

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2013**

	As at end of current year quarter ended 31.3.2013 RM'000 (Unaudited)	As at preceding financial year ended 30.6.2012 RM'000 (Audited)
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	119,838	109,087
Investment property	4,416	4,416
Intangible assets	1,600	1,600
Deferred income tax assets	750	750
	<u>126,604</u>	<u>115,853</u>
CURRENT ASSETS		
Inventories	11,306	11,422
Trade and other receivables	17,102	12,858
Amount due from ultimate holding company	2,755	6,610
Cash and bank balances	1,626	2,192
	<u>32,789</u>	<u>33,082</u>
TOTAL ASSETS	<u>159,393</u>	<u>148,935</u>
EQUITY AND LIABILITIES		
EQUITY		
Share Capital	60,000	60,000
Merger Reserve	(17,444)	(17,444)
Revaluation reserve	19,856	19,856
Retained Profit	29,227	25,730
TOTAL EQUITY	<u>91,639</u>	<u>88,142</u>
NON-CURRENT AND DEFERRED LIABILITIES		
Long-term borrowings	<u>11,341</u>	<u>6,529</u>
	11,341	6,529
CURRENT LIABILITIES		
Trade and other payables	22,466	21,013
Short-term borrowings	33,947	33,251
	<u>56,413</u>	<u>54,264</u>
TOTAL LIABILITIES	<u>67,754</u>	<u>60,793</u>
TOTAL EQUITY AND LIABILITIES	<u>159,393</u>	<u>148,935</u>
Net Assets per share (sen)	152.73	146.90

(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 2012 and the accompanying explanatory notes attached to the interim financial statements)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE 3RD QUARTER ENDED 31 MARCH 2013**

The results of Khee San Berhad for the period ended 31 March 2013 are as follows:-

	Individual Period		Cumulative Period	
	Current Year Quarter Ended 31.3.2013 RM'000 (Unaudited)	Preceding Year Corresponding Quarter Ended 31.3.2012 RM'000 (Unaudited)	Current Year-to- Date 31.3.2013 RM'000 (Unaudited)	Preceding Year Corresponding Period Ended 31.3.2012 RM'000 (Unaudited)
REVENUE	26,694	22,646	73,851	66,403
COST OF SALES	(23,550)	(19,935)	(66,059)	(58,628)
GROSS PROFIT	3,144	2,711	7,792	7,775
OTHER OPERATING INCOME	389	408	1,074	1,360
OPERATING EXPENSES	(1,178)	(1,534)	(3,154)	(4,239)
FINANCE COSTS	(772)	(530)	(2,103)	(1,694)
PROFIT BEFORE INCOME TAX	1,583	1,055	3,609	3,202
INCOME TAX EXPENSE	(37)	(18)	(112)	(40)
PROFIT AFTER INCOME TAX	1,546	1,037	3,497	3,162
OTHER COMPREHENSIVE INCOME	-	-	-	-
TOTAL COMPREHENSIVE PROFIT FOR THE PERIOD	1,546	1,037	3,497	3,162
ATTRIBUTABLE TO:				
Equity holders of the parent	1,546	1,037	3,497	3,162
Minority interests	-	-	-	-
PROFIT AFTER INCOME TAX	1,546	1,037	3,497	3,162
EARNINGS PER SHARE (SEN)				
- Basic	2.58	1.73	5.83	5.27
- Diluted	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 2012 and the accompanying explanatory attached to the interim financial statements)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE 3RD QUARTER ENDED 31 MARCH 2013**

	← 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 2012	60,000	(17,444)	19,856	25,730	88,142
Profit after income tax for the financial period	-	-	-	3,497	3,497
Balance at 31 March 2013	<u>60,000</u>	<u>(17,444)</u>	<u>19,856</u>	<u>29,227</u>	<u>91,639</u>
Balance at 1 July 2011	60,000	(17,444)	12,102	21,752	76,410
Revaluation surplus of properties	-	-	7,754	-	7,754
Profit after income tax for the financial period	-	-	-	3,162	3,162
Balance at 31 March 2012	<u>60,000</u>	<u>(17,444)</u>	<u>19,856</u>	<u>24,914</u>	<u>87,326</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 2012 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 2013**

