

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE 1ST QUARTER ENDED 30 SEPTEMBER 2011**

The results of Khee San Berhad for the period ended 30 September 2011 are as follows:-

	<u>Note</u>	Individual Period		Cummulative Period	
		Current Year Quarter Ended 30.9.2011 RM'000 (Unaudited)	Preceding Year Corresponding Quarter Ended 30.9.2010 RM'000 (Unaudited)	Current Year-to- Date 30.9.2011 RM'000 (Unaudited)	Preceding Year Corresponding Period Ended 30.9.2010 RM'000 (Unaudited)
REVENUE	9	20,660	18,849	20,660	18,849
COST OF SALES		(18,179)	(16,719)	(18,179)	(16,719)
GROSS PROFIT		2,481	2,130	2,481	2,130
OTHER OPERATING INCOME		368	92	368	92
OPERATING EXPENSES		(1,271)	(875)	(1,271)	(875)
FINANCE COSTS		(612)	(510)	(612)	(510)
PROFIT BEFORE INCOME TAX		966	837	966	837
INCOME TAX EXPENSE	18	(11)	(10)	(11)	(10)
PROFIT AFTER INCOME TAX		955	827	955	827
OTHER COMPREHENSIVE INCOME		-	-	-	-
TOTAL COMPREHENSIVE PROFIT FOR THE PERIOD		955	827	955	827
ATTRIBUTABLE TO:					
Equity holders of the parent		955	827	955	827
Minority interests		-	-	-	-
PROFIT AFTER INCOME TAX		955	827	955	827
EARNINGS PER SHARE (SEN)					
- Basic	27	1.59	1.38	1.59	1.38
- Diluted	27	N/A	N/A	N/A	N/A

(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 2011 and the accompanying explanatory attached to the interim financial statements)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2011

	<u>Note</u>	As at end of current year quarter ended 30.9.2011 RM'000 (Unaudited)	As at preceding financial year ended 30.6.2011 RM'000 (Audited)
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment		75,563	76,023
Investment property		3,410	3,410
Intangible assets		1,600	1,600
		80,573	81,033
CURRENT ASSETS			
Inventories		16,308	15,960
Trade and other receivables		25,590	22,907
Amount due from ultimate holding company		13,263	12,815
Cash and bank balances		1,291	2,220
		56,452	53,902
TOTAL ASSETS		137,025	134,935
EQUITY AND LIABILITIES			
EQUITY			
Share Capital		60,000	60,000
Merger Reserve		(17,444)	(17,444)
Revaluation reserve		12,102	12,102
Retained Profit		22,707	21,752
TOTAL EQUITY		77,365	76,410
NON-CURRENT AND DEFERRED LIABILITIES			
Long-term borrowings	22	4,312	5,176
		4,312	5,176
CURRENT LIABILITIES			
Trade and other payables		22,590	21,639
Short-term borrowings	22	32,758	31,710
		55,348	53,349
TOTAL LIABILITIES		59,660	58,525
TOTAL EQUITY AND LIABILITIES		137,025	134,935
Net Assets per share (sen)		128.94	127.35

(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 2011 and the accompanying explanatory notes attached to the interim financial statements)



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE 1ST QUARTER ENDED 30 SEPTEMBER 2011**

	← Attributable to equity holders of the parent →				Total RM'000
	Share Capital RM'000	Merger Reserve RM'000	Revaluation Reserve RM'000	Retained Profit RM'000	
Balance at 1 July 2011	60,000	(17,444)	12,102	21,752	76,410
Profit after income tax for the financial period	-	-	-	955	955
Balance at 30 September 2011	<u>60,000</u>	<u>(17,444)</u>	<u>12,102</u>	<u>22,707</u>	<u>77,365</u>
Balance at 1 July 2010	60,000	(17,444)	12,102	18,997	73,655
Profit after income tax for the financial period	-	-	-	827	827
Balance at 30 September 2010	<u>60,000</u>	<u>(17,444)</u>	<u>12,102</u>	<u>19,824</u>	<u>74,482</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 2011 and the accompanying explanatory notes attached to the interim financial statements)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE 1ST QUARTER ENDED 30 SEPTEMBER 2011**

