



## **KHEE SAN BERHAD**

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

**(“KSB” or “the Company”)**

**Interim Financial Statements**

**Second Quarter Results**

**For the Financial Year ended**

**30 June 2023**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE SECOND QUARTER ENDED 31 DECEMBER 2022**

	Individual Quarter		Cumulative Quarter	
	3 months ended 31 December		6 months ended 31 December	
	(Unaudited)		(Unaudited)	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>	14,291	11,107	28,552	18,646
Cost of sales	(10,595)	(9,624)	(22,399)	(15,746)
<b>Gross Profit</b>	<u>3,696</u>	<u>1,483</u>	<u>6,153</u>	<u>2,900</u>
Other income	1,701	162	1,922	552
Distribution expenses	(26)	(95)	(53)	(125)
Administrative expenses	(3,263)	(2,898)	(6,115)	(5,335)
Other expenses	(9)	(1)	(14)	(3)
<b>Operating profit/(loss)</b>	<u>2,099</u>	<u>(1,349)</u>	<u>1,893</u>	<u>(2,011)</u>
Finance cost	(7)	(1,249)	(1,805)	(2,477)
<b>Profit/(Loss) before tax</b>	<u>2,092</u>	<u>(2,598)</u>	<u>88</u>	<u>(4,488)</u>
Income tax expense	-	-	-	-
<b>Profit/(Loss) for the period</b>	<u>2,092</u>	<u>(2,598)</u>	<u>88</u>	<u>(4,488)</u>
<b>Other Comprehensive Income</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Comprehensive Income/(Loss) for the Period</b>	<u><u>2,092</u></u>	<u><u>(2,598)</u></u>	<u><u>88</u></u>	<u><u>(4,488)</u></u>
<b>Profit/(Loss) for the Period attributable to:</b>				
Owners of the Company	<u><u>2,092</u></u>	<u><u>(2,598)</u></u>	<u><u>88</u></u>	<u><u>(4,488)</u></u>
<b>Total Comprehensive Income/(Loss) attributable to:</b>				
Owners of the Company	<u><u>2,092</u></u>	<u><u>(2,598)</u></u>	<u><u>88</u></u>	<u><u>(4,488)</u></u>
<b>Profit/(Loss) per Share (Sen)</b>				
Basic	<u><u>1.52</u></u>	<u><u>(1.89)</u></u>	<u><u>0.06</u></u>	<u><u>(3.27)</u></u>
Diluted	<u><u>1.52</u></u>	<u><u>(1.89)</u></u>	<u><u>0.06</u></u>	<u><u>(3.27)</u></u>

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2022**

	(Unaudited) As at 31.12.2022 RM'000	(Audited) As at 30.06.2022 RM'000
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	55,394	56,845
Right-of-use assets	650	784
Intangible assets	-	-
<b>Total Non-Current Assets</b>	<u>56,044</u>	<u>57,629</u>
<b>Current Assets</b>		
Inventories	7,556	5,513
Trade receivables	808	2,991
Other receivables, deposits and prepayments	1,235	2,123
Current tax assets	460	460
Cash and bank balances	1,753	2,098
<b>Total Current Assets</b>	<u>11,812</u>	<u>13,185</u>
<b>Total Assets</b>	<u>67,856</u>	<u>70,814</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the Company</b>		
Share capital	112,192	112,192
Reserves	(191,243)	(191,331)
<b>Total Equity</b>	<u>(79,051)</u>	<u>(79,139)</u>
<b>Non-Current Liabilities</b>		
Lease liabilities	74	114
Deferred tax liabilities	4,939	4,939
<b>Total Non-Current Liabilities</b>	<u>5,013</u>	<u>5,053</u>
<b>Current Liabilities</b>		
Trade payables	16,139	16,597
Other payables and accruals	43,581	46,229
Amount due to directors	5,289	5,110
Loans and borrowings	75,689	75,750
Lease liabilities	1,196	1,214
<b>Total Current Liabilities</b>	<u>141,894</u>	<u>144,900</u>
<b>Total Liabilities</b>	<u>146,907</u>	<u>149,953</u>
<b>Total Equity and Liabilities</b>	<u>67,856</u>	<u>70,814</u>
Net Liabilities per Ordinary Share (sen)	(57.58)	(62.40)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE SECOND QUARTER ENDED 31 DECEMBER 2022**

	<b>Share Capital RM'000</b>	<b>Non-Distributable Merger Reserves RM'000</b>	<b>Revaluation Reserves RM'000</b>	<b>Distributable Accumulated losses RM'000</b>	<b>Total RM'000</b>
<b>As at 1 July 2022</b>	112,192	(17,444)	32,654	(206,541)	(79,139)
Issue of ordinary shares	-	-	-	-	-
Total comprehensive income for the period	-	-	-	88	88
<b>As at 31 December 2022</b>	<u>112,192</u>	<u>(17,444)</u>	<u>32,654</u>	<u>(206,453)</u>	<u>(79,051)</u>

