



**KHEE SAN BERHAD**

(Company No. 304376-A)  
(Incorporated in Malaysia)

**("KSB" or "the Company")**

**Interim Financial Statements**  
**Fourth Quarter Results**  
**For the Financial Period ended**  
**30 June, 2018**



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FOURTH QUARTER ENDED 30 JUNE 2018**

	Individual Quarter		Cumulative Quarter	
	Current Period Quarter Ended 30.06.2018 RM'000	Preceding Period Corresponding Quarter Ended 30.06.2017 RM'000	(Unaudited) Current Period- To-Date Ended 30.06.2018 RM'000	(Audited) Preceding Period Corresponding Quarter Ended 30.06.2017 RM'000
<b>Revenue</b>	42,973	37,954	139,679	143,982
Cost of Sales	(34,157)	(35,627)	(109,427)	(125,978)
<b>Gross Profit</b>	8,816	2,327	30,252	18,004
Other income	156	6,670	800	7,049
Selling and distribution costs	(1,684)	(1,238)	(13,206)	(8,518)
Administrative expenses	(4,265)	(4,645)	(7,802)	(8,268)
Finance costs	(1,523)	(890)	(4,846)	(4,032)
<b>Profit Before Tax</b>	1,500	2,224	5,198	4,235
Income tax expenses	(335)	(1,201)	(1,179)	(4,711)
<b>Profit for the Period</b>	1,165	1,023	4,019	(476)
<b>Total Comprehensive Income for the Period</b>	1,165	1,023	4,019	(476)
<b>Profit for the Period attributable to:</b>				
Owners of the Company	1,165	1,023	4,019	(476)
	1,165	1,023	4,019	(476)
<b>Total Comprehensive Income attributable to:</b>				
Owners of the Company	1,165	1,023	4,019	(476)
	1,165	1,023	4,019	(476)
<b>Earning per Share (Sen)</b>				
Basic	1.12	0.97	3.86	(0.44)
Diluted	N/A	N/A	N/A	N/A

The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 30 June, 2017 and the accompanying explanatory notes attached to the interim financial statements.



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2018**

	(Unaudited) As at 30.06.2018 RM'000	(Audited) As at 30.06.2017 RM'000
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	158,961	162,332
Intangible assets	800	800
	<u>159,761</u>	<u>163,132</u>
<b>Current Assets</b>		
Inventories	8,499	12,106
Trade and other receivables	70,733	64,703
Amount due from associate company	135	-
Tax recoverable	239	-
Assets held for sale	(11,884)	-
Cash and bank balances	8,359	8,640
	<u>76,081</u>	<u>85,449</u>
<b>TOTAL ASSETS</b>	<u><u>235,842</u></u>	<u><u>248,581</u></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the Company</b>		
Share capital	104,000	104,000
Share premium	152	2,300
Merger reserve	(17,444)	(17,444)
Revaluation reserve	21,208	22,588
Retained earnings	50,349	43,922
<b>TOTAL EQUITY</b>	<u>158,265</u>	<u>155,366</u>
<b>LIABILITIES</b>		
<b>Non-Current Liabilities</b>		
Long-term borrowings	1,084	5,574
Deferred tax liabilities	6,168	8,546
	<u>7,252</u>	<u>14,120</u>
<b>Current Liabilities</b>		
Trade and other payables	2,063	18,045
Short-term borrowings	68,241	60,901
Tax payable	21	149
	<u>70,325</u>	<u>79,095</u>
<b>TOTAL LIABILITIES</b>	<u>77,577</u>	<u>93,215</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>235,842</u></u>	<u><u>248,581</u></u>
Net Assets per Ordinary Share (RM)	<u>1.52</u>	<u>1.49</u>

The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 30 June, 2017 and the accompanying explanatory notes attached to the interim financial statements.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FOURTH QUARTER ENDED 30 JUNE 2018**

