in the Mukim of Ceras, of Hulu Langat, Selangor.					
Description/ Existing use	Approximate age of building	Land area	Leasehold expiry date	Net book value as at 30.6.2015 (RM)	Date of acquisition
Factory	15 years	7,356 square metres	30.12.2098	16,067,073	31.12.2014

Analysis of Shareholdings

as at 9 November 2015

Authorised Share Capital	: RM250,000,000.00
Issued and Paid-up Share Capital	: RM104,786,299.75
Class of shares	: Ordinary Shares of RM0.25 each
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	75	4.01	3,222	0.00
100 to 1,000	230	12.29	101,079	0.03
1,001 to 10,000	488	26.07	3,174,490	0.81
10,001 to 100,000	821	43.86	30,269,685	7.72
100,001 – 19,611,728 (*)	253	13.51	202,517,536	51.63
19,611,729 and above (**)	5	0.26	156,168,587	39.81
Total	1,872	100.00	392,234,599***	100.00

Remarks: * Less than 5% of issued shares
 ** 5% and above of issued shares
 *** Excluding 26,910,600 Treasury Shares

DIRECTORS' SHAREHOLDINGS AS PER REGISTER OF DIRECTORS' SHAREHOLDINGS

Directors	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
Dato' Sohaimi Bin Shahadan	-	-	-	-
Dato' Lim Thiam Huat	99,075,998	25.26	-	-
Datuk Lee Hwa Cheng	8,160,352	2.08	4,177,776*	1.07
Dato' Dr. Koe Seng Kheng	6,250,602	1.59	-	-
Koo Thiam Yoong	5,570,368	1.42	-	-
Chew Yuit Yoo	-	-	261,248 [#]	0.07
Thiang Chew Lan	554,805	0.14	280,186 [#]	0.07

Notes: * Deemed interested by virtue of his interest in Hebat Koordinasi (Asia) Sdn. Bhd. pursuant to Section 6A of the Companies Act, 1965.

Deemed interested by virtue of her spouse's interests pursuant to Section 134 (12)(c) of the Companies Act, 1965.

Analysis of Shareholdings

as at 9 November 2015

SUBSTANTIAL SHAREHOLDERS AS PER REGISTER OF SUBSTANTIAL SHAREHOLDERS

Substantial Shareholders	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
Dato' Lim Thiam Huat	99,075,998	25.26	-	-
Lembaga Kemajuan Tanah Persekutuan (FELDA)	44,423,701	11.33	-	-
Pelaburan MARA Berhad	41,777,776	10.65	-	-
Ling Siew Luan	31,704,799	8.08	-	-

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	11.326
2	PELABURAN MARA BERHAD	41,777,776	10.651
3	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM THIAM HUAT	27,632,300	7.045
4	PM NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM THIAM HUAT (B)	22,281,477	5.681
5	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM THIAM HUAT	20,053,333	5.113
6	TA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LING SIEW LUAN	18,265,797	4.657
7	TA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM THIAM HUAT	15,800,000	4.028
8	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM THIAM HUAT (008)	11,220,000	2.861
9	RHB NOMINEES (ASING) SDN BHD EXEMPT AN (BP) FOR RHB OSK SECURITIES HONG KONG LIMITED A/C CLIENTS (RETAIL)	11,147,552	2.842
10	PM NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LING SIEW LUAN (B)	9,376,040	2.390
11	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB BANK FOR KOE SENG KHENG (MY1866)	6,250,602	1.594

Analysis of Shareholdings

as at 9 November 2015

LIST OF TOP 30 HOLDERS (con't) (Without Aggregating Securities From Different Securities Accounts Belonging To The Same Registered Holder)			
No.	Name	Holdings	%
12	KOO THIAM YOONG	5,570,368	1.420
13	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR MOHD AQLIFF SHANE ABDULLAH	4,725,376	1.205
14	TA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEE HWA CHENG	4,177,776	1.065
15	TA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR HEBAT KOORDINASI (ASIA) SDN. BHD.	4,177,776	1.065
16	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIEW LEE CHU	4,161,044	1.061
17	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEE HWA CHENG	3,982,576	1.015
18	KOPERASI PERMODALAN FELDA MALAYSIA BERHAD	3,322,400	0.847
19	PM NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LING SIEW LUAN (IPO)	3,126,200	0.797
20	WONG SHIH LI	3,107,118	0.792
21	TAN SWEE HOCK	2,430,000	0.620
22	MAYBANK NOMINEES (TEMPATAN) SDN BHD LEE KOK TAH	2,382,900	0.608
23	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR AHMED ZAKKI BIN ABDUL JABBAR	2,214,888	0.565
24	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM THIAM HUAT (6000051)	2,088,888	0.533
25	TAN SWEE HOCK	2,000,000	0.509
26	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR WOO MUN CHEE	1,802,420	0.459
27	PM NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR AZMAN BIN ISMAIL (A)	1,770,800	0.451
28	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NG WAI HAN (6000678)	1,737,333	0.442
29	CHUA MEI PING	1,671,109	0.426
30	TA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SIAW SWEE HIN	1,590,488	0.405
	TOTAL	284,268,038	72.473

