

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE 3RD QUARTER ENDED 31 MAR 2011**

The results of Khee San Berhad for the period ended 31 March 2011 are as follows:-

	<u>Note</u>	Individual Period		Cumulative Period	
		Current Year Quarter Ended 31.3.2011 RM'000 (Unaudited)	Preceding Year Corresponding Quarter Ended 31.3.2010 RM'000 (Unaudited)	Current Year-to- Date 31.3.2011 RM'000 (Unaudited)	Preceding Year Corresponding Period Ended 31.3.2010 RM'000 (Unaudited)
REVENUE	9	21,271	17,180	59,670	51,932
COST OF SALES		(18,986)	(15,648)	(54,099)	(46,557)
GROSS PROFIT		2,285	1,532	5,571	5,375
OTHER OPERATING INCOME		186	297	774	525
OPERATING EXPENSES		(1,407)	(912)	(3,181)	(3,035)
FINANCE COSTS		(529)	(371)	(1,456)	(1,067)
PROFIT BEFORE INCOME TAX		535	546	1,708	1,798
INCOME TAX EXPENSE	18	(13)	(231)	(37)	(406)
PROFIT AFTER INCOME TAX		522	315	1,671	1,392
OTHER COMPREHENSIVE INCOME		-	-	-	-
TOTAL COMPREHENSIVE PROFIT FOR THE PERIOD		522	315	1,671	1,392
ATTRIBUTABLE TO:					
Equity holders of the parent		522	315	1,671	1,392
Minority interests		-	-	-	-
PROFIT AFTER INCOME TAX		522	315	1,671	1,392
EARNINGS PER SHARE (SEN)					
- Basic	27	0.87	0.53	2.79	2.32
- Diluted	27	0.76	0.46	2.42	2.02

(The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the financial year ended 30 June 2010 and the accompanying explanatory attached to the interim financial statements)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2011**

	<u>Note</u>	As at end of current year quarter ended 31.3.2011 RM'000 (Unaudited)	As at preceding financial year ended 30.06.2010 RM'000 (Audited)
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment		71,384	72,762
Investment property		3,410	3,410
Intangible assets		1,600	1,600
		76,394	77,772
CURRENT ASSETS			
Inventories		14,536	15,212
Trade and other receivables		13,278	9,406
Amount due from ultimate holding company		17,666	10,077
Cash and bank balances		5,209	3,508
		50,689	38,203
TOTAL ASSETS		127,083	115,975
EQUITY AND LIABILITIES			
EQUITY			
Share Capital		60,000	60,000
Merger Reserve		(17,444)	(17,444)
Revaluation reserve		12,102	12,102
Retained Profit		19,768	18,997
TOTAL EQUITY		74,426	73,655
NON-CURRENT AND DEFERRED LIABILITIES			
Long-term borrowings	22	6,039	8,625
		6,039	8,625
CURRENT LIABILITIES			
Trade and other payables		21,628	18,988
Short-term borrowings	22	24,990	14,707
		46,618	33,695
TOTAL LIABILITIES		52,657	42,320
TOTAL EQUITY AND LIABILITIES		127,083	115,975
Net Assets per share (sen)		124.04	122.76

(The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the financial year ended 30 June 2010 and the accompanying explanatory notes attached to the interim financial statements)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE 3RD QUARTER ENDED 31 MARCH 2011**

	Current Year to Date 31.3.2011 RM'000 (Unaudited)	Corresponding Period Ended 31.3.2010 RM'000 (Unaudited)
CASH FLOWS (FOR)/FROM OPERATING ACTIVITIES		
Profit before income tax	1,708	1,798
Adjustments for:-		
Non-cash items	3,133	2,561
Operating profits before working capital changes	<u>4,841</u>	<u>4,359</u>
Net change in current assets	(10,596)	(3,204)
Net change in current liabilities	2,640	136
Cash (absorbed by)/generated from operations	<u>(3,115)</u>	<u>1,291</u>
Other operating activities	(2,547)	(1,857)
NET CASH (USED IN)/PROVIDED BY OPERATING ACTIVITIES	<u>(5,662)</u>	<u>(566)</u>
NET CASH USED IN INVESTING ACTIVITIES	(334)	(2,712)
NET CASH PROVIDED BY FINANCING ACTIVITIES	6,676	1,455
NET DECREASE IN CASH AND CASH EQUIVALENTS	<u>680</u>	<u>(1,823)</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	3,110	2,538
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	<u><u>3,790</u></u>	<u><u>715</u></u>
NOTES TO CASH FLOW STATEMENTS		
Cash and cash equivalents comprise:-		
Cash and bank balances	5,209	3,121
Bank overdrafts	(1,419)	(2,214)
	<u><u>3,790</u></u>	<u><u>907</u></u>

