

**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS  
FOR THE THIRD QUARTER ENDED 31 MARCH 2009**

The results of Khee San Berhad for the period ended 31 March 2009 are as follows:-

	<u>Note</u>	Individual Period		Cumulative Period	
		Current Year Quarter Ended 31.3.2009 RM'000 (Unaudited)	Preceding Year Corresponding Quarter Ended 31.3.2008 RM'000 (Unaudited)	Current Year-to- Date 31.3.2009 RM'000 (Unaudited)	Preceding Year Corresponding Period Ended 31.3.2008 RM'000 (Unaudited)
REVENUE	8	11,633	17,731	42,668	46,895
COST OF SALES		(9,533)	(17,117)	(35,829)	(43,672)
GROSS PROFIT		<u>2,100</u>	<u>614</u>	<u>6,839</u>	<u>3,223</u>
OTHER OPERATING INCOME		147	98	727	514
OPERATING EXPENSES		(1,534)	(1,970)	(5,386)	(5,351)
FINANCE COSTS		(278)	(136)	(851)	(392)
PROFIT/(LOSS) BEFORE TAXATION		<u>435</u>	<u>(1,394)</u>	<u>1,329</u>	<u>(2,006)</u>
TAXATION	17	(228)	120	(225)	(140)
PROFIT/(LOSS) AFTER TAXATION BEFORE EXCEPTIONAL ITEM		<u>207</u>	<u>(1,274)</u>	<u>1,104</u>	<u>(2,146)</u>
EXCEPTIONAL ITEM - GAIN ON DISPOSAL OF SUBSIDIARIES		-	-	-	2,379
PROFIT/(LOSS) AFTER TAXATION		<u>207</u>	<u>(1,274)</u>	<u>1,104</u>	<u>233</u>
ATTRIBUTABLE TO:					
Equity holders of the parent		207	(1,274)	1,104	233
Minority interests		-	-	-	-
PROFIT AFTER TAXATION		<u>207</u>	<u>(1,274)</u>	<u>1,104</u>	<u>233</u>
EARNINGS PER SHARE (SEN)					
- Basic	25	0.35	(2.12)	1.84	0.39
- 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 2008 and the accompanying explanatory attached to the interim financial statements)**

**UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS  
AS AT 31 MARCH 2009**

	<u>Note</u>	As at end of current year quarter ended 31.3.2009 RM'000 (Unaudited)	As at preceding financial year ended 30.06.2008 RM'000 (Audited)
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		63,352	40,737
Investment property		3,410	3,410
Intangible assets		1,600	1,600
Deferred Tax Asset		-	21
		68,362	45,768
<b>CURRENT ASSETS</b>			
Asset held for sale		-	42
Inventories		11,775	10,777
Trade and other receivables		7,803	20,812
Amount due from holding company		10,244	-
Fixed deposits, cash and bank balances		3,584	3,307
		33,406	34,938
<b>TOTAL ASSETS</b>		101,768	80,706
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share Capital		60,000	60,000
Merger Reserve		(17,444)	(17,444)
Revaluation Reserve		12,102	-
Retained Profit		14,460	13,356
<b>TOTAL EQUITY</b>		69,118	55,912
<b>NON-CURRENT AND DEFERRED LIABILITIES</b>			
Deferred Taxation		1,870	1,632
Long-term borrowings	21	7,586	-
		9,456	1,632
<b>CURRENT LIABILITIES</b>			
Trade and other payables		10,829	12,031
Short-term borrowings	21	12,365	11,131
		23,194	23,162
<b>TOTAL LIABILITIES</b>		32,650	24,794
<b>TOTAL EQUITY AND LIABILITIES</b>		101,768	80,706
Net Assets per share (sen)		115.20	93.19

(The unaudited Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Report for the financial year ended 30 June 2008 and the accompanying explanatory notes attached to the interim financial statements)



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE THIRD QUARTER ENDED 31 MARCH 2009**

	Attributable to equity holders of the parent				Retained Profit RM'000	Total RM'000
	Non - Distributable			Distributable		
	Share Capital RM'000	Merger Reserve RM'000	Revaluation Reserve RM'000	Exchange Fluctuation Reserve RM'000		
<b>Balance at 1 July 2008</b>	60,000	(17,444)	-	-	13,356	55,912
Revaluation of properties	-	-	12,102	-	-	12,102
Profit after taxation for the financial period	-	-	-	-	1,104	1,104
<b>Balance at 31 March 2009</b>	<b>60,000</b>	<b>(17,444)</b>	<b>12,102</b>	<b>-</b>	<b>14,460</b>	<b>69,118</b>
<b>Balance at 1 July 2007</b>	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)
<b>Balance at 31 March 2008</b>	<b>60,000</b>	<b>(17,444)</b>	<b>-</b>	<b>-</b>	<b>11,968</b>	<b>54,524</b>

