

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE 4TH QUARTER ENDED 30 JUNE 2015**

The results of Khee San Berhad for the quarter ended 30 June 2015 are as follows:-

	Individual Period		Cummulative Period	
	Current Year Quarter Ended 30.6.2015 RM'000 (Unaudited)	Preceding Year Corresponding Quarter Ended 30.6.2014 RM'000 (Unaudited)	Current Year-to- Date 30.6.2015 RM'000 (Unaudited)	Preceding Year Corresponding Year Ended 30.6.2014 RM'000 (Audited)
REVENUE	45,697	30,238	142,663	115,604
COST OF SALES	(44,546)	(27,932)	(126,810)	(101,269)
GROSS PROFIT	1,151	2,306	15,853	14,335
OTHER OPERATING INCOME	1,687	987	2,243	1,640
OPERATING EXPENSES	(38)	(178)	(7,459)	(6,121)
FINANCE COSTS	(1,077)	(1,226)	(5,464)	(4,584)
PROFIT BEFORE INCOME TAX	1,723	1,889	5,173	5,270
INCOME TAX EXPENSE	(495)	(338)	(1,063)	(850)
PROFIT AFTER INCOME TAX	1,228	1,551	4,110	4,420
OTHER COMPREHENSIVE INCOME	-	4,100	-	4,100
TOTAL COMPREHENSIVE PROFIT FOR THE PERIOD	1,228	5,651	4,110	8,520
ATTRIBUTABLE TO:				
Equity holders of the parent	1,228	1,551	4,110	4,420
Minority interests	-	-	-	-
PROFIT AFTER INCOME TAX	1,228	1,551	4,110	4,420
EARNINGS PER SHARE (SEN)				
- Basic	1.62	2.57	5.41	7.31
- Diluted	1.62	2.42	5.41	6.91

(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 2014 and the accompanying explanatory attached to the interim financial statements)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2015**

	As at end of current year quarter ended 30.6.2015 RM'000 (Unaudited)	As at preceding financial year ended 30.6.2014 RM'000 (Audited)
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	168,384	166,876
Investment property	2,900	2,900
Intangible assets	1,600	1,600
	172,884	171,376
CURRENT ASSETS		
Inventories	11,099	11,761
Trade and other receivables	55,028	14,358
Cash and bank balances	1,053	1,187
	67,180	27,306
TOTAL ASSETS	240,064	198,682
EQUITY AND LIABILITIES		
EQUITY		
Share Capital	89,070	65,450
Merger Reserve	(17,444)	(17,444)
Revaluation reserve	27,423	27,423
Retained Profit	38,289	34,179
TOTAL EQUITY	137,338	109,608
NON-CURRENT AND DEFERRED LIABILITIES		
Long-term borrowings	14,101	21,027
Deferred tax liabilities	1,418	568
	15,519	21,595
CURRENT LIABILITIES		
Trade and other payables	19,713	15,851
Amount due to ultimate holding company	1,677	1,724
Short-term borrowings	65,817	49,904
	87,207	67,479
TOTAL LIABILITIES	102,726	89,074
TOTAL EQUITY AND LIABILITIES	240,064	198,682
Net Assets per share (sen)	154	167

(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 2014 and the accompanying explanatory notes attached to the interim financial statements)



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE 4TH QUARTER ENDED 30 JUNE 2015**

	← 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	
Year ended 30 June 2015					
Balance at 1 July 2014	65,450	(17,444)	27,423	34,179	109,608
Employees share option scheme	16,720	-	-	-	16,720
Private placement	6,900	-	-	-	6,900
Profit after income tax	-	-	-	4,110	4,110
Total comprehensive income	-	-	-	4,110	4,110
Balance at 30 June 2015	89,070	(17,444)	27,423	38,289	137,338
Year ended 30 June 2014					
Balance at 1 July 2013	60,000	(17,444)	23,323	29,759	95,638
Employees share option scheme	5,450	-	-	-	5,450
Other comprehensive income					
- Revaluation surplus on properties	-	-	4,100	-	4,100
Profit after income tax	-	-	-	4,420	4,420
Total comprehensive income	-	-	4,100	4,420	8,520
Balance at 30 June 2014	65,450	(17,444)	27,423	34,179	109,608

