



KHEE SAN BERHAD

Reg no. 199401018697 (304376-A)

ANNUAL REPORT 2025



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CORPORATE INFORMATION

BOARD OF DIRECTORS

YONG LOONG CHEN
Executive Chairman

DATO' SRI NGU TIENG UNG, JP
Non-Independent Non-Executive Director

EDWARD TAN JUAN PENG
Chief Executive Officer

NGU CHIENN YING
Executive Director

MOHANADAS A/L K.P.BALAN
Independent Non-Executive Director

ONG PHUI FATT
Independent Non-Executive Director

SUZANA MANJA BINTI IBRAHIM
Independent Non-Executive Director

AUDIT COMMITTEE

MOHANADAS A/L K.P.BALAN
Chairman
ONG PHUI FATT
Member
SUZANA MANJA BINTI IBRAHIM
Member

REMUNERATION COMMITTEE

MOHANADAS A/L K.P.BALAN
Chairman
ONG PHUI FATT
Member
EDWARD TAN JUAN PENG
Member

NOMINATING COMMITTEE

ONG PHUI FATT
Chairman
MOHANADAS A/L K.P.BALAN
Member
SUZANA MANJA BINTI IBRAHIM
Member

CORPORATE ADMINISTRATION & COMPLIANCE COMMITTEE

ONG PHUI FATT
Chairman
EDWARD TAN JUAN PENG
Member
NG CHEE KEONG
Member
LEE CHAI HONG
Member

RISK COMMITTEE

ONG PHUI FATT
Chairman
SUZANA MANJA BINTI IBRAHIM
Member
EDWARD TAN JUAN PENG
Member

EMPLOYEES' SHARE SCHEME COMMITTEE

DATO' SRI NGU TIENG UNG, JP
Chairman
YONG LOONG CHEN
Member
EDWARD TAN JUAN PENG
Member
MOHANADAS A/L K.P.BALAN
Member

COMPANY SECRETARY

KHOO MING SIANG
(MAICSA 7034037)
SSM PC No. 202208000150

SHARE REGISTRAR

BINA MANAGEMENT (M) SDN. BHD.
Lot 10, The Highway Centre
Jalan 51/205, 46050 Petaling Jaya
Selangor Darul Ehsan
Tel : +603-7784 3922
Fax : +603-7784 1988
Email : binawin@binamg168.com

AUDITORS

KRESTON JOHN & GAN (AF0113)
Unit B-10-8, Megan Avenue II
Jalan Yap Kwan Seng
50450 Kuala Lumpur
Tel : +603-2381 2828

REGISTERED OFFICE

Unit 521, 5th Floor, Lobby 6
Block A Damansara Intan
No. 1, Jalan SS20/27
47400 Petaling Jaya
Selangor Darul Ehsan
Tel : +603-7732 0792
Email : cosec@aquilla.com.my

PRINCIPAL PLACE OF BUSINESS

Lot 1819 - 1824 & 1832
Jalan Kolej
43300 Seri Kembangan
Selangor Darul Ehsan
Tel : +603-8943 1390
Fax : +603-8943 1351
Website : www.kheesanbhd.com

STOCK EXCHANGE LISTING

BURSA MALAYSIA SECURITIES BERHAD
- Main Market
- Stock Name: KHEESAN
- Stock Code: 6203

SUBSIDIARIES

- Khee San Food Industries Sdn Bhd (100%)
- Khee San Marketing Sdn Bhd (100%)
- Mega Global Confectionary Sdn Bhd (100%)
- Fruit Plus Limited (100%)
- Fujian Khee San Food Company Limited (100%)

CORPORATE STRUCTURE



KHEE SAN BERHAD
Reg no. 199401018697 (304376-A)



DIRECTORS' PROFILE

YONG LOONG CHEN

Executive Chairman
Malaysian / 59 / Male

NO OF BOARD MEETINGS ATTENDED IN THE FINANCIAL YEAR

5 out of 5

DATE OF APPOINTMENT

10 February 2023

QUALIFICATIONS

- Chartered Accountant, Malaysian Institute of Accountants
- Member of the Malaysian Institute of Certified Public Accountants

EXPERIENCE

He is a Chartered Accountant by profession as well as a member of the Malaysian Institute of Certified Public Accountants and also a member of the Malaysian Institute of Accountants. He joined Messrs KPMG Peat Marwick as audit senior in year 1990 until 1994. Subsequently, he was attached with Paul Chuah & Co as Audit Manager from year 1994 to 1995. From year 1995 to 2010, he was a dealer representative with Affin Investment Bank Berhad.

