

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2013**

	As at end of current year quarter ended 30.6.2013 RM'000 (Unaudited)	As at preceding financial year ended 30.6.2012 RM'000 (Audited)
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	131,351	109,087
Investment property	4,710	4,416
Other investment	138	-
Intangible assets	1,600	1,600
Deferred income tax assets	750	750
	<u>138,549</u>	<u>115,853</u>
CURRENT ASSETS		
Inventories	13,002	11,422
Trade and other receivables	12,674	12,858
Amount due from ultimate holding company	-	6,610
Cash and bank balances	3,273	2,192
	<u>28,949</u>	<u>33,082</u>
TOTAL ASSETS	<u>167,498</u>	<u>148,935</u>
EQUITY AND LIABILITIES		
EQUITY		
Share Capital	60,000	60,000
Merger Reserve	(17,444)	(17,444)
Revaluation reserve	23,617	19,856
Retained Profit	29,759	25,730
TOTAL EQUITY	<u>95,932</u>	<u>88,142</u>
NON-CURRENT AND DEFERRED LIABILITIES		
Long-term borrowings	13,686	6,529
	<u>13,686</u>	<u>6,529</u>
CURRENT LIABILITIES		
Trade and other payables	24,591	21,013
Short-term borrowings	33,289	33,251
	<u>57,880</u>	<u>54,264</u>
TOTAL LIABILITIES	<u>71,566</u>	<u>60,793</u>
TOTAL EQUITY AND LIABILITIES	<u>167,498</u>	<u>148,935</u>
Net Assets per share (sen)	159.89	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 4TH QUARTER ENDED 30 JUNE 2013**

The results of Khee San Berhad for the year ended 30 June 2013 are as follows:-

	Individual Period		Cumulative Period	
	Current Year Quarter Ended 30.6.2013 RM'000 (Unaudited)	Preceding Year Corresponding Quarter Ended 30.6.2012 RM'000 (Unaudited)	Current Year-to- Date 30.6.2013 RM'000 (Unaudited)	Preceding Year Corresponding Year Ended 30.6.2012 RM'000 (Audited)
REVENUE	21,927	22,134	95,778	88,537
COST OF SALES	(19,667)	(20,918)	(85,726)	(79,546)
GROSS PROFIT	2,260	1,216	10,052	8,991
OTHER OPERATING INCOME	1,432	489	2,506	1,849
OPERATING EXPENSES	(2,274)	(330)	(5,428)	(4,569)
FINANCE COSTS	(818)	(1,321)	(2,921)	(3,015)
PROFIT BEFORE INCOME TAX	600	54	4,209	3,256
INCOME TAX EXPENSE	(68)	762	(180)	722
PROFIT AFTER INCOME TAX	532	816	4,029	3,978
OTHER COMPREHENSIVE INCOME	-	-	-	-
TOTAL COMPREHENSIVE PROFIT FOR THE PERIOD	532	816	4,029	3,978
ATTRIBUTABLE TO:				
Equity holders of the parent	532	816	4,029	3,978
Minority interests	-	-	-	-
PROFIT AFTER INCOME TAX	532	816	4,029	3,978
EARNINGS PER SHARE (SEN)				
- Basic	0.89	1.36	6.72	6.63
- 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 4TH QUARTER ENDED 30 JUNE 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
Revaluation surplus of properties	-	-	3,761	-	3,761
Profit after income tax for the financial period	-	-	-	4,029	4,029
Balance at 30 June 2013	<u>60,000</u>	<u>(17,444)</u>	<u>23,617</u>	<u>29,759</u>	<u>95,932</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	-	-	-	3,978	3,978
Balance at 30 June 2012	<u>60,000</u>	<u>(17,444)</u>	<u>19,856</u>	<u>25,730</u>	<u>88,142</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 4TH QUARTER ENDED 30 JUNE 2013**

	Current Year to Date 30.6.2013 RM'000 (Unaudited)	Corresponding Period Ended 30.6.2012 RM'000 (Audited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	4,209	3,256
Adjustments for:-		
Impairment loss of investment	6	-
Allowance for doubtful debts	-	4
Gain on disposal of property, plant and equipment	(606)	(4)
Depreciation	3,641	2,418
Interest expense	2,619	2,927
(Gain)/Loss on foreign exchange-unrealised	(387)	47
Interest income	-	(3)
Operating profits before working capital changes	<u>9,482</u>	<u>8,645</u>
Net change in inventories	(1,580)	4,538
Net change in receivables	(4,922)	28,152
Net change in payables	14,978	(12,377)
Cash generated from operations	<u>17,958</u>	<u>28,958</u>
Tax paid	(301)	(305)
Interest received	-	3
Tax refunded	823	80
Interest paid	(2,619)	(2,927)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>15,861</u>	<u>25,809</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
+ Purchase of property, plant and equipment	(8,680)	(23,045)
Proceed from disposal of property, plant and equipment	1,000	31
Investment in structured product	(144)	-
NET CASH USED IN INVESTING ACTIVITIES	<u>(7,824)</u>	<u>(23,014)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net changes in bankers acceptance	1,910	(640)
Repayment of term loan	(523)	(65)
Hire-purchase instalment paid	(5,103)	(3,353)
NET CASH USED IN FINANCING ACTIVITIES	<u>(3,716)</u>	<u>(4,058)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	<u>4,321</u>	<u>(1,263)</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	(4,501)	(3,238)
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	<u>(180)</u>	<u>(4,501)</u>
<i>+Property, plant and equipment at aggregate cost of RM22,833,000 (2012-RM28,760,000) was acquired during the financial period of which RM14,153,000 (2012-RM5,715,000) was acquired by means of hire-purchase and term loan.</i>		
Cash and cash equivalents comprise:-		
Cash and bank balances	3,273	2,192
Bank overdrafts	(3,453)	(6,693)
	<u>(180)</u>	<u>(4,501)</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 30 JUNE 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 the Malaysian Financial Reporting Standard (MFRS) 134: Interim Financial Reporting, International Accounting Standard (IAS) 34: Interim Financial Reporting 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 30 June 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

