



KHEE SAN BERHAD

[Registration No.: 199401018697 (304376-A)]
(Incorporated in Malaysia)

(“KSB” or “the Company”)

Interim Financial Statements

First Quarter Results

For the Financial Year ended

30 June 2023

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2022**

	Individual Quarter 3 months ended 30 September (Unaudited)		Cumulative Quarter 3 months ended 30 September (Unaudited)	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Revenue	14,261	7,539	14,261	7,539
Cost of sales	(11,804)	(6,122)	(11,804)	(6,122)
Gross Profit	<u>2,457</u>	<u>1,417</u>	<u>2,457</u>	<u>1,417</u>
Other income	221	389	221	389
Distribution expenses	(27)	(30)	(27)	(30)
Administrative expenses	(2,852)	(2,436)	(2,852)	(2,436)
Other expenses	(5)	(1)	(5)	(1)
Operating loss	<u>(206)</u>	<u>(661)</u>	<u>(206)</u>	<u>(661)</u>
Finance cost	(1,798)	(1,228)	(1,798)	(1,228)
Loss before tax	<u>(2,004)</u>	<u>(1,889)</u>	<u>(2,004)</u>	<u>(1,889)</u>
Income tax expense	-	-	-	-
Loss for the period	<u>(2,004)</u>	<u>(1,889)</u>	<u>(2,004)</u>	<u>(1,889)</u>
Other Comprehensive Income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Comprehensive Loss for the Period	<u><u>(2,004)</u></u>	<u><u>(1,889)</u></u>	<u><u>(2,004)</u></u>	<u><u>(1,889)</u></u>
Loss for the Period attributable to:				
Owners of the Company	<u>(2,004)</u>	<u>(1,889)</u>	<u>(2,004)</u>	<u>(1,889)</u>
Total Comprehensive Loss attributable to:				
Owners of the Company	<u>(2,004)</u>	<u>(1,889)</u>	<u>(2,004)</u>	<u>(1,889)</u>
Loss per Share (Sen)				
Basic	<u>(1.46)</u>	<u>(1.65)</u>	<u>(1.46)</u>	<u>(1.65)</u>
Diluted	<u>(1.46)</u>	<u>(1.65)</u>	<u>(1.46)</u>	<u>(1.65)</u>

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2022**

	(Unaudited) As at 30.09.2022 RM'000	(Audited) As at 30.06.2022 RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	56,108	56,845
Right-of-use assets	717	784
Intangible assets	-	-
Total Non-Current Assets	<u>56,825</u>	<u>57,629</u>
Current Assets		
Inventories	4,577	5,513
Trade receivables	2,948	2,991
Other receivables, deposits and prepayments	2,536	2,123
Current tax assets	460	460
Cash and bank balances	1,089	2,098
Total Current Assets	<u>11,610</u>	<u>13,185</u>
Total Assets	<u>68,435</u>	<u>70,814</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	112,192	112,192
Reserves	(193,335)	(191,331)
Total Equity	<u>(81,143)</u>	<u>(79,139)</u>
Non-Current Liabilities		
Lease liabilities	-	114
Deferred tax liabilities	4,939	4,939
Total Non-Current Liabilities	<u>4,939</u>	<u>5,053</u>
Current Liabilities		
Trade payables	18,275	16,597
Other payables and accruals	44,079	46,229
Amount due to directors	5,084	5,110
Current tax liabilities	-	-
Loans and borrowings	75,902	75,750
Lease liabilities	1,299	1,214
Total Current Liabilities	<u>144,639</u>	<u>144,900</u>
Total Liabilities	<u>149,578</u>	<u>149,953</u>
Total Equity and Liabilities	<u>68,435</u>	<u>70,814</u>
Net Liabilities per Ordinary Share (sen)	(59.10)	(62.40)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2022**

	Share Capital RM'000	Non-Distributable Merger Reserves RM'000	Revaluation Reserves RM'000	Distributable Accumulated losses RM'000	Total RM'000
As at 1 July 2022	112,192	(17,444)	32,654	(206,541)	(79,139)
Issue of ordinary shares	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	(2,004)	(2,004)
As at 30 September 2022	<u>112,192</u>	<u>(17,444)</u>	<u>32,654</u>	<u>(208,545)</u>	<u>(81,143)</u>

