



## **KHEE SAN BERHAD**

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

**(“KSB” or “the Company”)**

**Interim Financial Statements**  
**Fourth Quarter Results**  
**For the Financial Year ended**  
**30 June 2023**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FOURTH QUARTER ENDED 30 JUNE 2023**

	Individual Quarter 3 months ended 30 June (Unaudited)		Cumulative Quarter 12 months ended 30 June (Unaudited)	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>Revenue</b>	10,982	8,745	55,636	32,954
Cost of sales	(8,441)	(7,931)	(43,880)	(29,214)
<b>Gross Profit</b>	<u>2,541</u>	<u>814</u>	<u>11,756</u>	<u>3,740</u>
Other income	293	581	2,440	1,154
Distribution expenses	(28)	(189)	(106)	(361)
Administrative expenses	(2,553)	(5,044)	(11,356)	(12,764)
Other expenses	(20)	(1)	(34)	(8)
<b>Operating profit/(loss)</b>	<u>233</u>	<u>(3,839)</u>	<u>2,700</u>	<u>(8,239)</u>
Finance cost	(27)	(3,196)	(1,837)	(6,904)
<b>Profit/(Loss) before tax</b>	<u>206</u>	<u>(7,035)</u>	<u>863</u>	<u>(15,143)</u>
Income tax credit	1,311	1,153	851	1,153
<b>Profit/(Loss) for the period</b>	<u>1,517</u>	<u>(5,882)</u>	<u>1,714</u>	<u>(13,990)</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>1,517</u></u>	<u><u>(5,882)</u></u>	<u><u>1,714</u></u>	<u><u>(13,990)</u></u>
<b>Profit/(Loss) for the Period attributable to:</b>				
Owners of the Company	<u>1,517</u>	<u>(5,882)</u>	<u>1,714</u>	<u>(13,990)</u>
<b>Total Comprehensive Income/(Loss) attributable to:</b>				
Owners of the Company	<u><u>1,517</u></u>	<u><u>(5,882)</u></u>	<u><u>1,714</u></u>	<u><u>(13,990)</u></u>
<b>Profit/(Loss) per Share (Sen)</b>				
Basic	<u>1.11</u>	<u>(4.28)</u>	<u>1.25</u>	<u>(10.19)</u>
Diluted	<u><u>1.11</u></u>	<u><u>(4.28)</u></u>	<u><u>1.25</u></u>	<u><u>(10.19)</u></u>

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2023**

	(Unaudited) As at 30.06.2023 RM'000	(Audited) As at 30.06.2022 RM'000
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	54,140	56,845
Right-of-use assets	846	784
Intangible assets	-	-
<b>Total Non-Current Assets</b>	<u>54,986</u>	<u>57,629</u>
<b>Current Assets</b>		
Inventories	9,160	5,513
Trade receivables	1,877	2,991
Other receivables, deposits and prepayments	1,515	2,123
Current tax assets	-	460
Cash and bank balances	2,837	2,098
<b>Total Current Assets</b>	<u>15,389</u>	<u>13,185</u>
<b>Total Assets</b>	<u>70,375</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	(189,617)	(191,331)
<b>Total Equity</b>	<u>(77,425)</u>	<u>(79,139)</u>
<b>Non-Current Liabilities</b>		
Lease liabilities	280	114
Deferred tax liabilities	3,628	4,939
<b>Total Non-Current Liabilities</b>	<u>3,908</u>	<u>5,053</u>
<b>Current Liabilities</b>		
Trade payables	17,054	16,597
Other payables and accruals	44,752	46,229
Amount due to directors	5,364	5,110
Loans and borrowings	75,456	75,750
Lease liabilities	1,266	1,214
<b>Total Current Liabilities</b>	<u>143,892</u>	<u>144,900</u>
<b>Total Liabilities</b>	<u>147,800</u>	<u>149,953</u>
<b>Total Equity and Liabilities</b>	<u>70,375</u>	<u>70,814</u>
Net Liabilities per Ordinary Share (sen)	(56.40)	(57.65)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FOURTH QUARTER ENDED 30 JUNE 2023**

	<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	-	-	-	1,714	1,714
<b>As at 30 June 2023</b>	<u>112,192</u>	<u>(17,444)</u>	<u>32,654</u>	<u>(204,827)</u>	<u>(77,425)</u>

