

**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS  
FOR THE FOURTH QUARTER ENDED 30 JUNE 2009**

The results of Khee San Berhad for the year ended 30 June 2009 are as follows:-

	<u>Note</u>	Individual Period		Cumulative Period	
		Current Year Quarter Ended 30.6.2009 RM'000 (Unaudited)	Preceding Year Corresponding Quarter Ended 30.6.2008 RM'000 (Unaudited)	Current Year-to- Date 30.6.2009 RM'000 (Unaudited)	Preceding Year Corresponding Period Ended 30.6.2008 RM'000 (Unaudited)
REVENUE	8	17,614	19,916	60,282	66,811
COST OF SALES		(15,358)	(17,804)	(51,187)	(61,476)
GROSS PROFIT		2,256	2,112	9,095	5,335
OTHER OPERATING INCOME		219	677	946	1,191
OPERATING EXPENSES		(1,398)	(1,917)	(6,784)	(7,268)
FINANCE COSTS		(169)	(203)	(1,020)	(595)
PROFIT/(LOSS) BEFORE TAXATION		908	669	2,237	(1,337)
TAXATION	17	(286)	719	(511)	579
PROFIT/(LOSS) AFTER TAXATION BEFORE EXCEPTIONAL ITEM		622	1,388	1,726	(758)
EXCEPTIONAL ITEM - GAIN ON DISPOSAL OF SUBSIDIARIES		-	-	-	2,379
PROFIT/(LOSS) AFTER TAXATION		622	1,388	1,726	1,621
ATTRIBUTABLE TO:					
Equity holders of the parent		622	1,388	1,726	1,621
Minority interests		-	-	-	-
PROFIT AFTER TAXATION		622	1,388	1,726	1,621
EARNINGS PER SHARE (SEN)					
- Basic	25	1.04	2.31	2.88	2.70
- 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 30 JUNE 2009**

<u>Note</u>	As at end of current year quarter ended 30.6.2009 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	66,101	40,737
Investment property	3,410	3,410
Intangible assets	1,600	1,600
Deferred Tax Asset	-	21
	<u>71,111</u>	<u>45,768</u>
<b>CURRENT ASSETS</b>		
Asset held for sale	-	42
Inventories	15,173	10,777
Trade and other receivables	6,919	20,812
Amount due from ultimate holding company	10,385	-
Fixed deposits, cash and bank balances	3,121	3,307
	<u>35,598</u>	<u>34,938</u>
<b>TOTAL ASSETS</b>	<u>106,709</u>	<u>80,706</u>
<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	15,082	13,356
<b>TOTAL EQUITY</b>	<u>69,740</u>	<u>55,912</u>
<b>NON-CURRENT AND DEFERRED LIABILITIES</b>		
Deferred Taxation	2,132	1,632
Long-term borrowings	21 <u>7,755</u>	<u>-</u>
	9,887	1,632
<b>CURRENT LIABILITIES</b>		
Trade and other payables	14,959	12,031
Short-term borrowings	21 <u>12,123</u>	<u>11,131</u>
	27,082	23,162
<b>TOTAL LIABILITIES</b>	<u>36,969</u>	<u>24,794</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>106,709</u>	<u>80,706</u>
Net Assets per share (sen)	116.23	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)

**KHEE SAN BERHAD** (304376-A)  
*(Incorporated in Malaysia)*

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
 FOR THE FOURTH QUARTER ENDED 30 JUNE 2009**

	Attributable to equity holders of the parent					Total RM'000
	Share Capital RM'000	Merger Reserve RM'000	Non - Distributable		Distributable	
				← Revaluation Reserve RM'000	Exchange Fluctuation Reserve RM'000	Retained Profit 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 year	-	-	-	-	1,726	1,726
<b>Balance at 30 June 2009</b>	<b>60,000</b>	<b>(17,444)</b>	<b>12,102</b>	<b>-</b>	<b>15,082</b>	<b>69,740</b>
<b>Balance at 1 July 2007</b>	60,000	(17,444)	-	2,356	11,735	56,647
Exchange fluctuation reserve realised upon disposal of subsidiary	-	-	-	(2,356)	-	(2,356)
Profit after taxation for the financial year	-	-	-	-	1,621	1,621
<b>Balance at 30 June 2008</b>	<b>60,000</b>	<b>(17,444)</b>	<b>-</b>	<b>-</b>	<b>13,356</b>	<b>55,912</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 FOURTH QUARTER ENDED 30 JUNE 2009**