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2022**

	Unaudited	
	3 months ended 30 September	
	2022	2021
	RM'000	RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before tax	(2,004)	(1,889)
Adjustments for:-		
Depreciation of property, plant and equipment	778	871
Depreciation of right-of-use assets	67	171
Finance costs	1,798	1,228
Gain on disposal of property, plant and equipment	-	(263)
Unrealised gain on foreign exchange	(93)	(13)
Operating profit before changes in working capital	<u>546</u>	<u>105</u>
Changes in working capital:		
Inventories	936	172
Trade receivables	135	(698)
Other receivables	(413)	(158)
Trade payables	1,678	(41)
Other payables	(2,149)	619
Amount due to directors	(25)	13
Cash generated from operations	<u>708</u>	<u>12</u>
Tax paid	-	(485)
Interest paid	(1,798)	(1,228)
Net cash used in operating activities	<u>(1,090)</u>	<u>(1,701)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Proceed from disposal of property, plant and equipment	-	316
Purchase of property, plant and equipment	(42)	(113)
Net cash (used in)/generated from investing activities	<u>(42)</u>	<u>203</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of loans and borrowings	(79)	(79)
Repayment of lease liabilities	(29)	(12)
Net cash used in financing activities	<u>(108)</u>	<u>(91)</u>
Net Changes in Cash and Cash Equivalents	(1,240)	(1,589)
Cash and Cash Equivalents at beginning of the period	(7,507)	(6,116)
Cash and Cash Equivalents at the end of the period	<u>(8,747)</u>	<u>(7,705)</u>
Cash and Cash Equivalents comprise the following: -		
Cash and bank balances	1,089	1,037
Bank overdraft	(9,836)	(8,742)
	<u>(8,747)</u>	<u>(7,705)</u>

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2022

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

A1. BASIS OF PREPARATION

The condensed consolidated interim financial statements are unaudited and have been prepared in accordance with Malaysian Financial Reporting Standard (“MFRS”) 134, Interim Financial Reporting issued by the Malaysian Accounting Standards Board and with paragraph 9.22 and Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 June 2022. 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 2022.

A2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies and methods of computation adopted for the condensed consolidated interim financial statements are consistent with those adopted for the audited financial statements for the year ended 30 June 2022. The Group has further adopted the following MFRS in the interim financial statement, effective from 1 July 2022:

- Amendments to MFRS 1, First-Time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2018-2020 Cycle)
- Amendments to MFRS 3, Business Combination - Reference to the Conceptual Framework
- Amendments to MFRS 9, Financial Instruments (Annual Improvements to MFRS Standards 2018-2020 Cycle)
- Amendments to MFRS 116, Property, Plant and Equipment - Property, Plant and Equipment - Proceeds before Intended Use
- Amendments to MFRS 137, Provisions, Contingent Liabilities and Contingent Assets - Onerous Contract - Cost of Fulfilling a Contract
- Amendments to MFRS 141, Agriculture (Annual Improvements to MFRS Standards 2018-2020 Cycle)
- Amendments to Illustrative Example accompanying MFRS16, Leases (Annual Improvements to MFRS Standards 2018 – 2020)

The Group expects that the adoption of the above Standards, Amendments and IC Interpretation does not have any material impact on the current period or prior period financial statements.

A3. QUALIFICATION OF PRECEDING YEAR'S AUDITED FINANCIAL STATEMENTS

The auditors have expressed a qualified opinion on material uncertainty related to going concern, in respect of the Company's audited financial statements for the financial year ended 30 June 2022 in their report dated 27 October 2022. The basis for qualified opinion by the auditors were as follows:

- i. For the financial year ended 30 June 2022, the Group and the Company incurred net losses of RM13,735,839 and RM2,539,923 respectively. As of that date, the Group reported shareholders' deficit of RM79,138,999, and the Group's and the Company's current liabilities exceeded their current assets by RM131,715,096 and RM2,175,872 respectively
- ii. On 18 November 2021, the Company announced that it is an affected listed issuer under Practice Note (PN) 17 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("MMLR") ("Bursa Securities"). The Company had triggered the Prescribed Criteria pursuant to paragraph 8.04 of the MMLR and paragraph 2.1(b) of PN17 and shall submit a regularisation plan to Securities Commission Malaysia to regularise its financial condition within 12 months from 18 November 2021.