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW  
FOR THE FOURTH QUARTER ENDED 30 JUNE 2023**

	Unaudited 12 months ended 30 June	
	2023 RM'000	2022 RM'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Profit/(loss) before tax</b>	863	(15,143)
Adjustments for:-		
Depreciation of property, plant and equipment	2,962	3,424
Depreciation of right-of-use assets	266	527
Finance costs	1,837	6,904
Gain on disposal of property, plant and equipment	-	(258)
Gain on disposal of right-of-use assets	-	(299)
Impairment loss on trade receivables	42	278
Inventory written off	-	225
Other receivables written off	-	126
Property, plant and equipment written off	-	42
Unrealised (gain)/loss on foreign exchange	(81)	28
Operating profit/(loss) before changes in working capital	5,889	(4,146)
Changes in working capital:		
Inventories	(3,647)	1,122
Trade receivables	1,153	(217)
Other receivables	608	(1,045)
Trade payables	457	484
Other payables	(1,477)	7,757
Amount due to directors	254	(115)
Cash generated from operations	3,237	3,840
Tax paid	-	(546)
Interest paid	(1,837)	(6,904)
<b>Net cash generated from/(used in) operating activities</b>	1,400	(3,610)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Proceed from disposal of property, plant and equipment	-	364
Proceed from disposal of right-of-use assets	-	450
Purchase of property, plant and equipment	(257)	(181)
<b>Net cash (used in)/generated from investing activities</b>	(257)	633
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of share	-	2,402
Repayment of loans and borrowings	(294)	(317)
Repayment of lease liabilities	(110)	(499)
<b>Net cash (used in)/generated from financing activities</b>	(404)	1,586
<b>Net Changes in Cash and Cash Equivalents</b>	739	(1,391)
<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>	(6,768)	(7,507)
<b>Cash and Cash Equivalents comprise the following: -</b>		
Cash and bank balances	2,837	2,098
Bank overdraft	(9,605)	(9,605)
	(6,768)	(7,507)

## NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 30 JUNE 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 112, Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction

## **A2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

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

- Amendments to MFRS 7, Financial Instruments: Disclosures and Amendments to MFRS 107, Statement of Cash Flows - Supplier Finance Arrangements
- 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.

### **A3. QUALIFICATION OF PRECEDING YEAR'S AUDITED FINANCIAL STATEMENTS (Cont'd)**

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:

	<b>Investment Holding RM'000</b>	<b>Manufacturing RM'000</b>	<b>Trading RM'000</b>	<b>Elimination RM'000</b>	<b>Total RM'000</b>
<b><u>3 months ended 30 June 2023</u></b>					
<b>Revenue</b>					
Revenue from external customers	-	10,939	60	(17)	10,982
Total revenue	-	10,939	60	(17)	10,982
<b>Results</b>					
Operating (loss)/profit	(1,667)	978	48	874	233
<b><u>3 months ended 30 June 2022</u></b>					
<b>Revenue</b>					
Revenue from external customers	-	8,256	116	373	8,745
Total revenue	-	8,256	116	373	8,745
<b>Results</b>					
Operating loss	(1,258)	(2,561)	(875)	855	(3,839)
<b><u>12 months ended 30 June 2023</u></b>					
<b>Revenue</b>					
Revenue from external customers	-	55,699	549	(612)	55,636
Total revenue	-	55,699	549	(612)	56,152
<b>Results</b>					
Operating (loss)/profit	(3,685)	5,788	(277)	874	2,700
<b><u>12 months ended 30 June 2022</u></b>					
<b>Revenue</b>					
Revenue from external customers	-	31,807	11,283	(10,136)	32,954
Total revenue	-	31,807	11,283	(10,136)	32,954
<b>Results</b>					
Operating loss	(2,551)	(4,305)	(1,709)	326	(8,239)

## A9. SEGMENTAL REPORTING (Cont'd)

	3 months ended 30 June		12 months ended 30 June	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b><u>Reconciliation of reportable segment profit/(loss)</u></b>				
Total operating profit/(loss) for reporting segment	233	(3,839)	2,700	(8,239)
Finance costs	(27)	(3,196)	(1,837)	(6,904)
Profit/(Loss) before tax	206	(7,035)	863	(15,143)

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

The Company had on 18 July 2023 submitted the Application to Bursa Securities in relation to the Company's Proposed Regularisation Plan.