Property, plant and equipment at aggregate cost of RM394,000 (2010-RM7,308,000) was acquired during the financial period of which RMNIL (2010-RM4,596,000) was acquired by means of hire-purchase.

(The unaudited Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Annual Financial Report for financial year ended 30 June 2010 and the accompanying explanatory notes attached to the interim financial statements)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE 3RD QUARTER ENDED 31 MARCH 2011**

← Attributable to equity holders of the parent →
← Non - Distributable → Distributable

	Share Capital RM'000	Merger Reserve RM'000	Revaluation Reserve RM'000	Retained Profit RM'000	Total RM'000
Balance at 1 July 2010	60,000	(17,444)	12,102	18,997	73,655
Profit after income tax for the financial period	-	-	-	1,671	1,671
Dividend paid	-	-	-	(900)	(900)
Balance at 31 March 2011	<u>60,000</u>	<u>(17,444)</u>	<u>12,102</u>	<u>19,768</u>	<u>74,426</u>
Balance at 1 July 2009	60,000	(17,444)	12,102	15,089	69,747
Profit after income tax for the financial period	-	-	-	1,392	1,392
Balance at 31 March 2010	<u>60,000</u>	<u>(17,444)</u>	<u>12,102</u>	<u>16,481</u>	<u>71,139</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 2010 and the accompanying explanatory notes attached to the interim financial statements)

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2011

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 (formerly known as MASB 26) 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 2010. 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 2010.

2. Accounting Policies

The accounting policies and methods of computation adopted by the Group in this interim financial statements are consistent with those adopted in the financial statements for the year ended 30 June 2010 except for adoption of the following new and revised FRSs, IC Interpretations and Amendments to FRSs and IC Interpretations which are applicable to its financial statements.

FRS 7	Financial Instruments: Disclosures
FRS 8	Operating Segments
FRS 101	Presentation of Financial Statements (revised)
FRS 123	Borrowing Costs (revised)
FRS 139	Financial Instruments: Recognition and Measurement
Amendments to FRS 1	First-time Adoption of Financial Reporting Standards
Amendments to FRS 2	Share-based Payment: Vesting Conditions and Cancellations
Amendments to FRS 7	Financial Instruments: Disclosures
Amendments to FRS 107	Statement of Cash Flows
Amendments to FRS 127	Consolidation and Separate Financial Statements: Costs of and Investment in a Subsidiary, Jointly Controlled Entity or Associate
Amendments to FRS 132	Financial Instruments: Presentation <ul style="list-style-type: none">- Puttable Financial Instruments and Obligations Arising on Liquidation- Separation of Compound Instruments
Amendments to FRS 139	Financial Instruments: Recognition and Measurement <ul style="list-style-type: none">- Reclassification of Financial Assets- Collective Assessment of Impairment for Banking Institutions
Improvements to FRSs (2009)	
IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 10	Interim Financial Reporting and Impairment
IC Interpretation 11, FRS 2	Group and Treasury Share Transactions
IC Interpretation 14, FRS 119	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction



The adoption of the above FRSs, Admendments to FRSs and IC Interpretations does not have significant financial impact on the Group.

3. Status Of Audit Qualification

The audited financial statements for the year ended 30 June 2010 was not subject to any qualification.

4. Seasonal Or Cyclical Factors

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

5. 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 2011.

6. Changes In Estimates

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

7. Debt And Equity Securities

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

8. Dividend

A first and final dividend of 2% gross less 25% income tax per ordinary share amounting to RM900,000 in respect of the financial year ended 30 June, 2010 based on the issued and paid-up share capital of RM60,000,000, was paid on 10 February, 2011.