(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 2008 and the accompanying explanatory notes attached to the interim financial statements)

**UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENTS  
FOR THE THIRD QUARTER ENDED 31 MARCH 2009**

	<b>Current Year to Date 31.3.2009 RM'000 (Unaudited)</b>	<b>Corresponding Period Ended 31.3.2008 RM'000 (Unaudited)</b>
<b>CASH FLOWS (FOR)/FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) before taxation	1,329	(2,006)
Adjustments for:-		
Non-cash items	2,491	2,228
Operating profits before working capital changes	<u>3,820</u>	<u>222</u>
Net change in current assets	2,172	(1,524)
Net change in current liabilities	(1,296)	(2,826)
Cash generated from operations	<u>4,696</u>	<u>(4,128)</u>
Other operating activities	(1,070)	(300)
<b>NET CASH PROVIDED BY/(USED IN) OPERATING ACTIVITIES</b>	<u>3,626</u>	<u>(4,428)</u>
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	(1,613)	(1,394)
<b>NET CASH PROVIDED BY FINANCING ACTIVITIES</b>	2,395	(1,860)
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<u>4,408</u>	<u>(7,682)</u>
<b>EFFECTS OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>	-	-
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD</b>	(824)	8,924
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD</b>	<u>3,584</u>	<u>1,242</u>
<b>NOTES TO CASH FLOW STATEMENTS</b>		
<b>Cash and cash equivalents comprise:-</b>		
Fixed deposits, cash and bank balances	3,584	2,986
Bank overdrafts	-	(1,744)
	<u>3,584</u>	<u>1,242</u>

*Property, plant and equipment at aggregate cost of RM12,247,000 (2008-Nil) was acquired during the financial period of which RM10,557,000 (2008-Nil) was acquired by means of hire-purchase.*

**(The unaudited Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Report for financial year ended 30 June 2008 and the accompanying explanatory notes attached to the interim financial statements)**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2009**

### **PART A – EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARDS (“FRS”) 134**

#### **1. Basis Of Preparation**

The interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS 134 - Interim Financial Reporting and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Malaysia”).

The interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 30 June 2008. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 30 June 2008.

The accounting policies and methods of computation adopted in this quarterly financial statements of the Group are consistent with those adopted in the most recent annual audited financial statements for the year ended 30 June 2008.

#### **2. Status Of Audit Qualification**

The audited financial statements for the year ended 30 June 2008 was not subject to any qualification.

#### **3. Seasonal Or Cyclical Factors**

The results of the Group are not subject to any seasonal or cyclical factors.

#### **4. Nature And Amount Of Exceptional And Extraordinary Items**

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows during the quarter ended 31 March 2009.

#### **5. Changes In Estimates**

There were no material changes in the estimates used for the preparation of this interim financial report.

## 6. Debt And Equity Securities

During the financial period, there were no issuances, cancellation, repurchases or resale of debt and equity securities.

## 7. Dividend

There was no dividend paid for the current quarter.

## 8. Segment Information

Segment analysis for the current financial year-to-date:-

Period Ended 31 March 2009	Investment Holding RM'000	Manufacturing And Trading RM'000	Eliminations RM'000	Group RM'000
REVENUE:				
External	-	42,668	-	42,668
Internal	-	16,082	(16,082)	-
<b>TOTAL</b>	<b>-</b>	<b>58,750</b>	<b>(16,082)</b>	<b>42,668</b>
RESULTS:				
Profit Before Taxation				1,329
Taxation				(225)
Profit After Taxation				<b>1,104</b>

The Group's operations are mainly in the manufacture and trading of sweets and confectionery.