He was the Independent Non-Executive Director of Scope Industries Berhad from 1 December 2008 until his retirement on 23 November 2021.

MEMBERSHIP IN BOARD COMMITTEE(S)

- Member, Employees' Share Scheme Committee

DIRECTORSHIP IN OTHER PUBLIC COMPANIES

None

DECLARATION OF CONFLICT OF INTEREST OR ANY FAMILY RELATIONSHIP WITH ANY OTHER DIRECTOR AND/OR MAJOR SHAREHOLDERS

He has no conflict of interest with the Group and has no family relationship with any Director and/or major shareholder of the Group.

DECLARATION ON CONVICTION OF OFFENCES WITHIN THE PAST 5 YEARS

He maintains a clean record with regards to convictions for offences (other than traffic offences, if any) within the past 5 years.

EDWARD TAN JUAN PENG

Chief Executive Officer
Malaysian / 52 / Male

NO OF BOARD MEETINGS ATTENDED IN THE FINANCIAL YEAR

5 out of 5

DATE OF APPOINTMENT

5 January 2017

QUALIFICATIONS

- Bachelor of Arts (Hons) in Business Administration from Coventry University, Warwickshire, United Kingdom.
- Associate Member of the Asian Institute of Chartered Bankers (AICB)
- Professional Certification in Corporate Finance awarded by Asia Business School in collaboration with MIT Sloan Management and Central Bank of Malaysia.

EXPERIENCE

He has a career experience of over 20 years in Banking, Securities and Finance, rising to the position as a Director and Head in various departments.

He has established a well and good networked across Malaysia Corporate and Financial Institutions. He is well known for his successful management, superior service and innovative solutions covering the whole range of functions from front line sales and possesses depth industry experience especially in the corporate and consumer market. His long tenor with the financial institutions had also provided him an immense knowledge of the regulatory process, risk management, compliance knowledge, structure of public equities and novel financing products.

MEMBERSHIP IN BOARD COMMITTEE(S)

- Member, Remuneration Committee
- Member, Risk Committee
- Member, Corporate Administration and Compliance Committee
- Member, Employees' Share Scheme Committee

DIRECTORSHIP IN OTHER PUBLIC COMPANIES

None

DECLARATION OF CONFLICT OF INTEREST OR ANY FAMILY RELATIONSHIP WITH ANY OTHER DIRECTOR AND/OR MAJOR SHAREHOLDERS

He has no conflict of interest with the Group and has no family relationship with any Director and/or major shareholder of the Group.

DECLARATION ON CONVICTION OF OFFENCES WITHIN THE PAST 5 YEARS

He was publicly reprimanded and fined RM205,000 for breaching Paragraph 16.13(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad on 29 June 2022.

DIRECTORS' PROFILE

(Cont'd)

DATO' SRI NGU TIENG UNG, JP

Non-Independent Non-Executive Director
Malaysian / 58 / Male

NO OF BOARD MEETINGS ATTENDED IN THE FINANCIAL YEAR

4 out of 4

DATE OF APPOINTMENT

24 September 2024

QUALIFICATIONS

- Honours United Kingdom Degree in Accountancy
- Member of the Association International Accountants

EXPERIENCE

Dato' Sri Ngu Tieng Ung, JP ("Dato' Sri Ngu") graduated with an Honours UK Degree in Accountancy and a Member of the Association International Accountants.

He is equipped with close to three decades of experience as an accountant-turned entrepreneur and a venture capitalist with specialisation in corporate finance, business consultancy, investment banking and venture capital. Dato' Sri Ngu expanded his business ventures beyond Malaysia frontiers and participated in several public and private investments as chief investment strategist and investor in Mongolia, Kazakhstan, China, Hong Kong, Indo-China, Australia, PNG, New Zealand, USA, Canada, UK and Indonesia. These investments span across a broad spectrum of business sectors including oil & gas, mineralisation, commodities & non ferrous metals, information technology, manufacturing, financial services, plantation and real-estate development. The broad-based business set-up has created for him a wealth of business experience and valuable business networking from the Asia to Europe and the North America business community.