The Court had on 23 September 2022 granted an Order under Section 366 and Section 368 of the Companies Act, 2016 to the Company and its wholly owned subsidiaries. The Order was applied by the Company to formulate and finalise a proposed scheme of arrangement between the Company, its subsidiaries and its Scheme Creditors within 180 days from the date of the Order.

The above events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's and the Company's ability to continue as a going concern and therefore, the Group and the Company may be unable to realise their assets and discharge their liabilities in the normal course of business.

Nevertheless, the financial statements of the Group and of the Company have been prepared on a going concern basis, the validity of which is dependent on the following: -

- a. the Company is currently in the process of formulating a Proposed Regularization Plan which entails a debt settlement arrangement to address the financial condition of the Group and of the Company and believes that the Proposed Regularization Plan once formulated and implemented after obtaining the approval from relevant authorities, bankers and creditors, will enable the Group and the Company to generate sufficient cash flows to meet their obligations and continue sustainable and viable operations; and
- b. continuous financial support provided by substantial shareholders to the Group and the Company to meet their obligations.

However, as at the date of this report, we have not been able to obtain sufficient appropriate audit evidence regarding the ability of the Group and the Company to successfully implement the Proposed Regularisation Plan as it entails a scheme of arrangement which requires agreement with all the Scheme Creditors within 180 days from 23 September 2022.

Should the going concern basis for the preparation of the financial statements be no longer appropriate. Adjustments will have to be made to state the assets at their realisable values and to provide for further liabilities which may arise.

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

A4. SEASONALITY OR CYCLICALITY OF INTERIM OPERATIONS

The Group's business operation results for the current quarter under review were not materially affected by any seasonal or cyclical factor.

A5. NATURE AND UNUSUAL ITEMS

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows of the Group for the current quarter under review.

A6. NATURE AND CHANGES IN ESTIMATES

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

A7. DEBT AND EQUITY SECURITIES

There were no issuances, repurchases, and repayment of debts and equity securities for current quarter and financial period-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 Group's chief operating decision maker, which is defined as the Executive Board. The Group's operations can be segmented by business activities namely:

- a) Investment holding
- b) Manufacturing and sale of confectionery; and
- c) Trading of confectionery

The Group's segment analysis for the current financial period-to-date is as below:

	Investment Holding RM'000	Manufacturing RM'000	Trading RM'000	Elimination RM'000	Total RM'000
3 months ended 30 September 2022					
Revenue					
Revenue from external customers	-	13,688	573	-	14,621
Total revenue	-	13,688	573	-	14,621
Results					
Operating (loss)/profit	(317)	263	(152)	-	(206)
3 months ended 30 September 2021					
Revenue					
Revenue from external customers	-	6,824	4,444	(3,729)	7,539
Total revenue	-	6,824	4,444	(3,729)	7,539
Results					
Operating (loss)/profit	(132)	(306)	71	(294)	(661)

A9. SEGMENTAL REPORTING (Cont'd)

	3 months ended	
	30 September	
	2022	2021
	RM'000	RM'000
<u>Reconciliation of reportable</u>		
<u>segment loss</u>		
Total operating loss for reporting segment	(206)	(661)
Finance costs	(1,798)	(1,228)
Loss before tax	<u>(2,004)</u>	<u>(1,889)</u>

A10. MATERIAL EVENTS SUBSEQUENT TO THE END OF THE QUARTERLY PERIOD

There were no material events subsequent to the end of quarter that has not been reflected in the financial statements.

A11. CHANGES IN THE GROUP'S COMPOSITION

There were no changes in the composition of the Group for the current quarter and financial period-to-date.

A12. CONTINGENT ASSETS/LIABILITIES

Contingent liabilities of the Group as at 30 September 2022 is RM75.9 million being banking facilities granted to a subsidiary compared to RM 75.7 million as at 30 June 2022.