	Current Year to Date 30.9.2011 RM'000 (Unaudited)	Corresponding Period Ended 30.9.2010 RM'000 (Audited)
CASH FLOWS (FOR)/FROM OPERATING ACTIVITIES		
Profit before income tax	966	837
Adjustments for:-		
Non-cash items	1,168	1,044
Operating profits before working capital changes	<u>2,134</u>	<u>1,881</u>
Net change in current assets	(3,415)	(10,629)
Net change in current liabilities	951	(2,133)
Cash absorbed by operations	<u>(330)</u>	<u>(10,881)</u>
Other operating activities	(665)	(573)
NET CASH USED IN OPERATING ACTIVITIES	<u>(995)</u>	<u>(11,454)</u>
NET CASH USED IN INVESTING ACTIVITIES	(118)	(12)
NET CASH PROVIDED BY FINANCING ACTIVITIES	517	5,894
NET DECREASE IN CASH AND CASH EQUIVALENTS	<u>(596)</u>	<u>(5,572)</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	(3,238)	3,110
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	<u>(3,834)</u>	<u>(2,462)</u>
NOTES TO CASH FLOW STATEMENTS		
Cash and cash equivalents comprise:-		
Cash and bank balances	1,291	3,354
Bank overdrafts	(5,125)	(5,816)
	<u>(3,834)</u>	<u>(2,462)</u>

(The unaudited Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Annual Financial Report for financial year ended 30 June 2011 and the accompanying explanatory notes attached to the interim financial statements)

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 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 2011. 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 2011 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.

Amendments to FRS 1	First-time Adoption of Financial Reporting Standards
Amendments to FRS 2	Group Cash Settled Share-based Payment
Amendments to FRS 2	Improvements of FRSs 2010
Amendments to FRS 7	Financial Instruments: Disclosures
Amendments to FRS 101	Presentation of Financial Statements
Amendments to FRS 128	Improvements of FRSs 2010
Amendments to FRS 131	Improvements of FRSs 2010
Amendments to FRS 132	Improvements of FRSs 2010
Amendments to FRS 134	Improvements of FRSs 2010
Amendments to FRS 139	Improvements of FRSs 2010

The adoption of the above FRSs, Amendments 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 2011 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 30 September 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

There was no dividend paid for the current quarter.

9. Segment Information

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

Year Ended 30 September 2011	Investment Holding RM'000	Manufacturing And Trading RM'000	Elimination RM'000	Group RM'000
REVENUE:				
- Export	-	12,142	-	12,142
- Local	-	8,518	-	8,518
TOTAL	-	20,660	-	20,660
RESULTS:				
Profit Before Income Tax	(37)	1,003	-	966
Income Tax Expense	-	(11)	-	(11)
Profit After Income Tax				955

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 RM37 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 RM20.660 million for the current quarter represents 9.6% increase over that of RM18.849 million achieved in the preceding year corresponding quarter. The current quarter result reported a profit before income tax of RM966,000 as compared to the result of the same period last year of profit before income tax of RM837,000.

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

	Current Year Quarter 30.9.2011 RM'000	Immediate Preceding Quarter 30.6.2011 RM'000	% +/-
Turnover	20,660	22,473	-8.11
Profit before income tax	<u>966</u>	<u>1,985</u>	-51.34

The Group achieved a lower turnover of RM20.660 million in the current quarter ended 30 September 2011 representing a 8.11% decrease over that of the preceding quarter. Profit before income tax decreased by 51.34% in the current 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 2012 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 2012.

17. Variance From Profit Forecast

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

18. Income tax expense

	Current Year Quarter 30.9.2011 RM'000	Current Year To Date 30.9.2011 RM'000
Income tax liabilities:		
Estimate for the period	(11)	(11)
	<u>(11)</u>	<u>(11)</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

	30.9.2011
	The Group
	RM'000
Short term borrowings:	
Bank overdrafts	5,125
Bankers' acceptance	24,183
Hire-purchase creditors	3,450
	<hr/>
	32,758
Long term borrowing	
Hire-purchase creditors	4,312
	<hr/>
	37,070
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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 25 November 2011.

24. Realised and Unrealised Retained Profit

	As at 30.9.2011 RM'000	As at 30.6.2011 RM'000
Total retained profit of Company and its subsidiaries:		
- Realised	29,137	27,969
- Unrealised	-	213
Consolidation adjustments	<u>(6,430)</u>	<u>(6,430)</u>
Total Group retained profit	<u><u>22,707</u></u>	<u><u>21,752</u></u>

25. Material Litigation

There was no pending material litigation against the Group as at 25 November 2011.

26. Proposed Dividend

No 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 30/9/2011	PRECEDING YEAR CORRESPONDING QUARTER 30/9/2010	CURRENT YEAR TO DATE 30/9/2011	PRECEDING YEAR TO DATE 30/9/2010
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
Diluted	Not presented as there were no share option granted at the date of the statement of financial position date and the date of this report			

Khee San Berhad (304376-A)
(Incorporated in Malaysia)



BY ORDER OF THE BOARD

MR LESLIE LOOI MENG
AUDIT COMMITTEE CHAIRMAN

Dated : 30 November 2011