	Attributable to Equity Holders of the Parent Entity					Total RM'000
	Non - Distributable			Distributable		
	Share Capital RM'000	Share Premium RM'000	Merger Reserve RM'000	Revaluation Reserve RM'000	Retained Earnings RM'000	
<b><u>Current Quarter</u></b>						
<b>As at 01 July 2017</b>	104,000	2,300	(17,444)	22,588	43,923	155,367
Employees share option scheme	-	(2,148)	-	(1,380)	3,447	(81)
Profit for the period	-	-	-	-	4,019	4,019
Total comprehensive income for the period	104,000	152	(17,444)	21,208	4,019	159,305
Dividends paid	-	-	-	-	(1,040)	(1,040)
<b>As at 30 June 2018</b>	<u>104,000</u>	<u>152</u>	<u>(17,444)</u>	<u>21,208</u>	<u>50,349</u>	<u>158,265</u>
<b><u>Preceding Corresponding Quarter</u></b>						
<b>As at 01 July 2016</b>	100,000	-	(17,444)	22,588	44,151	149,295
Employees share option scheme	4,000	2,300	-	-	-	6,300
Other comprehensive income:						
- Revaluation surplus on properties	-	-	-	-	247	247
Profit for the period	-	-	-	-	(476)	(476)
Total comprehensive income for the period	-	-	-	-	(229)	(229)
<b>As at 30 June 2017</b>	<u>104,000</u>	<u>2,300</u>	<u>(17,444)</u>	<u>22,588</u>	<u>43,922</u>	<u>155,366</u>

The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 30 June, 2017 and the accompanying explanatory notes attached to the interim financial statements.



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE FOURTH QUARTER ENDED 30 JUNE 2018**

	(Unaudited) Current Year- to-date 30.06.2018 RM'000	(Unaudited) Preceding Year Corresponding period 30.06.2017 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	5,198	4,235
Adjustments for:-		
Impairment of inventory	-	2,668
Depreciation of property, plant and equipment	5,435	5,879
Interest expenses	4,845	4,032
Share-based payment	-	17
Bad debt written off	-	71
Unrealised gain on foreign exchange	(2,257)	(2,882)
Operating profit before changes in working capital	13,221	14,020
Changes in inventories	3,607	1,039
Changes in amount due to associate company	657	1,615
Changes in trade and other receivables	(6,165)	(8,908)
Changes in trade and other payables	(5,818)	(3,253)
Cash generated from operations	5,502	4,513
Tax paid	(799)	(449)
Tax refunded	114	199
Interest paid	(4,845)	(4,032)
<b>Net cash from operating activities</b>	<b>(28)</b>	<b>231</b>
<b>CASH FLOWS FROM INVESTING ACTIVITY</b>		
Purchase of property, plant and equipment	(2,070)	(796)
Proceed from disposal of property, plant and equipment	6	-
Assets held for sales	-	11,885
<b>Net cash used in investing activity</b>	<b>(2,064)</b>	<b>11,089</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividends paid	(1,040)	(1,040)
Redeemable of employees share option scheme	-	4,000
Net changes in bankers' acceptance	9,515	(2,992)
Repayment of term loans	(267)	(725)
Repayment of hire purchase payables	(6,397)	(7,885)
<b>Net cash used in financing activities</b>	<b>1,811</b>	<b>(8,642)</b>
<b>Net Changes in Cash and Cash Equivalents</b>	<b>(281)</b>	<b>2,678</b>
<b>Cash and Cash Equivalents at beginning of the period</b>	<b>8,640</b>	<b>5,962</b>
<b>Cash and Cash Equivalents at end of the period</b>	<b>8,359</b>	<b>8,640</b>

**Cash and cash equivalents included in the Unaudited Condensed Consolidated Statement of Cash Flows comprise the following:-**

	30.06.2018 RM'000	30.06.2017 RM'000
Cash and bank balances	8,359	8,640
	<u>8,359</u>	<u>8,640</u>

The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 30 June, 2017 and the accompanying explanatory notes attached to the interim financial statements.

