



KHEE SAN BERHAD

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

(“KSB” or “the Company”)

Interim Financial Statements

Third Quarter Results

For the Financial Year ended

30 June 2023

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THIRD QUARTER ENDED 31 MARCH 2023**

	Individual Quarter		Cumulative Quarter	
	3 months ended 31 March		9 months ended 31 March	
	(Unaudited)		(Unaudited)	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Revenue	16,103	5,562	44,654	24,209
Cost of sales	(13,001)	(5,536)	(35,398)	(21,283)
Gross Profit	<u>3,102</u>	<u>26</u>	<u>9,256</u>	<u>2,926</u>
Other income	225	21	2,147	573
Distribution expenses	(24)	(47)	(78)	(172)
Administrative expenses	(2,726)	(2,385)	(8,842)	(7,720)
Other expenses	(1)	(5)	(15)	(7)
Operating profit/(loss)	<u>576</u>	<u>(2,390)</u>	<u>2,468</u>	<u>(4,400)</u>
Finance cost	(5)	(1,231)	(1,810)	(3,708)
Profit/(Loss) before tax	<u>571</u>	<u>(3,621)</u>	<u>658</u>	<u>(8,108)</u>
Income tax expense	(460)	-	(460)	-
Profit/(Loss) for the period	<u>111</u>	<u>(3,621)</u>	<u>198</u>	<u>(8,108)</u>
Other Comprehensive Income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Comprehensive Income/(Loss) for the Period	<u>111</u>	<u>(3,621)</u>	<u>198</u>	<u>(8,108)</u>
Profit/(Loss) for the Period attributable to:				
Owners of the Company	<u>111</u>	<u>(3,621)</u>	<u>198</u>	<u>(8,108)</u>
Total Comprehensive Income/(Loss) attributable to:				
Owners of the Company	<u>111</u>	<u>(3,621)</u>	<u>198</u>	<u>(8,108)</u>
Profit/(Loss) per Share (Sen)				
Basic	<u>0.08</u>	<u>(2.64)</u>	<u>0.14</u>	<u>(5.91)</u>
Diluted	<u>0.08</u>	<u>(2.64)</u>	<u>0.14</u>	<u>(5.91)</u>

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2023**

	(Unaudited) As at 31.03.2023 RM'000	(Audited) As at 30.06.2022 RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	54,756	56,845
Right-of-use assets	591	784
Intangible assets	-	-
Total Non-Current Assets	<u>55,347</u>	<u>57,629</u>
Current Assets		
Inventories	7,903	5,513
Trade receivables	2,672	2,991
Other receivables, deposits and prepayments	2,104	2,123
Current tax assets	-	460
Cash and bank balances	2,362	2,098
Total Current Assets	<u>15,041</u>	<u>13,185</u>
Total Assets	<u>70,388</u>	<u>70,814</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	112,192	112,192
Reserves	(191,133)	(191,331)
Total Equity	<u>(78,941)</u>	<u>(79,139)</u>
Non-Current Liabilities		
Lease liabilities	60	114
Deferred tax liabilities	4,939	4,939
Total Non-Current Liabilities	<u>4,999</u>	<u>5,053</u>
Current Liabilities		
Trade payables	17,224	16,597
Other payables and accruals	45,124	46,229
Amount due to directors	5,301	5,110
Loans and borrowings	75,512	75,750
Lease liabilities	1,169	1,214
Total Current Liabilities	<u>144,330</u>	<u>144,900</u>
Total Liabilities	<u>149,329</u>	<u>149,953</u>
Total Equity and Liabilities	<u>70,338</u>	<u>70,814</u>
Net Liabilities per Ordinary Share (sen)	(57.50)	(62.40)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THIRD QUARTER ENDED 31 MARCH 2023**

	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 income for the period	-	-	-	198	198
As at 31 March 2023	<u>112,192</u>	<u>(17,444)</u>	<u>32,654</u>	<u>(206,343)</u>	<u>(78,941)</u>

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE THIRD QUARTER ENDED 31 MARCH 2023**

