

KHEE SAN BERHAD (304376-A)

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE THIRD QUARTER ENDED 31 MARCH 2008**

	Current year to date 31.3.2008 RM'000 (Unaudited)	Corresponding period ended 31.3.2007 RM'000 (Unaudited)
CASH FLOWS (FOR)/FROM OPERATING ACTIVITIES		
Loss before taxation	(2,006)	(283)
Adjustments for:-		
Non-cash items	2,228	1,827
Operating profits before working capital changes	<u>222</u>	<u>1,544</u>
Net change in current assets	(1,524)	(2,822)
Net change in current liabilities	(2,826)	(200)
Cash generated from operations	<u>(4,128)</u>	<u>(1,478)</u>
Other operating activities	(300)	(280)
NET CASH FOR OPERATING ACTIVITIES	<u>(4,428)</u>	<u>(1,758)</u>
NET CASH FOR INVESTING ACTIVITIES	(1,394)	1,415
NET CASH FOR FINANCING ACTIVITIES	(1,860)	(2,804)
NET DECREASE IN CASH AND CASH EQUIVALENTS	<u>(7,682)</u>	<u>(3,147)</u>
EFFECTS OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	-	2
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	8,924	11,703
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	<u>1,242</u>	<u>8,558</u>
NOTES TO CASH FLOW STATEMENTS		
Cash and cash equivalents comprise:-		
Fixed deposits, cash and bank balances	2,986	11,607
Bank overdrafts	(1,744)	(3,049)
	<u>1,242</u>	<u>8,558</u>

(The unaudited Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Report for financial the year ended 30 June 2007 and the accompanying explanatory notes attached to the interim financial statements)

KHEE SAN BERHAD (304376-A)

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE THIRD QUARTER ENDED 31 MARCH 2008**

The actual results of Khee San Berhad for the period ended 31 March 2008 are as follows:-

	<u>Note</u>	<u>Individual Period</u>		<u>Cumulative Period</u>	
		<u>Current Year Quarter Ended 31.3.2008 RM'000 (Unaudited)</u>	<u>Preceding Year Corresponding Quarter Ended 31.3.2007 RM'000 (Unaudited)</u>	<u>Current Year-to- Date 31.3.2008 RM'000 (Unaudited)</u>	<u>Preceding Year Corresponding Period Ended 31.3.2007 RM'000 (Unaudited)</u>
REVENUE		17,731	17,828	46,895	51,464
COST OF SALES		(17,117)	(15,741)	(43,672)	(45,638)
GROSS PROFIT		614	2,087	3,223	5,826
OTHER OPERATING INCOME		98	81	514	493
OPERATING EXPENSES		(1,970)	(2,202)	(5,351)	(6,215)
FINANCE COSTS		(136)	(92)	(392)	(387)
LOSS BEFORE TAXATION		(1,394)	(126)	(2,006)	(283)
TAXATION	18	120	(18)	(140)	(16)
LOSS AFTER TAXATION BEFORE EXCEPTIONAL ITEM		(1,274)	(144)	(2,146)	(299)
EXCEPTIONAL ITEM - GAIN ON DISPOSAL OF SUBSIDIARIES		-	-	2,379	-
(LOSS)/PROFIT AFTER TAXATION		(1,274)	(144)	233	(299)
ATTRIBUTABLE TO:					
Equity holders of the parent		(1,274)	(144)	233	(299)
Minority interests		-	-	-	-
(LOSS)/PROFIT AFTER TAXATION		(1,274)	(144)	233	(299)
(LOSS)/EARNINGS PER SHARE (SEN)					
- Basic	26	(2.12)	(0.24)	0.39	(0.50)
- Diluted		N/A	N/A	N/A	N/A

(The unaudited Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the financial year ended 30 June 2007 and the accompanying explanatory notes attached to the interim financial statements)

KHEE SAN BERHAD (304376-A)

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS
AS AT 31 MARCH 2008**

	<u>Note</u>	As at end of current year quarter ended 31.3.2008 RM'000 (Unaudited)	As at preceding financial year ended 30.06.2007 RM'000 (Audited)
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment		39,809	40,374
Investment property		3,410	3,410
Deferred Tax Asset		56	56
		<u>43,275</u>	<u>43,840</u>
CURRENT ASSETS			
Inventories		7,776	9,146
Trade receivables		11,136	10,001
Other receivables		4,688	3,341
Fixed deposits, cash and bank balances		2,986	11,746
		<u>26,586</u>	<u>34,234</u>
TOTAL ASSETS		<u>69,861</u>	<u>78,074</u>
EQUITY AND LIABILITIES			
EQUITY			
Share Capital		60,000	60,000
Merger Reserve		(17,444)	(17,444)
Retained Profit		11,968	11,735
Exchange Fluctuation Reserve		-	2,356
TOTAL EQUITY		<u>54,524</u>	<u>56,647</u>
NON-CURRENT AND DEFERRED LIABILITIES			
Long-term borrowings	22	-	-
Deferred Taxation		2,225	2,325
Provision for retirement benefits		-	226
		<u>2,225</u>	<u>2,551</u>
CURRENT LIABILITIES			
Trade payables		4,337	5,637
Other payables		2,033	3,559
Short-term borrowings	22	6,742	9,680
		<u>13,112</u>	<u>18,876</u>
TOTAL LIABILITIES		<u>15,337</u>	<u>21,427</u>
TOTAL EQUITY AND LIABILITIES		<u>69,861</u>	<u>78,074</u>
Net Assets per share (sen)		90.87	94.41

(The unaudited Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Report for the financial year ended 30 June 2007 and the accompanying explanatory notes attached to the interim financial statements)

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THIRD QUARTER ENDED 31 MARCH 2008**

	← Attributable to equity holders of the parent →					Total RM'000
	Share Capital RM'000	Merger Reserve RM'000	Exchange Fluctuation Reserve RM'000	Retained Profit RM'000	Minority Interest RM'000	
Balance at 1 July 2007	60,000	(17,444)	2,356	11,735	-	56,647
Profit after taxation for the financial period	-	-	-	233	-	233
Exchange differences on translation of the financial statements of foreign subsidiaries	-	-	54	-	-	54
Exchange fluctuation reserve realised upon disposal of subsidiary	-	-	(2,410)	-	-	(2,410)
Balance at 31 March 2008	<u>60,000</u>	<u>(17,444)</u>	<u>-</u>	<u>11,968</u>	<u>-</u>	<u>54,524</u>
Balance at 1 July 2006 - As restated	60,000	(17,444)	2,288	14,369	-	59,213
Loss after taxation for the financial period	-	-	-	(299)	-	(299)
Dividend - FY 2006	-	-	-	(1,752)	-	(1,752)
Exchange differences on translation of the financial statements of foreign subsidiaries	-	-	2	-	-	2
Balance at 31 March 2007	<u>60,000</u>	<u>(17,444)</u>	<u>2,290</u>	<u>12,318</u>	<u>-</u>	<u>57,164</u>

(The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the financial year ended 30 June 2007 and the accompanying explanatory notes attached to the interim financial statements)