On 21 July 2023, Tunai Impian Enterprise Sdn. Bhd. (Applicant) had filed an Originating Summons against the Group at the High Court of Malaya.

Please refer to Section B9A on the details of the Originating Summons filed by Tunai.

## 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 30 June 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>B. ADDITIONAL INFORMATION REQUIRED PURSUANT TO MAIN MARKET LISTING REQUIREMENTS OF BURSA SECURITIES</b>
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**B1. PERFORMANCE REVIEW FOR CURRENT QUARTER (Q4, 2023 VS Q4, 2022)**

	3 months ended 30 June		Changes	
	2023 RM million	2022 RM million	RM million	%
Revenue	11.0	8.7	2.3	26.4
Operating profit/(loss) before interest and tax	0.2	(3.8)	4.0	105.3
Profit/(Loss) before tax	0.2	(7.0)	7.2	102.9
Profit/(Loss) for the period	1.5	(5.9)	7.4	125.4

The Group achieved revenue of RM11.0 million for the current quarter ended 30 June 2023 and an increase of 26.4% or RM2.3 million as compared with the corresponding quarter ended 30 June 2022. The increase is due to improved market demand and sales activities from local and export market.

The Group recorded profit before tax of RM0.2 million in the quarter under review as compared with loss before tax of RM7.0 million recorded in the corresponding quarter (Q4, 2022). This is mainly due to increase in revenue by RM2.3 million, decrease of administrative expenses by RM2.5 million and reduction of finance cost by RM3.2 million.

**B2. PERFORMANCE REVIEW WITH IMMEDIATE PRECEDING QUARTER (Q4, 2023 VS Q3, 2023)**

	Current quarter 30.06.2023 RM million	Immediate preceding quarter 31.03.2023 RM million	Changes	
			RM million	%
Revenue	11.0	16.1	(5.1)	(31.7)
Operating profit before interest and tax	0.2	0.6	(0.4)	(66.7)
Profit before tax	0.2	0.6	(0.4)	(66.7)
Profit for the period	1.5	0.1	1.4	140.0

The Group recorded lower revenue of RM11.0 million as compared with immediate preceding quarter of RM16.1 million and this is mainly due to lower sales order in the current quarter.

The Group recorded Profit before tax of RM0.2 million as compared with immediate preceding quarter of RM0.6 million was recorded mainly due to reduction of gross profit of RM0.6 million as a result of lower revenue.

### 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) which has been submitted to Bursa Securities on 18 July 2023.

The Group is expanding its oversea market and had entered into a Strategic Cooperation Agreement with Wellspire Global Trading Sdn Bhd as the sole and exclusive distributor of the "Khee San" brand products in Thailand for a period of three (3) years from 23 August 2023 to 22 August 2026.

### 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 30 June		12 months ended 30 June	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Depreciation of property, plant and equipment	699	830	2,962	3,424
Depreciation of right-of-use assets	73	93	266	527
Loss/(Gain) on disposal of property, plant and equipment	-	17	-	(258)
Gain on disposal of right-of-use assets	-	(299)	-	(299)
(Reversal of)/Impairment on trade receivable	(99)	278	42	278
Interest expense	27	3,196	1,837	6,904
Inventory written off	-	225	-	225
Other receivables written off	-	72	-	126
Property, plant and equipment written off	-	-	-	42
Realised (gain)/loss on foreign exchange	-	(81)	145	97
Unrealised (gain)/loss on foreign exchange	(24)	119	(81)	28

## B6. TAXATION

Tax expense/(credit) comprises of the followings:

	3 months ended 30 June		12 months ended 30 June	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>Income tax expense</b>				
- Current period	-	(3)	-	(3)
- Under provision in previous financial period	-	-	460	-
<b>Deferred tax</b>				
- Current period	-	-	-	-
- Over provision in previous financial period	(1,311)	(1,150)	(1,311)	(1,150)
Total income tax credit	<u>(1,311)</u>	<u>(1,153)</u>	<u>(851)</u>	<u>(1,153)</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 received approval on 12 June 2023 from Bursa Securities for a further extension of time of six (6) months up to 17 November 2023 to submit its regularization plan.

The Company had on 18 July 2023 submitted the Regularisation Plan to Bursa Securities.