## 9. Revaluation of Property, Plant and Equipment

The revaluation surplus on the valuations of land and buildings of the Group is taken up during the financial period ended 31<sup>st</sup> March, 2009 as follows:-

Properties	Net book value RM'000	Revaluation value RM'000	Revaluation surplus RM'000
Factory land and building			
- Seri Kembangan	11,594	22,000	10,406
- Teluk Panglima Garang	5,123	6,270	1,147
Workers' hostel			
- Seri Kembangan	456	1,005	549
			<b>12,102</b>

**10. Material Subsequent Events**

There have been no material events subsequent to the end of the quarter that have not been reflected in the financial statements.

**11. Changes In The Composition Of The Group**

There were no changes in the composition of the Group for the current quarter and financial year-to-date.

**12. Changes In Contingent Liabilities / Assets**

There is a contingent liability amounting to approximately RM10.2 million being corporate guarantees given to financial institutions for banking facilities granted to a subsidiary company.

**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

**13. Review Of Performance**

Turnover of the Group decreased to RM11.633 million for the current quarter which represents 34.39% decrease over that of RM17.731 million achieved in the preceding year corresponding quarter. The current quarter result reported a profit before taxation of RM435,000 as compared to the result of the same period last year of loss before taxation of RM1.394 million, due to the better marketing strategies adopted by the Group bearing positive result.

**14. Material Changes In The Quarterly Results Compared To The Results Of The Preceding Quarter**

	<b>Current Year Quarter 31.3.2009 RM'000</b>	<b>Immediate Preceding Quarter 31.12.2008 RM'000</b>	<b>% +/-</b>
Turnover	11,633	14,453	-19.51
Profit before taxation	435	549	-20.77

The Group achieved a lower turnover of RM11.633 million in the third quarter ended 31 March 2009 representing a 19.51% decrease over that of the preceding quarter. Profit before taxation decreased by 20.77% in the third quarter under review as compared to the preceding quarter. This performance is within the Group's expectation. The following quarter for the period ending 31 March, 2009 should improve.

**15. Prospects for the Current Financial Year**

The year ending 30 June 2009 shall be a challenging year. The management shall continue its endeavour to ensure that the marketing strategies adopted will put the Group in a better stead for 2009.

**16. Variance From Profit Forecast**

As the Group has not provided any profit forecast or profit guarantee, no explanatory notes will be provided.

**17. Taxation**

	<b>Current Year Quarter 31.3.2009 RM'000</b>	<b>Current Year To Date 31.3.2009 RM'000</b>
Income taxation:		
Estimate for the period	18	46
Overprovision in prior year	-	(80)
Deferred taxation :		
Transferred to deferred tax	210	259
	<u>228</u>	<u>225</u>

**18. Profit On Sale Of Unquoted Investments Or Properties**

Other than the disposal of a property at net book value of RM42,000 for a consideration of RM77,000 in the previous financial quarters, there were no sale of investment and/or properties in for the current financial quarter under review.



**19. Purchase Or Disposal Of Quoted Securities**

There were no purchase or sale of quoted securities in the current quarter under review.

**20. Corporate Proposals**

There were no new corporate proposals that have been announced by the Company as at date of this report.

**21. Group Borrowings And Debt Securities**

	<b>31.3.2009</b> <b>The Group</b> <b>RM'000</b>
<b>Short term borrowings:</b>	
Bankers' acceptance	10,169
Hire-purchase creditors	2,196
	<hr/>
	12,365
<b>Long term borrowing</b>	
Hire-purchase creditors	7,586
	<hr/>
	19,951
	<hr/>

Trade facilities of a subsidiary company are secured by corporate guarantees given by the Company and a negative pledge over the unencumbered assets of the subsidiary company.

**22. Off Balance Sheet Financial Instruments**

There were no material financial instruments with off balance sheet risk as at 23 March, 2009.

**23. Material Litigation**

There were no pending material litigation against the Group as at 23 March, 2009.

**24. Proposed Dividend**

No interim dividend is proposed for this quarter under review.

**25. Earnings Per Share**

The earnings per share is calculated by dividing the Group's profit after taxation for the financial period over the number of ordinary shares in issue during the financial period as follows:-

	<b>Current Quarter 31.3.2009</b>	<b>Year to Date 31.3.2009</b>
Profit after taxation (RM'000)	207	1,104
Number of ordinary shares in issue ('000)	60,000	60,000
Basic earnings per share (sen)	0.35	1.84

**BY ORDER OF THE BOARD  
KHEE SAN BERHAD**

**DATO' PANGLIMA KUBU HAJI  
MOHD YUSOFF BIN HAJI AMIN  
Director**

Dated : 29 May 2009