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

B1. PERFORMANCE REVIEW FOR CURRENT QUARTER (Q1, 2023 VS Q1, 2022)

	3 months ended 30 September		Changes RM million	%
	2022 RM million	2021 RM million		
Revenue	14.3	7.5	6.8	90.7
Operating loss before interest and tax	(0.2)	(0.6)	0.4	66.7
Loss before tax	(2.0)	(1.9)	(0.1)	5.3
Loss for the period	(2.0)	(1.9)	(0.1)	5.3

The Group Revenue for the current quarter ended 30 September 2022 increased by 90.7% to RM14.3 million from RM7.5 million in the corresponding quarter ended 30 June 2022. Higher revenue was recorded mainly due to increase in sales of both local and export markets as economic activities continued to stabilize both locally and globally.

The Group recorded a marginal increase of 5.3% in loss before tax to RM2.0 million from RM1.9 million in the preceding corresponding quarter despite the huge increase of revenue. This is mainly due to the increase in administrative expenditure and finance cost by RM0.4 million and RM0.6 million respectively.

B2. PERFORMANCE REVIEW WITH IMMEDIATE PRECEDING QUARTER (Q1, 2023 VS Q4, 2022)

	Current quarter 30.09.2022	Immediate preceding quarter 30.06.2022	Changes RM million	%
	RM million	RM million		
Revenue	14.3	8.7	5.6	64.7
Operating loss before interest and tax	(0.2)	(3.8)	3.6	94.7
Loss before tax	(2.0)	(7.0)	5.0	71.4
Loss for the period	(2.0)	(5.9)	3.9	66.1

As compared to the immediately preceding quarter the Group's revenue increased by 64.7% to RM14.3 million from RM8.7 million. Higher revenue was recorded mainly due to increase in sales of both local and export markets as economic activities continued to stabilize both locally and globally.

Loss before tax has also decreased by 94.7% to RM2.0 million as compared to RM7 million in the preceding quarter. This is mainly due to the decrease in administrative expenditure amounting to RM 5.0 million.

B3. GROUP'S PROSPECT

The Company continue to contend with current economic environment defined by higher material price, energy costs, freight charges and salaries. Adding to this, the Malaysian Ringgit has depreciated to its weakest point against the United State Dollar currency ("USD") in many years, further compounding the impact from imported commodities. Nevertheless, the Company will implement prudent measures and improve operational efficiency to sustain its business and achieve better.

On 6 October 2021, the Company has formulated and finalized a proposed scheme of arrangement between KSB Group and its Creditors pursuant to Section 366 of the Act, to be put forward to the Creditors at a Creditors' meeting(s) to be convened.

The results of the Court convened meetings ("CCM") for the Creditors held on 31 October 2022 for Creditors under the Proposed Scheme A, B, C and D had achieved requisite majority 75%. CCM with the Creditor under the Proposed Scheme E scheduled on 11 November 2022 has been postponed to 9 December 2022.

The Company is required to implement the regularization plan within the time frame stipulated by SC or Bursa Securities upon receiving approval from Bursa Malaysia Securities Berhad ("Bursa Malaysia") or Securities Commission Malaysia ("SC") or for its proposed regularisation plan.

The company shall continue its on-going efforts to formulate comprehensive regularisation plan and make the submission within the time frame stipulated by Bursa Malayisa or SC.

B4. PROFIT FORECAST

The Group has not issued any profit forecast to the relevant authorities and is not subject to any profit guarantee.

B5. OPERATING LOSS

	3 months ended 30 September	
	2022	2021
	RM'000	RM'000
Depreciation of property, plant and equipment	778	871
Depreciation of right-of-use assets	67	171
Gain on disposal of property, plant and equipment	-	(263)
Interest expense	1,798	1,228
Realised loss on foreign exchange	58	14
Unrealised gain on foreign exchange	(93)	(13)

B6. TAXATION

Tax expense/(credit) comprises of the followings:

	3 months ended 30 September	
	2022	2021
	RM'000	RM'000
Income tax expense		
- Current period	-	-
- Under/(Over) provision in previous financial period	-	-
	<hr/>	<hr/>
	-	-
Deferred tax		
- Current period	-	-
- Under/(Over) provision in previous financial period	-	-
	<hr/>	<hr/>
	-	-
Total income tax expense	<hr/> <hr/>	<hr/> <hr/>

B7. CORPORATE PROPOSAL

The company is reviewing the proposed regularization plan (PRP) prepared via our appointed Investment Banker and will submit to relevant regulatory authorities for approval in due course.