9. Segment Information

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

Period Ended 31 December 2010	Investment Holding RM'000	Manufacturing And Trading RM'000	Group RM'000
REVENUE:			
- Export	-	30,301	30,301
- Local	-	29,369	29,369
TOTAL	-	59,670	59,670
RESULTS:			
(Loss)/Profit Before Income Tax	(494)	2,202	1,708
Income Tax Expense	-	(37)	(37)
Profit After Income Tax			<u>1,671</u>

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

10. Revaluation of Property, Plant and Equipment

The valuations of land and buildings have been brought forward, without any amendments from the previous annual financial statements.

11. 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.

12. 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.

13. Changes In Contingent Liabilities / Assets

There is a contingent liability amounting to approximately RM31 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

14. Review Of Performance

Turnover of the Group of RM21.271 million for the current quarter represents 23.8% increase over that of RM17.180 million achieved in the preceding year corresponding quarter. The current quarter result reported a profit before income tax of RM522,000 as compared to the result of the same period last year of profit before income tax of RM315,000.

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

	Current Year Quarter 31.3.2011 RM'000	Immediate Preceding Quarter 31.12.2010 RM'000	% +/-
Turnover	21,271	19,550	+8.80
Profit before income tax	<u>535</u>	<u>336</u>	+59.23

The Group achieved a higher turnover of RM21.271 million in the third quarter ended 31 March 2011 representing a 8.8% increase over that of the preceding quarter. Profit before income tax increased by 59.2% in the third quarter under review as compared to the preceding quarter. This performance is within the Group's expectation.

16. Prospects for the Current Financial Year

The year ending 30 June 2011 shall be another challenging year. The management shall continue its endeavour to ensure that the marketing strategies adopted will put the Group in a better stead for 2011.

17. Variance From Profit Forecast

The Group has not made any profit forecast or profit guarantee for the period under review.

18. Income tax expense

	Current Year Quarter 31.3.2011 RM'000	Current Year To Date 31.3.2011 RM'000
Income tax liabilities:		
Estimate for the period	13	37
	<u>13</u>	<u>37</u>

19. Profit On Sale Of Unquoted Investments Or Properties

There were no sale of investment and/or properties for the current financial quarter under review.

20. Purchase Or Disposal Of Quoted Securities

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

21. Corporate Proposals

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

22. Group Borrowings And Debt Securities

	31.3.2011 The Group RM'000
Short term borrowings:	
Bank overdrafts	1,419
Bankers' acceptance	20,121
Hire-purchase creditors	3,450
	<u>24,990</u>
Long term borrowing	
Hire-purchase creditors	6,039
	<u>31,029</u>

Bank overdrafts and credit facilities of a subsidiary companies are secured by corporate guarantees given by the Company.

23. Off Balance Sheet Financial Instruments

There were no material financial instruments with off balance sheet risk as at 26 May 2011.

24. Realised and Unrealised Retained Profit

	As at 31.3.2011 RM'000	As at 30.6.2010 RM'000
Total retained profit of Company and its subsidiaries:		
- Realised	26,198	25,427
- Unrealised	-	-
Consolidation adjustments	<u>(6,430)</u>	<u>(6,430)</u>
Total Group retained profit	<u><u>19,768</u></u>	<u><u>18,997</u></u>

25. Material Litigation

There was no pending material litigation against the Group as at 26 May 2011.

26. Proposed Dividend

No interim dividend is proposed for this quarter under review.

27. Earnings Per Share

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/3/2011	PRECEDING YEAR CORRESPONDING QUARTER 31/3/2010	CURRENT YEAR TO DATE 31/3/2011	PRECEDING YEAR TO DATE 31/3/2010
Basic	Number of 60,000,000 ordinary shares	Number of 60,000,000 ordinary shares	Number of 60,000,000 ordinary shares	Number of 60,000,000 ordinary shares
Fully diluted	Ordinary shares in issue and issueable of 69,000,000 ordinary shares (inclusive of adjustment for assumed full exercise of remaining share options)	Ordinary shares in issue and issueable of 69,000,000 ordinary shares (inclusive of adjustment for assumed full exercise of remaining share options)	Ordinary shares in issue and issueable of 69,000,000 ordinary shares (inclusive of adjustment for assumed full exercise of remaining share options)	Ordinary shares in issue and issueable of 69,000,000 ordinary shares (inclusive of adjustment for assumed full exercise of remaining share options)

BY ORDER OF THE BOARD

MR LESLIE LOOI MENG
AUDIT COMMITTEE CHAIRMAN

Dated :