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**NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 30 JUNE, 2018**

**A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134**

**A1. Basis of Preparation**

The restated interim financial statements are unaudited and have been prepared in accordance with the requirements of MFRS 134, Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. Pursuant to instructions of the Securities Commission vide their letter dated 21 May 2018 post the re-audit completed for Audited Financial Statements 2015 and 2016. The re-statement of the quarterly result is for Financial Year Ended 2017 and 2018

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 June 2017. These 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 2017.

**Companies Act 2016**

The Companies Act 2016 (“New Act”) was enacted to replace the Companies Act 1965 with the objectives to create a legal and regulatory structure that will facilitate business and promote accountability as well as protection of corporate directors and shareholders, taking into consideration the interest of other stakeholders.

Amongst the key changes introduced in the New Act which will affect the financial statements of the Group upon the commencement of the New Act on 31st January, 2017 includes:

- Removal of the authorized share capital
- Shares of the Company will cease to have par or nominal value
- The Company’s share premium account will become part of the Company’s share capital

The adoption of the New Act did not have any financial impact to the financial statements of the Group, if applicable, the effect of adoption mainly will be on disclosure to the annual report and financial statements.

**A2. Significant accounting policies**

At the date of authorisation of these interim financial statements, the following MFRSs, Amendments to MFRSs and Issues Committee (“IC”) Interpretations were issued but not yet effective and have not been applied by the Group:-

**a) MFRSs, Interpretations and Amendments effective for annual periods beginning on or after 1st January 2018**

- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards*
- Amendments to MFRS 2, *Classification and Measurement of Share-based Payment Transactions*
- Amendments to MFRS 4, *Insurance Contracts - Applying MFRS 9, Financial Instruments with MFRS 4, Insurance Contracts*
- MFRS 9, *Financial Instruments (2014)*
- MFRS 15, *Revenue from Contracts with Customers*
- Amendments to MFRS 128, *Investments in Associates and Joint Ventures*

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**A2. Significant accounting policies (continued)**

- Amendments to MFRS 140, *Transfers of Investment Property*
  - IC Interpretation 22, Foreign Currency Transactions and Advance Consideration
- b) MFRSs, Interpretations and Amendments effective for annual periods beginning on or after 1st January 2019**
- MFRS 16, *Leases*
  - IC Interpretation 23, Uncertainty over Income Tax Treatments
  - Amendments to MFRS 3, Annual Improvements to MFRS Standards 2015-2017 Cycle
  - Amendments to MFRS 9, Financial Instruments - Prepayment features with Negative Compensation
  - Amendments to MFRS 11, Annual Improvements to MFRS Standards 2015-2017 Cycle
  - Amendments to MFRS 112, Annual Improvements to MFRS Standards 2015-2017 Cycle
  - Amendments to MFRS 119, Plan Amendments, Curtailment or Settlement
  - Amendments to MFRS 123, Annual Improvements to MFRS Standards 2015-2017 Cycle
  - Amendments to MFRS 128, Investment in Associates and Joint Ventures – Long term Interests in Associates and Joint Ventures
- c) MFRSs, Interpretations and Amendments effective for annual periods beginning on or after 1st January 2020**
- Amendments to MFRS 2, Share-based payment
  - Amendments to MFRS 3, Business Combination
  - Amendments to MFRS 6, Exploration for and Evaluation of Mineral Resources
  - Amendments to MFRS 14, Regulatory Deferral Accounts
  - Amendments to MFRS 101, Presentation of Financial Statements
  - Amendments to MFRS 108, Accounting Policies, Changes in Accounting Estimates and Errors
  - Amendments to MFRS 134, Interim Financial Reporting
  - Amendments to MFRS 137, Provisions, Contingent Liabilities and Contingent Assets
  - Amendments to MFRS 138, Intangible Assets
  - Amendments to IC Interpretation 12, Service Concession Arrangements
  - Amendments to IC Interpretation 19, Extinguishing Financial Liabilities with Equity Instruments
  - Amendments to IC Interpretation 20, Stripping Costs in the Production Phase of a Surface Mine
  - Amendments to IC Interpretation 22, Foreign Currency Transactions and Advance Consideration
  - Amendments to IC Interpretation 132, Intangible Assets – Web Site Costs
- d) MFRSs, Interpretations and Amendments effective for a date yet to be confirmed**
- Amendments to MFRS 10, *Consolidated Financial Statements and MFRS 128, Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
- e) Effective for financial periods beginning on or after 1 January 2021**
- MFRS 17, *Insurance Contracts*

The initial application of the accounting standards, amendments or interpretations are not expected to have any material financial impacts to the financial statements of the Group, except MFRS 9, MFRS 15 and MFRS 16.