B8. GROUP BORROWINGS AND DEBT SECURITIES (UNSECURED)

	As at	As at
	30.09.2022	30.06.2022
	RM'000	RM'000
Short-term Borrowings:		
Bankers' acceptance	65,851	65,851
Bank overdraft	9,836	9,605
Term Loan	215	294
	<hr/>	<hr/>
	75,902	75,750
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B9. MATERIAL LITIGATION

Save as those disclosed in all previous announcements, the Company and its subsidiaries are not engaged in any other material litigations, claims or arbitration, either as plaintiff or defendant as at the date of this report. The summary of the litigation disclosed in previous announcements are summarized herein below: -

a) List of litigation matters for KSB (company secretary)

No.	Suit No:	Plaintiff	Defendant	Application filed by (Plaintiff)	Application filed by (Defendant)	Hearing / Case Management Date	Decision Date	Appeal/Stay of Execution
1.	KLSC Suit No: WA-A52NCvC-102-02/2021	Eurogain Secta Sdn Bhd	KSB	Enclosure 17 Summary Judgment) Enclosure 79 (Striking Out Application)	Enclosure 11 (Leave application to Amend the Amended Defence to add parties) Enclosure 84 (Striking Out Application filed by Carissa Hoh Leong Ching)	The next case management has been fixed on 6.1.2023.	Decision on 10.9.2021 (Court has allowed Enclosure 11 and dismissed Enclosure 17)	

b) List of litigation matters for KSB (Previous Auditor)

No.	Suit No:	Plaintiff	Defendant	Application filed by (Plaintiff)	Application filed by (Defendant)	Hearing / Case Management Date	Decision Date	Appeal/Stay of Execution
1.	KLHC Suit No: WA-24NCC-421-09/2021	KSB	Messrs Wong Weng Foo & Co	Enclosure 1 (Originating Summons for Fortuna Injunction) Enclosure 3 (Notice of Application for Fortuna Injunction)		The next case management has been fixed on 3.1.2023		

c) List of litigation matters for KSFI (Previous Auditor)

No.	Suit No:	Plaintiff	Defendant	Application filed by (Plaintiff)	Application filed by (Defendant)	Hearing / Case Management Date	Decision Date	Appeal/Stay of Execution
1.	KLHC Suit No: WA-24NCC-450-10/2021	KSFI	Messrs Wong Weng Foo & Co	Enclosure 1 (Originating Summons for Fortuna Injunction) Enclosure 3 (Notice of Application for Fortuna Injunction)		The next case management has been fixed on 3.1.2023		

d) List of litigation matters for KSB & KSFI (London Biscuits Berhad & Dato' Sri Liew Yew Chung)

No.	Suit No:	Applicants/ Plaintiffs	Respondent/ Defendant	Application filed by (Plaintiffs/ Applicants)	Application filed by (Respondent/ Defendant)	Application filed by other parties	Hearing / Case Management Date	Decision Date	Appeal/Stay of Execution
1.	KLHC Suit No: WA-22NCC-468-09/2020	KSB & KSFI	Dato' Sri Liew Yew Chung	Enclosure 14 (Application for leave to join LBB as 2nd Defendant and to amend the Amended Statement of Claim)	Enclosure 10 (Leave Application to amend the Defendant's Pleadings) Enclosure 16 (Application for leave to issue 3rd party notice)	Enclosure 19 (LBB's Application to intervene and stay Enclosure 14) Enclosures 36, 40, 44, 47, 53, 54, 58, 61 (Third Parties' Application to Set Aside Ex-Parte Order & Third-Party Notice and to Strike Out Defendant's Statement of Claim)	Case Management of Enclosure 1 is fixed on 20.12.2022.	.	