Analysis of Warrant Holdings

as at 9 November 2015

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

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

DISTRIBUTION OF SHAREHOLDINGS

Size of holding	No. of Warrant Holders	% of Warrant Holders	No. of Warrants	% of Issued Warrants
Less than 100	17	2.19	896	0.00
100 to 1,000	40	5.15	19,896	0.01
1,001 to 10,000	202	26.00	1,280,814	0.65
10,001 to 100,000	369	47.49	15,780,774	7.96
100,001 – 9,914,518 (*)	144	18.53	75,164,164	37.90
9,914,519 and above (**)	5	0.64	106,043,854	53.48
Total	777	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	%	No. of Warrants	%
Dato' Sohaimi Bin Shahadan	-	-	-	-
Dato' Lim Thiam Huat	76,432,004	38.55	-	-
Datuk Lee Hwa Cheng	-	-	-	-
Dato' Dr. Koe Seng Kheng	3,125,300	1.58	-	-
Koo Thiam Yoong	2,785,184	1.40	-	-
Chew Yuit Yoo	-	-	130,624 [#]	0.07
Thiang Chew Lan	277,402	0.14	140,092 [#]	0.07

Notes: # Deemed interested by virtue of her spouse's interests pursuant to Section 134 (12)(c) of the Companies Act, 1965.

Analysis of Warrant Holdings

as at 9 November 2015

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	27.871
2	LEMBAGA KEMAJUAN TANAH PERSEKUTUAN (FELDA)	17,211,850	8.680
3	TAN SWEE HOCK	12,400,000	6.253
4	PM NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM THIAM HUAT (B)	11,140,738	5.618
5	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM THIAM HUAT	10,026,666	5.057
6	TA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LING SIEW LUAN	8,632,898	4.354
7	TAN SWEE HOCK	4,000,000	2.017
8	ALEXANDER TAN TONG BOON	3,650,000	1.840
9	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB BANK FOR KOE SENG KHENG (MY1866)	3,125,300	1.576
10	KOO THIAM YOONG	2,785,184	1.405
11	AN CHOI KIN	2,500,000	1.261
12	KRISTIN CHOO MEI LEE	2,000,000	1.009
13	MAYBANK NOMINEES (TEMPATAN) SDN BHD LEE KOK TAH	1,886,536	0.951
14	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR MOHD AQLIFF SHANE ABDULLAH	1,500,000	0.756
15	SEIK THYE KONG	1,500,000	0.756
16	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NG WAI HAN (6000678)	1,368,666	0.690
17	EE SHEAU SHENG	1,200,000	0.605
18	PM NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR AZMAN BIN ISMAIL (A)	1,200,000	0.605
19	TAN BEE CHU	1,120,000	0.565
20	HEE YAU SING	1,000,000	0.505

Analysis of Warrant Holdings

as at 9 November 2015

LIST OF TOP 30 HOLDERS (con't) (Without Aggregating Securities From Different Securities Accounts Belonging To The Same Registered Holder)			
No.	Name	Holdings	%
21	TA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN HWEE CHIH	1,000,000	0.505
22	WONG WING HENG	1,000,000	0.505
23	HLIB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR MOHD NIZAMRI BIN JAAPAR	915,000	0.461
24	CIMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YAP CHOW PENG (D J KEPONG-CL)	900,800	0.454
25	NG CHAR BO	873,500	0.441
26	CHUA MEI PING	835,554	0.421
27	NG KOK HENG	812,000	0.410
28	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHIA GUAN SENG	800,100	0.403
29	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR AHMED ZAKKI BIN ABDUL JABBAR	800,000	0.403
30	CH'NG MUN LEE	710,600	0.358
	TOTAL	152,159,992	76.735

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.)

_____ of
(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 Tenth Annual General Meeting of the Company to be held at **Hang Li Po Room, Mines Wellness Hotel**, Jalan Dulang, Mines Resort City, 43300, Seri Kembangan, Selangor Darul Ehsan on **Friday, 18 December 2015 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		

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, 2015

Signature of Shareholder or Common Seal

Notes: _____

- 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.
- 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.
- 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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