(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 2014 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 2015**

	Current Year to Date 30.6.2015 RM'000 (Unaudited)	Corresponding Year Ended 30.6.2014 RM'000 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	5,173	5,270
Adjustments for:-		
Depreciation	5,584	4,564
Interest expense	5,379	4,360
Fair value on investment properties, net of deferred income tax	-	(143)
Gain on disposal of property, plant and equipment	-	(999)
Loss/(Gain) on foreign exchange unrealised	415	(55)
Operating profits before working capital changes	<u>16,551</u>	<u>12,997</u>
Net change in inventories	662	1,241
Net change in receivables	(41,214)	(1,859)
Net change in payables	3,816	(7,016)
Cash (absorbed by)/generated from operations	<u>(20,185)</u>	<u>5,363</u>
Tax paid	(83)	(301)
Tax refunded	-	482
Interest paid	(5,379)	(4,360)
NET CASH (USED IN)/PROVIDED BY OPERATING ACTIVITIES	<u>(25,647)</u>	<u>1,184</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
+ Purchase of property, plant and equipment	(7,093)	(18,282)
Proceed from disposal of investment	-	137
Proceed from disposal of property, plant and equipment	-	1,681
Proceed from disposal of investment properties	-	1,960
NET CASH (USED IN)/PROVIDED BY INVESTING ACTIVITIES	<u>(7,093)</u>	<u>(14,504)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Employees share option scheme	16,720	5,450
Private placement	6,900	-
Net changes in bankers acceptance	18,784	9,697
Repayment of term loan	(790)	(2,553)
Hire-purchase instalment paid	(7,171)	(6,085)
NET CASH PROVIDED BY FINANCING ACTIVITIES	<u>34,443</u>	<u>6,509</u>
NET CHANGES IN CASH AND CASH EQUIVALENTS	<u>1,703</u>	<u>(6,811)</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	(6,991)	(180)
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	<u>(5,288)</u>	<u>(6,991)</u>
<i>+Property, plant and equipment at aggregate cost of RM7,093,000 (2014-RM36,454,000) was acquired during the financial period of which RMNil (2014-RM18,172,000) was acquired by means of hire-purchase and term loan.</i>		
Cash and cash equivalents comprise:-		
Cash and bank balances	1,053	1,187
Bank overdrafts	(6,341)	(8,178)
	<u>(5,288)</u>	<u>(6,991)</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 2014 and the accompanying explanatory notes attached to the interim financial statements)

NOTES TO THE FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 JUNE 2015

PART A – EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 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 Securities”).

The interim financial statements should be read in conjunction with the Group’s audited financial statements for year ended 30 June 2014. The consolidated financial statement of the Group as at and for the year ended 30 June 2014 were prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”).

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 2014.

3. Status Of Audit Qualification

The audited financial statements for the year ended 30 June 2014 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 period under review.

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 quarter under review, the fully paid up shares capital of the Company was increased from 87,800,000 to 89,070,000 by way of allotment of 1,270,000 new ordinary shares of RM1.00 each for cash at RM1.00 per share under the Employees Shares Option Scheme on 13 May 2015 and listed on 15 May 2015.