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW  
FOR THE SECOND QUARTER ENDED 31 DECEMBER 2022**

	<b>Unaudited</b>	
	<b>6 months ended 31 December</b>	
	<b>2022</b>	<b>2021</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Income before tax</b>	88	(4,488)
Adjustments for:-		
Depreciation of property, plant and equipment	1,533	1,734
Depreciation of right-of-use assets	134	342
Finance costs	1,805	2,477
Gain on disposal of property, plant and equipment	-	(263)
Unrealised gain on foreign exchange	(119)	(28)
Operating profit before changes in working capital	<u>3,441</u>	<u>(226)</u>
Changes in working capital:		
Inventories	(2,043)	611
Trade receivables	2,302	(1,146)
Other receivables	888	(1,451)
Trade payables	(458)	759
Other payables	(2,648)	1,262
Amount due to directors	179	83
Cash generated from/(used in) operations	<u>1,661</u>	<u>(108)</u>
Tax paid	-	(911)
Interest paid	(1,805)	(2,477)
<b>Net cash used in operating activities</b>	<u>(144)</u>	<u>(3,496)</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Proceed from disposal of property, plant and equipment	-	316
Purchase of property, plant and equipment	(82)	(120)
<b>Net cash (used in)/generated from investing activities</b>	<u>(82)</u>	<u>196</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of share	-	2,402
Repayment of loans and borrowings	(158)	(158)
Repayment of lease liabilities	(59)	(25)
<b>Net cash (used in)/generated from financing activities</b>	<u>(217)</u>	<u>2,219</u>
<b>Net Changes in Cash and Cash Equivalents</b>	(443)	(1,081)
<b>Cash and Cash Equivalents at beginning of the period</b>	(7,507)	(6,116)
<b>Cash and Cash Equivalents at the end of the period</b>	<u>(7,950)</u>	<u>(7,197)</u>
<b>Cash and Cash Equivalents comprise the following: -</b>		
Cash and bank balances	1,753	1,871
Bank overdraft	(9,703)	(9,068)
	<u>(7,950)</u>	<u>(7,197)</u>

## NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 31 DECEMBER 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 except for the reversal of accrued bank borrowing interest expense amounting to RM1.8m which was recorded for the period from July 2022 to September 2022.

This amount was recorded as other income in the Statement of Comprehensive Income for the current quarter results. The accrued bank borrowing interest expense transaction entry was reversed because bank borrowing interest amount is crystallised as at 31 March 2022 based on the proposed of Scheme of Arrangement (SOA) as per Section 366 of the Companies Act 2016 in which the High Court of Malaya had granted the sanction on 21 December 2022.

#### 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
<b><u>3 months ended 31 December 2022</u></b>					
<b>Revenue</b>					
Revenue from external customers	-	14,359	(68)	-	14,291
Total revenue	-	14,359	(68)	-	14,291
<b>Results</b>					
Operating (loss)/profit	(1,525)	3,801	(177)	-	2,099



**3 months ended 31 December 2021****Revenue**

Revenue from external customers	-	10,833	5,386	(5,112)	11,107
Total revenue	-	10,833	5,386	(5,112)	11,107

**Results**

Operating (loss)/profit	(681)	204	(634)	(238)	(1,349)
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**Investment**

<b>Holding</b>	<b>Manufacturing</b>	<b>Trading</b>	<b>Elimination</b>	<b>Total</b>
<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>

**6 months ended 31 December 2022****Revenue**

Revenue from external customers	-	28,047	505	-	28,552
Total revenue	-	28,047	505	-	28,552

**Results**

Operating (loss)/profit	(1,842)	4,064	(329)	-	1,893
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**6 months ended 31 December 2021****Revenue**

Revenue from external customers	-	17,658	9,830	(8,842)	18,646
Total revenue	-	17,658	9,830	(8,842)	18,646

**Results**

Operating (loss)	(813)	(101)	(566)	(531)	(2,011)
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**A9. SEGMENTAL REPORTING (Cont'd)**

	3 months ended 31 December		6 months ended 31 December	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
<b>Reconciliation of reportable segment profit/(loss)</b>				
Total operating profit/(loss) for reporting segment	2,099	(1,349)	1,893	(2,011)
Finance costs	(7)	(1,249)	(1,805)	(2,477)
Profit/(Loss) before tax	2,092	(2,598)	88	(4,488)

**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

There were no significant changes in contingent liabilities since 30 June 2022 (audited annual accounts). As at 31 December 2022, the Company has provided corporate guarantees amounting to RM75.7 million to various financial institutions for banking facilities granted to a subsidiary company.