e) List of litigation matters for KSFI (Judicial Management Application)

No.	Suit No:	Applicant	Respondent	Application filed by (Applicant)	Application filed by (Respondent or other Proposed Intervener)	Hearing / Case Management Date	Decision Date	Appeal/Stay of Execution
1.	KLHC Suit No: WA-28JM-21-11/2021	Maybank Islamic Berhad	KSFI		Enclosure 47 (KSB's Notice of Application to Intervene) Enclosure 57 (Tunai Impian's Notice of Application to Intervene) Enclosure 157 (Interim Judicial Manager's Notice of Application for Remuneration)	Hearing of Enclosure 157 has been fixed on 13.12.2022.	Enclosure 1 has been struck off on 1.9.2022.	

f) List of litigation matters for KSB (Scheme of Arrangement)

No.	Suit No:	Applicant	Respondent	Application filed by (Applicant)	Application filed by (Respondent or other Proposed Intervener)	Hearing / Case Management Date	Decision Date	Appeal/Stay of Execution
1.	KLHC Suit No: WA-24NCC-884-09/2022	KSB KSFI KSM Mega Global Confectionary Sdn Bhd (" MGC ")		Enclosure 1 (Leave to convene court meeting and Restraining Order)			On 23.9.2022, Enclosure 1 is allowed.	

B9A. THE PROBABILITY OF SUCCESS

1. EUROGAIN SECTA SDN BHD -V- KHEE SAN BERHAD (WA-A52NCvC-102-02/2021)
2. KHEE SAN BERHAD -V- MESSRS WONG WENG FOO & CO (WA-24NCC-421-09/2021)
3. KHEE SAN FOOD INDUSTRIES SDN BHD -V- MESSRS WONG WENG FOO & CO (WA-24NCC-450-10/2021)
4. KHEE SAN BERHAD AND KHEE SAN FOOD INDUSTRIES SDN BHD -V- DATO' SRI LIEW YEW CHUNG (WA-22NCC-468-09/2020)
5. MAYBANK ISLAMIC BERHAD -V- KHEE SAN FOOD INDUSTRIES SDN BHD (WA-28JM-21-11/2021)
6. KHEE SAN BERHAD GROUP'S SCHEME OF ARRANGEMENT (WA-24NCC-884-09/2022)

For the cases mentioned hereinabove, the company's solicitors, Messrs Krish Maniam & Co, is of the view that the company has a fair chance of success.

Nonetheless, it is to be noted that on 23rd September 2022, Khee San Berhad Group had obtained a Court Order to convene scheme creditors' meeting and a restraining order to restrain any further legal proceedings to be initiated against Khee San Berhad Group ("**Scheme of Arrangement**").

Pursuant to the Court Order for Scheme of Arrangement, the company had on 31st October 2022 conducted the Court Convened Meeting ("**CCM**") at its business office wherein Schemes A, B, C and D as defined in the Explanatory Statement dated 7th October 2022 ("**ES**") have been concluded and the company had obtained more than 75% of support for the respective schemes.

However, at the request of the scheme creditor of Scheme E, the CCM of Scheme E has been postponed to 9th December 2022 and once Scheme E has been approved, as part of the terms laid down in the ES, Cases (1) to (4) will be resolved.

B10. PROPOSED DIVIDEND

The directors did not declare any interim dividend for the financial quarter under review.

B11. (LOSS)/EARNINGS PER ORDINARY SHARE (“LPS”/“EPS”)**Basic (loss)/earnings per share**

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

	Current Quarter		Cumulative Quarter	
	30.09.2022	30.09.2021	30.09.2022	30.09.2021
Net loss attributable to ordinary shareholders (RM'000)	(2,004)	(1,889)	(2,004)	(1,889)
Weighted average number of ordinary shares - in units ('000)	137,280	114,400	137,280	114,400
Basic Loss Per Share (sen)	(1.46)	(1.65)	(1.46)	(1.65)

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

**PROF. DR. HJ. MOHD AMY AZHAR BIN MOHD HARIF
AUDIT COMMITTEE CHAIRMAN
29 November 2022**