Other than the abovementioned, there were no issuances and repayment of debts securities during the quarter 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 2015	Investment Holding RM'000	Manufacturing And Trading RM'000	Elimination RM'000	Group RM'000
REVENUE:				
- Export	-	73,383	-	73,383
- Local	-	69,280	-	69,280
TOTAL	-	142,663	-	142,663
RESULTS:				
Profit Before Income Tax	(616)	5,789	-	5,173
Income Tax Expense	(8)	(1,055)	-	(1,063)
Profit After Income Tax				4,110

Segmental Analysis for the financial year ended 30 June 2015 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										
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	19,542	Market Conditions		Level		Factors / Circumstances		Unusual or One off Gains -NA-	Other Information -NA-	
			Poor	()	>50%	()	Raw Material Prices	(√)			
			Average	()	50.1% > 75%	()	Market Conditions	(√)			
			Good	(√)	75.1% > 100%	(√)	Product Competition	()			
			Demand				Market Competition				(√)
			Poor	()			Prices Increases				()
			Average	()			New Product Variety				()
			Strong	(√)			New Product Segment				()
							Capacity Expenditure				()
							Others:-				()
2	Sweets and Candies	123,121	Market Conditions		Level		Factors / Circumstances		Unusual or One off Gains -NA-	Other Information -NA-	
			Poor	()	>50%	()	Raw Material Prices	(√)			
			Average	()	50.1% > 75%	()	Market Conditions	(√)			
			Good	(√)	75.1% > 100%	(√)	Product Competition	()			
			Demand				Market Competition				()
			Poor	()			Prices Increases				()
			Average	()			New Product Variety				()
			Strong	(√)			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 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 RM66 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 RM45.697 million for the current quarter represents 51.12% increase over that of RM30.238 million achieved in the preceding year corresponding quarter. The current quarter result reported a profit before income tax of RM1.723 million as compared to the result of the same period last year of profit before income tax of RM1.889 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 30.6.2015 RM'000	Immediate Preceding Quarter 31.3.2015 RM'000	% +/-
Turnover	45,697	34,047	+34.22
Profit before income tax	<u>1,723</u>	<u>915</u>	+88.31

The Group achieved a higher turnover of RM45,697 million in the current quarter under review representing a 34.22% 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 ended 30 June 2015 had 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 2016.

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 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 30.6.2015 RM'000	Current Year To Date 30.6.2015 RM'000
Income tax liabilities:		
Estimate for the period	15	213
Deferred income tax:		
Transferred to deferred income tax	480	850
	<u>495</u>	<u>1,063</u>

19. Corporate Proposals

There were no corporate proposals that have been announced during the current quarter under review.

20. Group Borrowings And Debt Securities

	30.6.2015 The Group RM'000
Short term borrowings:	
Bank overdrafts	6 341
Bankers' acceptance	52,553
Hire-purchase payables	6,134
Term loan	789
	<u>65,817</u>
Long term borrowing	
Hire-purchase payables	13,110
Term loan	991
	<u>14,101</u>
	<u>79,918</u>

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

21. Realised and Unrealised Retained Profit

	As at 30.6.2015 RM'000	As at 30.6.2014 RM'000
Total retained profit of Company and its subsidiaries:		
- Realised	43,978	39,018
- Unrealised	(1,418)	(568)
Consolidation adjustments	<u>(4,271)</u>	<u>(4,271)</u>
Total Group retained profit	<u><u>38,289</u></u>	<u><u>34,179</u></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 30.6.2015 RM'000	Current year -to-date 30.6.2015 RM'000
Interest income	-	-
Other income including investment income	(163)	(719)
Interest expense	1,061	5,379
Depreciation of property, plant and equipment	1,511	5,584
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	(850)	(1,524)
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 30.6.2015	PRECEDING YEAR CORRESPONDING QUARTER 30.6.2014	CURRENT YEAR TO DATE 30.6.2015	PRECEDING YEAR TO DATE 30.6.2014
Basic	Weighted average no of ordinary shares of 75,990,767	Weighted average no of ordinary shares of 60,418,082	Weighted average no of ordinary shares of 75,990,767	Weighted average no of ordinary shares of 60,418,082
Diluted	Weighted average no of ordinary shares of 75,990,767	Weighted average no of ordinary shares of 63,968,082	Weighted average no of ordinary shares of 75,990,767	Weighted average no of ordinary shares of 63,968,082

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

**MR LESLIE LOOI MENG
AUDIT COMMITTEE CHAIRMAN**

Dated: 28 August 2015