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**A3. Audit Report Qualification and Status of Matters Raised**

The audit report of the preceding annual financial statements was not qualified, but due to the changes in the re-audit for Audited Financial Statement 2015 and 2016, these has been some changes to the Balance Sheet and Retained Earnings of the Company as stated hereafter.

**A4. Seasonality or Cyclicity Factors**

The operations of the Group were not affected by seasonal or cyclical factors.

**A5. Items of Unusual Nature**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows for the current quarter and financial year-to-date.

**A6. Change in Estimates of Amounts Reported**

There were no changes in estimates of amounts reported in prior financial year that have a material effect in the current quarter and financial year-to-date.

**A7. Changes in Debt and Equity Securities**

There were no issuances and repayment of debts and equity securities for current quarter and financial year-to-date.

**A8. Dividends Paid**

There were no dividends paid during the quarter under review.

**A9. Segmental Reporting**

MFRS 8 – *Operating Segment* requires separate reporting of segmental information for operating segments. Operating segments reflect the Group's management structure and the way financial information is regularly reviewed by the Executive Board in making decisions.

Detailed segmental reporting is not provided as the Group's primary business segments is principally engaged in the manufacturing and trading of confectionery, sweets and candies and its operation is principally located in Malaysia.

Segment assets, segment liabilities and capital additions were not disclosed as they were not regularly provided to the chief operating decision maker for their day-to-day operation decision making.

Therefore, the Group's operations can be segmented by business activities namely:

- a) Manufacturing and trading of confectionery, sweets and candies; and
- b) Investment holding



**A9. Segmental Reporting (continued)**

The segment analysis for the current financial period-to-date:

	<b>Cumulative Quarter ended 30 June, 2018</b>			
	<b>Investment Holding</b>	<b>Manufacturing and Trading</b>	<b>Elimination</b>	<b>Group (total)</b>
<b>Segment Revenue and Results</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Revenue</b>				
- Export	-	62,548	-	<b>62,548</b>
- Local	-	77,131	-	<b>77,131</b>
<b>Total revenue</b>	<b>-</b>	<b>139,679</b>	<b>-</b>	<b>139,679</b>
<b>Results : Operating profit</b>	<b>-</b>	<b>10,044</b>	<b>-</b>	<b>10,044</b>

	<b>Cumulative Quarter ended 30 June, 2016</b>			
	<b>Investment Holding</b>	<b>Manufacturing and Trading</b>	<b>Elimination</b>	<b>Group (total)</b>
<b>Segment Revenue and Results</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Revenue</b>				
- Export	-	74,566	-	74,566
- Local	-	69,416	-	69,416
<b>Total revenue</b>	<b>-</b>	<b>143,982</b>	<b>-</b>	<b>143,982</b>
<b>Results : Operating profit</b>	<b>-</b>	<b>8,267</b>	<b>-</b>	<b>8,267</b>

	<b>Cumulative Quarter</b>	
	<b>30.06.2018</b>	<b>30.06.2017</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Reconciliation of reportable segment profit:</b>		
Total operating profit for reporting segment	10,044	8,267
Finance costs	(4,846)	(4,032)
<b>Consolidated profit before tax</b>	<b>5,198</b>	<b>4,235</b>