	Unaudited	
	9 months ended 31 March	
	2023	2022
	RM'000	RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Income before tax	658	(8,108)
Adjustments for:-		
Depreciation of property, plant and equipment	2,263	2,594
Depreciation of right-of-use assets	193	434
Deposit written off	-	54
Finance costs	1,810	3,708
Gain on disposal of property, plant and equipment	-	(275)
Impairment loss on trade receivables	141	-
Property, plant and equipment written off	-	42
Unrealised gain on foreign exchange	(57)	(91)
Operating profit before changes in working capital	<u>5,008</u>	<u>(1,642)</u>
Changes in working capital:		
Inventories	(2,390)	691
Trade receivables	235	290
Other receivables	19	(1,357)
Trade payables	627	691
Other payables	(1,105)	1,927
Amount due to directors	191	(46)
Cash generated from operations	<u>2,585</u>	<u>554</u>
Tax paid	-	(831)
Interest paid	(1,810)	(3,708)
Net cash generated from/(used in) operating activities	<u>775</u>	<u>(3,985)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Proceed from disposal of property, plant and equipment	-	371
Purchase of property, plant and equipment	(174)	(166)
Net cash (used in)/generated from investing activities	<u>(174)</u>	<u>205</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issuance of share	-	2,402
Repayment of loans and borrowings	(238)	(211)
Repayment of lease liabilities	(99)	(54)
Net cash (used in)/generated from financing activities	<u>(337)</u>	<u>2,137</u>
Net Changes in Cash and Cash Equivalents	264	(1,643)
Cash and Cash Equivalents at beginning of the period	<u>(7,507)</u>	<u>(6,117)</u>
Cash and Cash Equivalents at the end of the period	<u>(7,243)</u>	<u>(7,760)</u>
Cash and Cash Equivalents comprise the following: -		
Cash and bank balances	2,362	1,557
Bank overdraft	(9,605)	(9,317)
	<u>(7,243)</u>	<u>(7,760)</u>

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 31 MARCH 2023

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

As of 1 July 2022, the Group adopted the following Amendments to MFRSs which have been issued by the Malaysian Accounting Standards Board (“MASB”):

MFRSs, and amendments effective for annual periods beginning on or after 1 January 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 Cycle)

The Group expects that the adoption of the above standards and amendments do not have any material impact on the current period or prior period financial statements.

The following are accounting standards and amendments of the MFRSs framework that have been issued by the Malaysian Accounting Standards Board (“MASB”) but have not been adopted by the Group:

MFRSs, and amendments effective for annual periods beginning on or after 1 January 2023:

- MFRS 17, Insurance Contracts
- Amendments to MFRS 17, Insurance Contracts - Initial Application of MFRS 17 and MFRS 9 - Comparative Information
- Amendments to MFRS 101, Presentation of Financial Statements - Classification of Liabilities as Current or Non-current and Disclosure of Accounting Policies
- Amendments to MFRS 108, Accounting Policies - Changes in Accounting Estimates and Errors - Definition of Accounting Estimates
- Amendments to MFRS 112, Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction

A2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

MFRSs, and amendments effective for annual periods beginning on or after 1 January 2024:

- Amendments to MFRS 16, Leases - Lease Liability in a Sale and Leaseback
- Amendments to MFRS 101, Presentation of Financial Statements - Non-current Liabilities with Covenants

MFRSs, and amendments effective for annual periods beginning on or after a date yet to be confirmed:

- Amendments to MFRS 10, Consolidated Financial Statements and Amendments to MFRS 128, Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The Group plans to apply the abovementioned accounting standards and amendments in the respective financial year when the above accounting standards and amendments become effective, if applicable.

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
<u>3 months ended 31 March 2023</u>					
Revenue					
Revenue from external customers	-	16,714	(16)	(595)	16,103
Total revenue	-	16,714	(16)	(595)	16,103
Results					
Operating (loss)/profit	(176)	741	11	-	576
<u>3 months ended 31 March 2022</u>					
Revenue					
Revenue from external customers	-	5,893	1,337	(1,668)	5,562
Total revenue	-	5,893	1,337	(1,668)	5,562
Results					
Operating (loss)/profit	(479)	(1,642)	(269)	-	(2,390)

	Investment Holding RM'000	Manufacturing RM'000	Trading RM'000	Elimination RM'000	Total RM'000
9 months ended 31 March 2023					
Revenue					
Revenue from external customers	-	44,760	489	(595)	44,654
Total revenue	-	44,760	489	(595)	44,654
Results					
Operating (loss)/profit	(2018)	4,804	(318)	-	2,468
9 months ended 31 March 2022					
Revenue					
Revenue from external customers	-	23,551	11,167	(10,509)	24,209
Total revenue	-	23,551	11,167	(10,509)	24,209
Results					
Operating (loss)	(1,292)	(1,743)	(834)	(531)	(4,400)

A9. SEGMENTAL REPORTING (Cont'd)

	3 months ended 31 March		9 months ended 31 March	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Reconciliation of reportable segment profit/(loss)				
Total operating profit/(loss) for reporting segment	576	(2,390)	2,468	(4,400)
Finance costs	(5)	(1,231)	(1,810)	(3,708)
Profit/(Loss) before tax	571	(3,621)	658	(8,108)

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

The Company had on 9 May 2023, made a requisite announcement to regularize its financial condition in accordance with Paragraph 8.04(3) of the Listing Requirements.