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

	As at 30.06.2023 RM'000	As at 30.06.2022 RM'000
<b>Short-term Borrowings:</b>		
Bankers' acceptance	65,851	65,851
Bank overdraft	9,605	9,605
Term Loan	-	294
	<u>75,456</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	Khee San Food Industries Sdn Bhd ("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 29.11.2023.	<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 17.10.2023.</p>

**B9. MATERIAL LITIGATION (Cont'd)**

**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	KSFI	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 ( <b>Enclosure 1</b> )		Case-Management for Enclosure 1 has been fixed for 17.10.2023.		

**c) List of litigation matters for Khee San Berhad (“KSB”), KSFI, Khee San Marketing Sdn Bhd (“KSM”) and Mega Global Confectionary Sdn Bhd (“MGC”) Scheme of Arrangement, “Scheme E” Withdrawal of Support)**

No.	Appeal No:	Applicant	Respondent	Prayer/Application filed by (Applicant)	Application filed by (Respondent)	Hearing / Case Management Date	Decision Date	Appeal/Stay of Execution
1.	KLHC Suit No.WA-24NCC-371-07/2023	Tunai Impian Enterprise Sdn Bhd (“Tunai”)	KSB, KSFI, KSM and MGC	Tunai prays for declarations that it had withdrawn its support for KSB Group’s Scheme of Arrangement and an order to consequently set aside the Court’s Sanction order dated 21.12.2022 vide Originating Summons No. WA -24NCC-1067-12/2022		First (1 <sup>st</sup> ) case-management was held on 7.8.2023. The next case-management has been fixed on 19.9.2023.		

## **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 7.4.2023, the Former Interim Judicial Manager of Khee San Food Industries Sdn Bhd (“**FIJM**”) had 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 to seek an order to deduct the FIJM’s solicitors’ fees, i.e. Messrs Zaid Ibrahim & Co’s invoice and a payment to the Agensi Pekerjaan Iramuara Maju Sdn Bhd, for a total sum of RM of RM 432,167.08 against the Stakeholding Monies, i.e. RM2,000,000.00 wherein the hearing for Enclosure 288 has been fixed for 24.8.2023.

For the above matter, the company's solicitors, Messrs Krish Maniam & Co, is of the view that the fair chance of success is in favour of Khee San Food Industries Sdn Bhd and Khee San Berhad.

In so far as the appeal goes, the Honourable Court of Appeal has fixed a next case-management on 17.10.2023 as the FIJM is required to update the court on the status for the filing of the grounds of judgment and the sealed order for Enclosure 157 in the record of appeal.

3. TUNAI IMPIAN ENTERPRISE SDN. BHD. (APPLICANT) -V- KHEE SAN BERHAD, KHEE SAN FOOD INDUSTRIES SDN BHD, KHEE SAN MARKETING SDN BHD AND MEGA GLOBAL CONFECTIONARY SDN BHD (“KHEE SAN GROUP”) & ORS (WA-24NCC-3FI-07/2023)

On 21 July 2023, Tunai Impian Enterprise Sdn Bhd (“Tunai”) had filed an Originating Summons against Khee San Group at High Court of Malaya as follows:

1. a declaration that the Applicant had withdrawn its support for the approval on the Scheme of Arrangement (“Scheme E”) as set out by the Company in the Explanatory Statement dated 7 October 2022 as approved in the Adjourned Court Convened Meeting of Creditor (Scheme E Creditor) on 9 December 2022;
2. a declaration that the Scheme E is no longer binding on the Applicant;
3. consequentially, that the sanction in relation to Scheme E given pursuant to the order of the Court dated 21 December 2022 in the Originating Summons No. WA-24NCC-1067-12/2022 be set aside;
4. that the Applicant be given the liberty to apply for any variation order;
5. costs; and
6. such further or other relief as this Court may deem fit.

For the case mentioned hereinabove, the Company’s solicitors, Messrs Izral Partnership 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>30.06.2023</b>	<b>30.06.2022</b>	<b>30.06.2023</b>	<b>30.06.2022</b>
Net profit/(loss) attributable to ordinary shareholders (RM'000)	1,517	(5,882)	1,714	(13,990)
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>1.11</b>	<b>(4.28)</b>	<b>1.25</b>	<b>(10.19)</b>

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

**MOHANADAS A/L K.P. BALAN  
AUDIT COMMITTEE CHAIRMAN  
28 August 2023**