**A9. Segmental Reporting (continued)**

Segmental analysis for the period ended 30 June 2018 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	5,432	<u>Market Conditions</u> Poor ( ) Average ( ) Good ( v )  <u>Demand</u> Poor ( ) Average ( ) Strong ( v )	<u>Level</u> >50% ( ) 50.1% > 75% ( ) 75.1% > 100% ( v )	<u>Factors / Circumstances</u> Raw Material Prices ( v ) Market Conditions ( v ) Product Competition ( ) Market Competiton ( v ) Prices Increases ( ) New Product Variety ( ) New Product Segment ( ) Capacity Expenditure ( ) Others:- ( )	-NA-	-NA-
2	Sweets and Candies	134,247	<u>Market Conditions</u> Poor ( ) Average ( ) Good ( v )  <u>Demand</u> Poor ( ) Average ( ) Strong ( v )	<u>Level</u> >50% ( ) 50.1% > 75% ( ) 75.1% > 100% ( v )	<u>Factors / Circumstances</u> Raw Material Prices ( v ) Market Conditions ( v ) Product Competition ( ) Market Competiton ( ) Prices Increases ( ) New Product Variety ( ) New Product Segment ( ) Capacity Expenditure ( ) Others:- ( )	-NA-	-NA-
Total		139,679					

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

#### **A10. Valuations of property, plant and equipment**

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

#### **A11. Material Events Subsequent to the End of the Quarterly Period**

On 23 May 2018, the Company has announced that the Securities Commission Malaysia had vide their letter dated 21 May 2018 ("SC letter") reprimanded Khee San and its Directors at the material time for breach of Section 354(1)(a) of the Capital Markets and Services Act 2007 ("CMSA") read together with Regulation 4(1) of the Securities Industry (Compliance with Approved Accounting Standards) Regulations 1999.

The Company has to rectify, re-audit, re-state and re-issue the following :-

- i) The Audited Financial Statements ("AFS") 2015;
- ii) The Audited Financial Statements ("AFS") 2016;
- iii) All the quarterly results and AFS issued subsequent to AFS 2016.

The Company's compliance to the sanctions imposed by SC shall result in additional cost and expenses being incurred in this financial year.

#### **A12. 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.

#### **A13. Changes in Contingent Liabilities and Contingent Assets**

There were no material changes in the contingent liabilities or contingent assets of the Group since the end of the last annual balance sheet date.

#### **A14. Capital Commitments**

There were no material capital commitments during the current quarter under review.

#### **A15. Summary of changes prior to adjustments and after adjustments**

	<u>Before Re-Audit</u> <u>RM</u>	<u>After Re-Audit</u> <u>RM</u>
<b>Non-Current Assets</b>		
Intangible assets	912	800
<b>Current Assets</b>		
Inventories	11,859	8,499
Trade and other receivables	69,595	70,733
Amount due from associate company	-	135
Assets held for sale	-	(11,884)
<b>Equity attributable to owners of the Company</b>		
Share premium	-	152
Revaluation reserve	26,464	21,208
Retained earnings	49,718	50,349
<b>Non-Current Liabilities</b>		
Deferred tax liabilities	4,037	6,168
<b>Current Liabilities</b>		
Trade and other payables	13,804	2,063



**B. ADDITIONAL INFORMATION REQUIRED PURSUANT TO MAIN MARKET LISTING REQUIREMENTS OF BURSA SECURITIES**

**B1. Review of Performance**

**Current Quarter against Previous Year Corresponding Quarter (Individual Quarter)**

**Revenue**

In the current quarter ended 30 June 2018, the Group registered higher revenue of RM42,973,000 compared to previous corresponding quarter ended 30 June 2017 of RM37,954,000 mainly due to increase in local sales.

**Profit before tax**

Profit before tax has decrease from RM2,224,000 to RM 1,500,000 as a result of decrease of other income.

**B2. Comparison with the Immediate Preceding Quarter's Result**

**Revenue**

The Group posted a higher revenue in the current quarter of RM42,973,000 as compared to the preceding quarter ended 31 March 2018 of RM27,649,000 representing an increase of RM15,324,000.

**Profit before tax**

Profit before tax has decrease from RM 1,729,000 to RM 1,500,000 as a result of increase of cost of sales.

**B3. Prospects of the Group**

The financial year ending 31 December 2018 is another challenging year. The Management is pressing ahead with its plans to strengthen the overall position the Company by looking to carrying out a staggered market rationalization plan to re-orient our focus on revenue growth as well as profitability.