This amount is subject to final review upon settlement of amount due to financial creditors pursuant to the proposed of Scheme of Arrangement (SOA) as per Section 366 of the Companies Act 2016 in which the High Court of Malaya had granted the sanction on 21 December 2022.

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

### B1. PERFORMANCE REVIEW FOR CURRENT QUARTER (Q2, 2023 VS Q2, 2022)

	3 months ended 31 December		Changes	
	2022 RM million	2021 RM million	RM million	%
Revenue	14.3	11.1	3.2	28.8
Operating profit/(loss) before interest and tax	2.1	(1.3)	3.4	261.5
Profit/(Loss) before tax	2.1	(2.6)	4.7	180.8
Profit/(Loss) for the period	2.1	(2.6)	4.7	180.8

The Group Revenue for the current quarter ended 31 December 2022 increased by 28.8% to RM14.3 million from RM11.1 million in the corresponding quarter ended 31 December 2021. 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 profit before tax of RM2.1 million in the quarter under review as compared with loss before tax of RM2.6 million recorded in the corresponding quarter (Q2, 2022). This is mainly due to higher revenue being achieved and reversal of bank borrowing interest expense as highlighted in Section A5 of this report.

### B2. PERFORMANCE REVIEW WITH IMMEDIATE PRECEDING QUARTER (Q2, 2023 VS Q1, 2023)

	Current quarter 31.12.2022 RM million	Immediate preceding quarter 30.09.2022 RM million	Changes	
			RM million	%
Revenue	14.3	14.3	-	-
Operating profit/(loss) before interest and tax	2.1	(0.2)	2.3	1150
Profit/(Loss) before tax	2.1	(2.0)	4.1	205
Profit/(Loss) for the period	2.1	(2.0)	4.1	205

As compared to the immediately preceding quarter, there is no significant change in the Group's revenue.

Profit before tax of RM2.1 million was recorded mainly due to the reversal of bank borrowing interest expense amounting to RM1.8m incurred for the period from July 2022 to September 2022 pursuant to the proposed of Scheme of Arrangement (SOA) as per Section 366 of the Companies Act 2016 in which the High Court of Malaya had granted the sanction on 21 December 2022. In addition, the gross profit margin has improved from 17.2% to 25.8%.

### B3. GROUP'S PROSPECT

The Group foresees a challenging operating environment in year 2023 due to uncertainties of raw materials costs and labour shortage and its related cost.

Recognising and understanding current factors affecting present business environment, the Group will continue to maintain and improve operational efficiency and products market position with extending its existing product range and formulating pricing structure to meet market expectation.

The Group is confident to achieve positive operating results after the completion of business regularisation plan and the proposed scheme of arrangement (SOA) between the Group and its Creditors pursuant to Section 366 of the Companies Act 2016 (the Act). On 21 December 2022, High Court of Malaya had granted the sanction for the proposed scheme of arrangement (SOA) between the Group and its Creditors pursuant to Section 366 of the Act,

### 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 PROFIT/(LOSS)

	3 months ended 31 December		6 months ended 31 December	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Depreciation of property, plant and equipment	755	863	1,533	1,734
Depreciation of right-of-use assets	67	171	134	342
Gain on disposal of property, plant and equipment	-	-	-	(263)
Reversal of accrued bank borrowing expense	1,791	-	1,791	-
Interest expense	7	1,249	1,805	2,477
Realised loss on foreign exchange	-	56	-	70
Unrealised gain on foreign exchange	(26)	(15)	(119)	(28)

## B6. TAXATION

Tax expense/(credit) comprises of the followings:

	3 months ended 31 December		6 months ended 31 December	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
<b>Income tax expense</b>				
- Current period	-	-	-	-
- Under/(Over) provision in previous financial period	-	-	-	-
<b>Deferred tax</b>				
- Current period	-	-	-	-
- Under/(Over) provision in previous financial period	-	-	-	-
Total income tax expense	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

## B7. CORPORATE PROPOSAL

The Company had on 16 November 2022 submitted an application to Bursa Malaysia Securities Berhad (Bursa Securities) for an extension of time twelve (12) months .i.e. up to 17 November 2023 to submit its regularisation plan to the regulatory authorities.

On 20 December 2022, Bursa Securities has granted the Company an extension of time of six (6) months up to 17 May 2023 for the Company to submit its regularisation plan to the regulatory authorities.

The company is currently proposing the formation of regularisation plan committee team for Board of Directors' approval and will submit the regularisation plan to relevant regulatory authorities for approval in due course.