There were no issuances, cancellation, repurchases or resale of debt and equity securities in the Company during the period under review.

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 30 June 2013	Investment Holding RM'000	Manufacturing And Trading RM'000	Elimination RM'000	Group RM'000
REVENUE:				
- Export	-	56,003	-	56,003
- Local	400	39,775	(400)	39,775
TOTAL	400	95,778	(400)	95,778
RESULTS:				
Profit Before Income Tax	(2,076)	4,526	1,759	4,209
Income Tax Expense	(35)	(245)	100	(180)
Profit After Income Tax				4,029

Segmental Analysis for the financial period ended 30 June 2013 by Product Segment:

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								
Q	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) Q	(v) □		
			Market Conditions	Level	Factors / Circumstances	Unusual or One off Gains	Other Information		
1	Confectionery	14,101	Poor ()	>50% ()	Raw Material Prices (v)	-NA-	-NA-		
			Average ()	50.1 % > 75% ()	Market Conditions (v)				
			Good (v)	75.1 % > 100% (v)	Product Competition ()				
			Demand		Market Competition (v)				
			Poor ()		Prices Increases ()				
			Average ()		New Product Variety ()				
			Strong (v)		New Product Segment ()				
					Capacity Expenditure ()				
					Others:- ()				
2	Sweets and Candies	81,677	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 ()				
			Demand		Market Competition ()				
			Poor ()		Prices Increases ()				
			Average ()		New Product Variety ()				
			Strong (v)		New Product Segment ()				
					Capacity Expenditure ()				
					Others:- ()				

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

10. Revaluation of Property, Plant and Equipment

The Group carried out a revaluation on its land and buildings during the current quarter under review. Revaluation surplus was taken up as follows:-

Properties	Net book value RM'000	Revaluation value RM'000	Revaluation surplus RM'000
Land and buildings	35,153	38,620	3,467
Investment properties	4,416	4,710	294
			<u>3,761</u>

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 RM47 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 RM21.927 million for the current quarter represents 0.94% decrease over that of RM22.134 million achieved in the preceding year corresponding quarter. The current quarter result reported a profit before income tax of RM600,000 as compared to the result of the same period last year of profit before income tax of RM54,000. 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 30.6.2013 RM'000	Immediate Preceding Quarter 31.3.2013 RM'000	% +/-
Turnover	21,927	26,694	-17.86
Profit before income tax	<u>600</u>	<u>1,583</u>	-62.10

The Group achieved a lower turnover of RM21.927 million in the current quarter ended 30 June 2013 representing a 17.86% decrease 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 ended 30 June 2013 has been 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 2014.

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.

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 30.6.2013 RM'000	Current Year To Date 30.6.2013 RM'000
Income tax liabilities:		
Estimate for the period	(103)	9
Under provision in prior year	<u>171</u>	<u>171</u>
	<u>68</u>	<u>180</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

	30.6.2013 The Group RM'000
Short term borrowings:	
Bank overdrafts	3,453
Bankers' acceptance	24,072
Hire-purchase creditors	4,974
Term loan	790
	<hr/> 33,289 <hr/>
Long term borrowing	
Hire-purchase creditors	11,116
Term loan	2,570
	<hr/> 13,686 <hr/>
	<hr/> 46,975 <hr/>

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 30.6.2013 RM'000	As at 30.6.2012 RM'000
Total retained profit of Company and its subsidiaries:		
- Realised	33,280	31,457
- Unrealised	750	703
Consolidation adjustments	(4,271)	(6,430)
Total Group retained profit	<hr/> 29,759 <hr/>	<hr/> 25,730 <hr/>

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 30.6.2013 RM'000	Current year-to- date (12 months) 30.6.2013 RM'000
Interest income	-	-
Other income including investment income	(95)	(350)
Interest expense	611	2,619
Depreciation of property, plant and equipment	591	3,641
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	(628)	(628)
Impairment of assets	-	-
Foreign exchange (gain) or loss	(709)	(1,528)
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 30.6.2013	PRECEDING YEAR CORRESPONDING QUARTER 30.6.2012	CURRENT YEAR TO DATE 30.6.2013	PRECEDING YEAR TO DATE 30.6.2012
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: 30 August 2013