In addition to the requisite announcement, Company had on 15 May 2023 submitted the Application to Bursa Securities for an extension of time of six (6) months i.e. up to 17 November 2023 to submit its regularization plan to the regulatory authorities.

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 March 2023, the Company has provided corporate guarantees amounting to RM75.5 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
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B1. PERFORMANCE REVIEW FOR CURRENT QUARTER (Q3, 2023 VS Q3, 2022)

	3 months ended 31 March		Changes	
	2023 RM million	2022 RM million	RM million	%
Revenue	16.1	5.6	10.5	187.5
Operating profit/(loss) before interest and tax	0.6	(2.4)	3.0	125.0
Profit/(Loss) before tax	0.6	(3.6)	4.2	116.7
Profit/(Loss) for the period	0.1	(3.6)	3.7	102.8

The Group achieved revenue of RM16.1 million for the current quarter ended 31 March 2023 and an increase of 187.5% or RM10.5 million as compared with the corresponding quarter ended 31 March 2022. The increase is due to improved market demand and sales activities from local market.

The Group recorded profit before tax of RM0.6 million in the quarter under review as compared with loss before tax of RM3.6 million recorded in the corresponding quarter (Q3, 2022). This is mainly due to increase in revenue.

B2. PERFORMANCE REVIEW WITH IMMEDIATE PRECEDING QUARTER (Q3, 2023 VS Q2, 2023)

	Current quarter 31.03.2023 RM million	Immediate preceding quarter 31.12.2022 RM million	Changes	
			RM million	%
Revenue	16.1	14.3	1.8	12.6
Operating profit/(loss) before interest and tax	0.6	2.1	(1.5)	(71.4)
Profit/(Loss) before tax	0.6	2.1	(1.5)	(71.4)
Profit/(Loss) for the period	0.1	2.1	(2.0)	(95.2)

The Group recorded higher revenue of RM16.1 million as compared with immediate preceding quarter of RM14.3 million and this is mainly due to improved sales activities in local and export market.

Profit before tax of RM0.6 million was recorded mainly due to improved sales activities and reduction of administrative expenses amounted to approximately RM0.5 million.

B3. GROUP'S PROSPECT

The Group will continue its efforts to improve operational efficiency to meet current challenging operating environment in year 2023 due to uncertainties of raw materials costs and labour shortage and its related cost.

The Group is confident to achieve positive operating results after the completion of proposed business regularisation plan and the proposed scheme of arrangement (SOA).

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 March		9 months ended 31 March	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Depreciation of property, plant and equipment	731	860	2,263	2,594
Depreciation of right-of-use assets	59	92	193	434
Gain on disposal of property, plant and equipment	-	(12)	-	(275)
Reversal of accrued bank borrowing expense	(96)	-	(1,889)	-
Impairment on trade receivable	141	-	141	-
Interest expense	5	1,231	1,810	3,708
Realised (gain)/loss on foreign exchange	(35)	108	145	178
Unrealised loss/(gain) on foreign exchange	62	(63)	(57)	(91)

B6. TAXATION

Tax expense/(credit) comprises of the followings:

	3 months ended 31 March		9 months ended 31 March	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Income tax expense				
- Current period	-	-	-	-
- Under/(Over) provision in previous financial period	460	-	460	-
Deferred tax				
- Current period	-	-	-	-
- Under/(Over) provision in previous financial period	-	-	-	-
Total income tax expense	<u>460</u>	<u>-</u>	<u>460</u>	<u>-</u>

B7. CORPORATE PROPOSAL

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 had on 9 May 2023 made a requisite announcement to regularize its financial condition in accordance with Paragraph 8.04(3) of the Listing Requirements.

In addition to the requisite announcement, Company had on 15 May 2023 submitted the Application to Bursa Securities for an extension of time of six (6) months i.e. up to 17 November 2023 to submit its regularization plan to the regulatory authorities.