## B8. GROUP BORROWINGS AND DEBT SECURITIES (UNSECURED)

	As at 31.12.2022 RM'000	As at 30.06.2022 RM'000
<b>Short-term Borrowings:</b>		
Bankers' acceptance	65,851	65,851
Bank overdraft	9,703	9,605
Term Loan	135	294
	<u>75,689</u>	<u>75,750</u>

## 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)		On 20.1.2023, Enclosure 1 has been struck off with liberty to file afresh and with no order as to costs.	

### 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)			On 4.1.2023, Plaintiff has filed the Notice of Discontinuance with no order as to costs.  On 10.1.2023, Enclosure 1 has been struck off with no order as to costs.	

**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)			On 4.1.2023, Plaintiff has filed the Notice of Discontinuance with no order as to costs.  On 5.1.2023, Enclosure 1 has been struck off with no order as to costs.	

**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 (DSL)	Enclosure 14 (Application for leave to join London Biscuits Berhad (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		On 8.2.2023, KSFI to withdraw the proceeding against LBB with no order as to costs and with no liberty to file afresh;  KSFI's claims against DSL be struck off with no order as to costs and with no liberty to file afresh; and  KSB's claims against DSL and LBB be struck off with no order as to costs and with no liberty to file afresh.	

**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 20.3.2023.	Decision for the preliminary issue of Enclosure 157 has been fixed on 20.3.2023.	

**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 (" <b>MGC</b> ")		Enclosure 1 (Leave to convene court meeting and Restraining Order)			On 23.9.2022, Enclosure 1 is allowed.	



**g) List of litigation matters for KSB (Scheme of Arrangement – Sanction Order )**

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-1067-12/2022	KSB KSFI KSM Mega Global Confectionary Sdn Bhd ( <b>"MGC"</b> )		Enclosure 1 (Seeking Sanction to Proceed with the Scheme of Arrangement)			On 21.12.2022, Enclosure 1 has been granted.	

## 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)
7. KHEE SAN BERHAD GROUP'S SCHEME OF ARRANGEMENT (WA-24NCC-1067-12/2022)

On 16.12.2022, Khee San Berhad Group filed a sanction application to the High Court of Kuala Lumpur vide Originating Summons No. WA-24NCC-1067-12/2022 ("**OS 1067**") to implement the scheme of arrangement wherein Khee San Group had obtained more than 75% of support for the respective schemes at the Court-Convened Meetings which has been held on 31.10.2022 (for Scheme A to Scheme D) and 9.12.2022 (for Scheme E).

Subsequently, on 21.12.2022, the High Court of Kuala Lumpur allowed OS 1067 and granted the Sanction Order.

In light of the Sanction Order, all legal proceedings including those as enumerated in Appendix I(a) and I(b) of the Explanatory Statement annexed to the Sanction Order shall be withdrawn and/or dismissed on the terms that each party shall bear its own cost. Therefore, Cases (1), (2), and (3) have been struck off with no order as to costs.

In so far as Case (4) goes, Khee San Food Industries Sdn Bhd had indicated to the Honourable Court whereby Khee San Food Industries Sdn Bhd will only withdraw the action against London Biscuits Berhad and proceed with Dato' Sri Liew Yew Chung. However, as mentioned above, the Honourable Court is of the view that since the Sanction Order had stated that all legal proceedings including those as enumerated in Appendix I(a) and I(b) of the Explanatory Statement annexed to the Sanction Order shall be withdrawn and/or dismissed on the terms that each party shall bear its own cost, therefore, the Honourable Court had allowed Khee San Food Industries Sdn Bhd to withdraw its claim against London Biscuits Berhad and struck off the whole proceeding with no liberty to file afresh and with no order as to costs.

As for Case (5), the company's solicitors, Messrs Krish Maniam & Co, is of the view that the company has a fair chance of success.

**B10. PROPOSED DIVIDEND**

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

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

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

	<b>Current Quarter</b>		<b>Cumulative Quarter</b>	
	<b>31.12.2022</b>	<b>31.12.2021</b>	<b>31.12.2022</b>	<b>31.12.2021</b>
Net profit/(loss) attributable to ordinary shareholders (RM'000)	2,092	(2,598)	88	(4,488)
Weighted average number of ordinary shares - in units ('000)	137,280	137,280	137,280	137,280
<b>Basic Profit/(Loss) Per Share (sen)</b>	<b>1.52</b>	<b>(1.89)</b>	<b>0.06</b>	<b>(3.27)</b>

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

**PROF. DR. HJ. MOHD AMY AZHAR BIN MOHD HARIF  
AUDIT COMMITTEE CHAIRMAN  
22 February 2023**