	<b>Current Year to Date 30.6.2009 RM'000 (Unaudited)</b>	<b>Corresponding Period Ended 30.6.2008 RM'000 (Audited)</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) before taxation and exceptional item	2,237	(1,337)
Exceptional item	-	2,379
	2,237	1,042
Adjustments for:-		
Non-cash items	3,295	392
	5,532	1,434
Operating profits before working capital changes		
Net change in current assets	(933)	(8,428)
Net change in current liabilities	2,928	4,555
	7,527	(2,439)
Cash generated from/(absorbed by) operations		
Other operating activities	(1,075)	(458)
	6,452	(2,897)
<b>NET CASH PROVIDED BY/(USED IN) OPERATING ACTIVITIES</b>		
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	(3,807)	(6,992)
<b>NET CASH PROVIDED BY FINANCING ACTIVITIES</b>	717	141
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	3,362	(9,748)
<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>	2,538	(824)
<b>NOTES TO CASH FLOW STATEMENTS</b>		
<b>Cash and cash equivalents comprise:-</b>		
Fixed deposits, cash and bank balances	3,121	3,307
Bank overdrafts	(583)	(4,131)
	2,538	(824)

*Property, plant and equipment at aggregate cost of RM15,714,000 (2008-3,129,000) was acquired during the financial period of which RM11,577,000 (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 YEAR ENDED 30 JUNE 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 30 June 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 30 June 2009	Investment Holding RM'000	Manufacturing And Trading RM'000	Eliminations RM'000	Group RM'000
REVENUE:				
External	-	60,282	-	60,282
Internal	350	14,679	(15,029)	-
<b>TOTAL</b>	<b>350</b>	<b>74,961</b>	<b>(15,029)</b>	<b>60,282</b>
RESULTS:				
Profit Before Taxation				2,237
Taxation				(511)
Profit After Taxation				<b>1,726</b>

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

**9. Revaluation of Property, Plant and Equipment**

Other than the revaluation of land and buildings of the Group as disclosed in the previous quarter report, there were no revaluation during the financial period under review.

**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 RM19.878 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 RM17.614 million for the current quarter which represents 11.56% decrease over that of RM19.916 million achieved in the preceding year corresponding quarter. The current quarter result reported a profit before taxation of RM908,000 as compared to the result of the same period last year of profit before taxation of RM669,000 is within expectation.

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

	<b>Current Year Quarter 30.6.2009 RM'000</b>	<b>Immediate Preceding Quarter 31.3.2009 RM'000</b>	<b>% +/-</b>
Turnover	17,614	11,633	+51.41
Profit before taxation	<u>908</u>	<u>435</u>	+108.74

The Group achieved a higher turnover of RM17.614 million in the fourth quarter ended 30 June 2009 representing a 51.41% increase over that of the preceding quarter. Profit before taxation increased by 108.74 % in the fourth quarter under review as compared to the preceding quarter. This performance is within the Group's expectation. The following quarter for the period ending 30 September, 2009 should improve.

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

The year ended 30 June 2009 was 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 2010.

**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 30.6.2009 RM'000</b>	<b>Current Year To Date 30.6.2009 RM'000</b>
Income taxation:		
Estimate for the period	(28)	18
Overprovision in prior year	52	(28)
Deferred taxation :		
Transferred to deferred tax	262	521
	<u>286</u>	<u>511</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>30.6.2009</b>
	<b>The Group</b>
	<b>RM'000</b>
<b>Short term borrowings:</b>	
Bankers' acceptance	9,088
Hire-purchase creditors	2,452
Bank overdrafts	583
	<hr/>
	12,123
<b>Long term borrowing</b>	
Hire-purchase creditors	7,755
	<hr/>
	<b>19,878</b>
	<hr/>

Trade facilities of a subsidiary company are secured by corporate guarantees given by the Company.

**22. Off Balance Sheet Financial Instruments**

There were no material financial instruments with off balance sheet risk as at 22 August, 2009.

**23. Material Litigation**

There were no pending material litigation against the Group as at 22 August, 2009.

**24. Proposed Dividend**

The directors proposed a first and final dividend of 1.25% less 25% income tax amounting to RM562,500 in respect of the financial year ended 30 June, 2009, payable upon shareholders' approval at the forthcoming Annual General Meeting.

**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 30.6.2009</b>	<b>Year to Date 30.6.2009</b>
Profit after taxation (RM'000)	622	1,726
Number of ordinary shares in issue ('000)	60,000	60,000
Basic earnings per share (sen)	1.04	2.88

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

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

Dated :