	Current Year to Date 31.3.2013 RM'000 (Unaudited)	Corresponding Period Ended 31.3.2012 RM'000 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	3,609	3,202
Adjustments for:-		
Gain on disposal of property, plant and equipment	-	(22)
Depreciation	3,050	1,781
Interest expense	2,008	1,619
Operating profits before working capital changes	<u>8,667</u>	<u>6,580</u>
Net change in inventories	117	4,442
Net change in receivables	(276)	(7,043)
Net change in payables	1,453	(59)
Cash absorbed by operations	<u>9,961</u>	<u>3,920</u>
Dividend paid	-	-
Tax paid	(226)	(169)
Interest paid	(2,008)	(1,619)
NET CASH USED IN OPERATING ACTIVITIES	<u>7,727</u>	<u>2,132</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
+ Purchase of property, plant and equipment	(6,041)	(984)
Proceed from disposal of property, plant and equipment	-	50
NET CASH USED IN INVESTING ACTIVITIES	(6,041)	(934)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net changes in bankers acceptance	1,704	(775)
Repayment of term loan	(326)	-
Hire-purchase instalment paid	(3,780)	(2,903)
NET CASH PROVIDED BY FINANCING ACTIVITIES	(2,402)	(3,678)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(716)	(2,480)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	(4,501)	(3,238)
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	<u>(5,217)</u>	<u>(5,718)</u>
<i>+Property, plant and equipment at aggregate cost of RM13,801,000 (2012-RM4,751,000) was acquired during the financial period of which RM7,760,000 (2012-3,767,000) was acquired by means of hire-purchase.</i>		
Cash and cash equivalents comprise:-		
Cash and bank balances	1,626	768
Bank overdrafts	(6,843)	(6,486)
	<u>(5,217)</u>	<u>(5,718)</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 2012 and the accompanying explanatory notes attached to the interim financial statements)

NOTES TO THE FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 MARCH 2013

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

1. Basis Of Preparation

These condensed consolidated interim financial statements have been prepared in accordance with MFRS134: Interim Financial Reporting in Malaysia, and with 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 Group’s audited financial statements for year ended 30 June 2012. The consolidated financial statement of the Group as at and for the year ended 30 June 2012 were prepared in accordance with Financial Reporting Standards (“FRS”).

2. Accounting Policies

The accounting policies and presentation adopted for the interim financial statements are consistent with those adopted for the annual financial statements for the year ended 30 June 2012, except for the following:

Adoption of a new MASB accounting framework, the MFRS Framework

The Group has adopted the Malaysian Financial Reporting Standards (“MFRS”) framework issued by the Malaysian Accounting Standards Board (“MASB”) with effect from 1 July 2012. This MFRS framework was introduced by the MASB in order to fully converge Malaysia’s existing Financial Reporting Standards (FRS) framework with the International Financial Reporting Standards (IFRS) framework issued by the International Accounting Standards Board. In adopting the new framework, the Group has applied MFRS 1 “*First-Time Adoption of Malaysian Financial Reporting Standards*”.

The adoption the MFRS is expected to have no material impact on the financial statements of the Group.

3. Status Of Audit Qualification

The audited financial statements for the year ended 30 June 2012 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 2013.

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:-

Quarter Ended 31 March 2013	Investment Holding RM'000	Manufacturing And Trading RM'000	Elimination RM'000	Group RM'000
REVENUE:				
- Export	-	40,488	-	40,488
- Local	-	33,363	-	33,363
TOTAL	-	73,851	-	73,851
RESULTS:				
Profit Before Income Tax	(151)	3,760	-	3,609
Income Tax Expense	-	(112)	-	(112)
Profit After Income Tax				3,497

Segmental Analysis for the financial period ended 31 March 2013 by Product Segment:

Detailed Analysis of the Group's Operating Segments							
LEGEND * Market Conditions and demand for its goods and services ^ The level of its operating activities # Factors or circumstances affecting the changes to revenue, costs and profit margin of each business activity or segment Ω Any unusual or one off gains / losses affecting the revenue or profit □ Any other information which can provide a better understanding of the Listed Issuer's performance							
No.	Segment	Sales RM'000	(i) *	(ii) ^	(iii) #	(iv) Ω	(v) □
1	Confectionery	10,705	Market Conditions	Level	Factors / Circumstances	Unusual or One off Gains	Other Information
			Poor ()	>50% ()	Raw Material Prices (v)	-NA-	-NA-
			Average ()	50.1% > 75% ()	Market Conditions (v)		
			Good (v)	75.1% > 100% (v)	Product Competition ()		
					Market Competition (v)		
					Prices Increases ()		
			Demand		New Product Variety ()		
			Poor ()		New Product Segment ()		
			Average ()		Capacity Expenditure ()		
			Strong (v)		Others:- ()		
2	Sweets and Candies	63,146	Market Conditions	Level	Factors / Circumstances	Unusual or One off Gains	Other Information
			Poor ()	>50% ()	Raw Material Prices (v)	-NA-	-NA-
			Average ()	50.1% > 75% ()	Market Conditions (v)		
			Good (v)	75.1% > 100% (v)	Product Competition ()		
					Market Competition ()		
					Prices Increases ()		
			Demand		New Product Variety ()		
			Poor ()		New Product Segment ()		
			Average ()		Capacity Expenditure ()		
			Strong (v)		Others:- ()		