B8. GROUP BORROWINGS AND DEBT SECURITIES (UNSECURED)

	As at 31.03.2023 RM'000	As at 30.06.2022 RM'000
Short-term Borrowings:		
Bankers' acceptance	65,851	65,851
Bank overdraft	9,605	9,605
Term Loan	56	294
	<u>75,512</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 KSFI & KSB (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		<p>Enclosure 47 (KSB's Notice of Application to Intervene)</p> <p>Enclosure 57 (Tunai Impian's Notice of Application to Intervene)</p> <p>Enclosure 157 (Interim Judicial Manager's Notice of Application for Remuneration)</p> <p>Enclosure 288 (Former Interim Judicial Manager's Notice of Application to Vary Court Order)</p>	Hearing for Enclosure 288 has been fixed for 18.8.2023.	<p>Enclosure 1 has been dismissed by the Honourable Court on 1.9.2022.</p> <p>Enclosure 157 has been dismissed by the Honourable Court on 20.3.2023.</p>	<p>On 21.3.2023, the Former Interim Judicial Manager appeal against the decision for Enclosure 157 in the Court of Appeal vide Appeal No. W-02(IM)-475-03/2023 and the next case management has been fixed for 8.6.2023.</p>

b) List of litigation matters for KSFI & KSB (Judicial Management Application- APPEAL)

No.	Appeal No:	Appellant	Respondent	Application filed by (Appellant)	Application filed by (Respondent)	Hearing / Case Management Date	Decision Date	Appeal/Stay of Execution
1.	COA Appeal No. W-02(IM)-475-03/2023	Khee San Food Industries Sdn Bhd	Maybank Islamic Berhad & Ors	Notice of Appeal filed by the Former Interim Judicial Manager under the capacity of Khee San Food Industries Sdn Bhd on 21.3.2023 (Enclosure 1)		Case-Management for Enclosure 1 has been fixed for 8.6.2023.		

B9A. THE PROBABILITY OF SUCCESS

1. MAYBANK ISLAMIC BERHAD -V- KHEE SAN FOOD INDUSTRIES SDN BHD (WA-28JM-21-11/2021)
2. KHEE SAN FOOD INDUSTRIES SDN BHD -V- MAYBANK ISLAMIC BERHAD & ORS (W-02(IM)-475-03/2023)

On 20.3.2023, the Honourable Court had dismissed Enclosure 157 and ordered costs subject to allocators personally against the interim Judicial Manager, Dato' Adam Primus Varghese bin Abdullah ("**IJM**") and the costs awarded are as follows: -

- a. Bank of China Malaysia Berhad - RM20,000.00;
- b. Tunai Impian Enterprise Sdn Bhd - RM25,000.00;
- c. Khee San Berhad - RM25,000.00; and
- d. Khee San Food Industries Sdn Bhd - RM25,000.00.

Whereby in relation to Khee San Food Industries Sdn Bhd's monies that are held by the solicitors of the IJM, Messrs Zaid Ibrahim & Co ("**ZICO**") ("**KSFI's Monies**"), the Honourable Judge has also given an order that KSFI's Monies be transferred to and kept by the solicitor of Khee San Food Industries Sdn Bhd pending disposal of appeal (which will be filed by the IJM) and/or any application filed before this Honourable Court, i.e. an application for direction to release KSFI's Monies.

Subsequently on 21.3.2023, the IJM had appealed to the Court of Appeal against the decision for Enclosure 157 granted by the Honourable High Court vide Appeal No. W-02(IM)-475-03/2023 ("**Appeal 475**"). In Appeal 475, the company's solicitors, Messrs Krish Maniam & Co ("**KMC**") had noticed that the appeal was filed under the capacity of Khee San Food Industries Sdn Bhd and had raised the preliminary objection to the Honourable Court to which the IJM has no locus to do so including the filing of the record of appeal in this appeal.

With regards to KMC's preliminary objection, the Honourable Court will seek directions from the Honourable Panel wherein a case management has been fixed for 8.6.2023 via E-Review before the Deputy Registrar, Puan Mariam Hasanah binti Othman to update the Honourable Court on the status of the grounds of judgment and the fair order of Enclosure 157 in order to ensure that the record of appeal is in order before the matter be fixed for hearing before the Honourable Panel.

On the other hand, the IJM had on 7.4.2023, filed a Notice of Application to Vary the Court Order for Enclosure 157 ("**Enclosure 288**") in the Honourable High Court vide Suit No. WA-28JM-21-11/2021 and parties are in the midst of exchanging the affidavits. The hearing of Enclosure 288 has been fixed for 18.8.2023.

For all the above matters, 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.

	Current Quarter		Cumulative Quarter	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022
Net profit/(loss) attributable to ordinary shareholders (RM'000)	111	(3,621)	198	(8,108)
Weighted average number of ordinary shares - in units ('000)	137,280	137,280	137,280	137,280
Basic Profit/(Loss) Per Share (sen)	0.08	(2.64)	0.14	(5.91)

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

**MOHANADAS A/L K.P. BALAN
AUDIT COMMITTEE CHAIRMAN
26 May 2023**