Despite the challenges, the prospects of the Group remain positive with continual efforts to strengthen its domestic distribution network supported with selective marketing campaigns in key overseas markets whilst exploring new potential markets via participation in trade fairs. The Management also recognizes that upcoming changes caused by the transition from the Goods and Services Tax (GST) back to Sales and Service Tax Act (SST) may result in market uncertainties and will be vigilant as to any potential impact during this period. Otherwise, we anticipate that our business segments will remain good and stable for the upcoming financial year ending 31 December 2018 will continue to leverage on the chewy candy and wafer segments for future growth.

There are no changes in business direction which may have an impact on any of the business segments of the Group.

**B4. Profit Forecast**

Not applicable. The Company did not publish any profit forecast or profit guarantee for the year under review.



**B5. Tax Expense**

Tax expense comprises of the followings:

	<b>Current Quarter 30.06.2018 RM'000</b>	<b>Cumulative Quarter 30.06.2018 RM'000</b>
<b>Income tax expense</b>		
- Current year	225	499
<b>Deferred tax</b>		
- Current year	110	680
Total income tax expense	<u>335</u>	<u>1,179</u>

**B6. Corporate Proposals**

There were no corporate proposals during the current quarter under review.

**B7. Group Borrowings**

	<b>The Group 30.06.2018 RM'000</b>
<b>Short-term Borrowings:</b>	
Bankers' acceptance	63,668
Hire-purchase payables	4,573
	<u>68,241</u>
<b>Long-term Borrowings:</b>	
Hire-purchase payables	1,084
	<u>1,084</u>

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

**B8. Material Litigation**

The Directors do not have any knowledge of any proceedings pending or threatened against the Group as the date of this report.

**B9. Dividends Proposed**

There were no dividends proposed by the Company during the current quarter under review.



## B10. Retained Earnings

The Group's breakdown of realised and unrealised retained profits pursuant to Paragraphs 2.06 and 2.23 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, are disclosed as follows:-

	<b>Unaudited As at 30.06.2018 RM'000</b>	<b>Audited As at 30.06.2017 RM'000</b>
Total retained earnings of the Company and its subsidiaries:		
- Realised	60,758	46,677
- Unrealised	<u>(6,168)</u>	<u>3,357</u>
	54,590	50,034
Consolidated adjustments	<u>(4,241)</u>	<u>(4,241)</u>
<b>Total Group retained earnings</b>	<u><u>50,349</u></u>	<u><u>43,922</u></u>

The determination of realised and unrealised profits is based on the Guidance on Special Matter No. 1: Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure pursuant to the Listing Requirements of Bursa Malaysia Securities Berhad, as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

## B11. Profit Before Tax

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

	<b>Current Quarter 30.06.2018 RM'000</b>	<b>Cumulative Quarter 30.06.2018 RM'000</b>
Other income including investment income	(156)	(800)
Interest expenses	1,522	4,845
Depreciation of property, plant and equipment	1,515	5,435
(Gain) or loss on foreign exchange	<u>(1,631)</u>	<u>(2,663)</u>



**B12. Earnings per share (EPS)**

**(a) Basic earnings per share**

The calculation of basic earnings per share is based on the net profit attributable to ordinary shareholders over the weighted average number of ordinary shares in issue during the period.

	Current Quarter		Cumulative Quarter	
	30.06.2018	30.06.2017	30.06.2018	30.06.2017
Net profit attributable to ordinary shareholders (RM'000)	1,165	1,023	4,019	(476)
Weighted average number of ordinary shares - in units ( '000)	104,000	106,300	104,000	106,300
<b>Basic EPS (Sen)</b>	<b>1.12</b>	<b>0.97</b>	<b>3.86</b>	<b>(0.44)</b>

**(b) Diluted earnings per share**

Not applicable for the Group.

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

**PROF. DR. HJ. MOHD AMY AZHAR BIN MOHD HARIF  
 AUDIT COMMITTEE CHAIRMAN  
 Dated: 8 May 2019**