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 RM45.3 million being corporate guarantees given to financial institutions for banking facilities granted to a wholly owned 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 RM26.694 million for the current quarter represents 17.88% increase over that of RM22.646 million achieved in the preceding year corresponding quarter. The current quarter result reported a profit before income tax of RM1.583 million as compared to the result of the same period last year of profit before income tax of RM1.055 million. This performance is within the Group's expectation.

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

	Current Year Quarter 31.3.2013 RM'000	Immediate Preceding Quarter 31.12.2012 RM'000	% +/-
Turnover	26,694	25,443	+4.92
Profit before income tax	<u>1,583</u>	<u>998</u>	+58.62

The Group achieved a higher turnover of RM26.694 million in the current quarter ended 31 March 2013 representing a 4.92% increase over that of the preceding quarter. The performance for the current year quarter is within the Group's expectation.

16. Prospects for the Current Financial Year

The year ending 30 June 2013 shall be another challenging year.

The prospects of the confectionery segment are good with stable orders and utilization running at near full capacity.

The prospects of the sweets and candies segment are good with strong demand from customers.

In respect of both business segments, cost of raw material remains high but stable while fluctuations in currencies are mitigated by the Group setting prices based on a conservative exchange rate valuation. There are no new regulations or changes in business direction which may have impact on the business segments.

The management shall continue its endeavour to ensure that the marketing strategies adopted will put the Group in a better stead for 2013.

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 31.3.2013 RM'000	Current Year To Date 31.3.2013 RM'000
Income tax liabilities:		
Estimate for the period	37	112
	<u>37</u>	<u>112</u>

19. Corporate Proposals

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

20. Group Borrowings And Debt Securities

	31.3.2013 The Group RM'000
Short term borrowings:	
Bank overdrafts	6,843
Bankers' acceptance	23,866
Hire-purchase creditors	2,448
Term loan	790
	<u>33,947</u>
Long term borrowing	
Hire-purchase creditors	8,572
Term loan	2,769
	<u>11,341</u>
	<u>45,288</u>

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

21. Realised and Unrealised Retained Profit

	As at 31.3.2013 RM'000	As at 30.6.2012 RM'000
Total retained profit of Company and its subsidiaries:		
- Realised	34,907	31,457
- Unrealised	750	703
Consolidation adjustments	<u>(6,430)</u>	<u>(6,430)</u>
Total Group retained profit	<u>29,227</u>	<u>25,730</u>

22. Material Litigation

There was no pending material litigation against the Group as at the date of this quarterly report.

23. Proposed Dividend

No dividend is proposed for this quarter under review.

24. Profit before income tax

Profit before income tax is stated after charging/(crediting):-

	Current period quarter 31.3.2013 RM'000	Current period- to-date (9 months) 31.3.2013 RM'000
Interest income	-	-
Other income including investment income	(78)	(255)
Interest expense	754	2,008
Depreciation of property, plant and equipment	1,543	3,050
Provision for and write off of receivables	-	-
Provision for and write off of inventories	-	-
Gain or loss on disposal of quoted or unquoted investments or property, plant and equipment	-	-
Impairment of assets	-	-
Foreign exchange (gain) or loss	(311)	(819)
Gain or loss on derivatives	-	-
Exceptional items	-	-

25. 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 31.3.2013	PRECEDING YEAR CORRESPONDING QUARTER 31.3.2012	CURRENT YEAR TO DATE 31.3.2013	PRECEDING YEAR TO DATE 31.3.2012
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			

BY ORDER OF THE BOARD

MR LESLIE LOOI MENG
AUDIT COMMITTEE CHAIRMAN

Dated: 31 May 2013