He currently sits on the Board of Director of various private and public companies. He is the largest shareholder of both Khee San Berhad and Ta Win Holdings Berhad. He is also currently a Senior Executive Director of Ta Win Holdings Berhad.

MEMBERSHIP IN BOARD COMMITTEE(S)

- Chairman, Employees' Share Scheme Committee

DIRECTORSHIP IN OTHER PUBLIC COMPANIES

Ta Win Holdings Berhad

DECLARATION OF CONFLICT OF INTEREST OR ANY FAMILY RELATIONSHIP WITH ANY OTHER DIRECTOR AND/OR MAJOR SHAREHOLDERS

He is the father of Ngu Chienn Ying, the major shareholder and Executive Director of the Company and brother-in-law of Tan Seok Gaik @ Renee, Head of Sales & Marketing of the Group. He has no conflict of interest with the Group.

DECLARATION ON CONVICTION OF OFFENCES WITHIN THE PAST 5 YEARS

He maintains a clean record with regards to convictions for offences (other than traffic offences, if any) within the past 5 years.

NGU CHIENN YING

Executive Director
Malaysian / 26 / Female

NO OF BOARD MEETINGS ATTENDED IN THE FINANCIAL YEAR

4 out of 4

DATE OF APPOINTMENT

24 September 2024

QUALIFICATIONS

- Bachelor's Degree in Business Studies from Lancaster University

EXPERIENCE

Ms. Ngu Chienn Ying ("Ms. Ngu") joined the Company on 24 September 2024 as an Executive Director. She graduated with a Bachelor's Degree in Business Studies from Lancaster University, United Kingdom.

Upon graduation, Ms. Ngu joined Ta Win Holdings Berhad ("Ta Win") as a Senior Executive in Corporate Secretarial and Administrative. Her duties involved supporting the Corporate Secretary in managing all secretarial functions, attending board and board committee meetings, also include other related secretarial matters, in line to compliance of Listing Requirements of Bursa Malaysia Securities Berhad, Securities Commission and other authorities. She also has extensive experience in human resources and administrative matters.

After two years at Ta Win, she was promoted to Assistant Manager in Corporate Affairs. She has expanded her duties to Corporate Finance and Corporate Strategy & Development while having experience in managing stakeholder relationships, internal communications, and community engagement Corporate Social Responsibility (CSR) initiatives. In addition, she was involved with overseeing due diligence and handling transaction-related legal agreements.

Currently, she is a director and shareholder of various private companies in different field of industries.

MEMBERSHIP IN BOARD COMMITTEE(S)

None

DIRECTORSHIP IN OTHER PUBLIC COMPANIES

None

DECLARATION OF CONFLICT OF INTEREST OR ANY FAMILY RELATIONSHIP WITH ANY OTHER DIRECTOR AND/OR MAJOR SHAREHOLDERS

She is daughter of Dato' Sri Ngu Tieng Ung, JP, the major shareholder and Non-Independent Non-Executive Director of the Company and niece of Tan Seok Gaik @ Renee, Head of Sales & Marketing of the Group. She has no conflict of interest with the Group.

DECLARATION ON CONVICTION OF OFFENCES WITHIN THE PAST 5 YEARS

She maintains a clean record with regards to convictions for offences (other than traffic offences, if any) within the past 5 years.

DIRECTORS' PROFILE

(Cont'd)

MOHANADAS A/L K.P.BALAN

Independent Non-Executive Director
Malaysian / 72 / Male

NO OF BOARD MEETINGS ATTENDED IN THE FINANCIAL YEAR

5 out of 5

DATE OF APPOINTMENT

13 September 2018

QUALIFICATIONS

- Fellow Chartered Association of Certified Accountants (UK)
- Chartered Accountant, Malaysian Institute of Accountants

EXPERIENCE

He has more than 40 years of experience in accounting, financial reporting, liquidity management and management control systems in various industries which including manufacturing, property development, international trading, distribution, oil palm plantation and agro & industrial chemical.

MEMBERSHIP IN BOARD COMMITTEE(S)

- Chairman, Audit Committee
- Chairman, Remuneration Committee
- Member, Nominating Committee
- Member, Employees' Share Scheme Committee

DIRECTORSHIP IN OTHER PUBLIC COMPANIES

None

DECLARATION OF CONFLICT OF INTEREST OR ANY FAMILY RELATIONSHIP WITH ANY OTHER DIRECTOR AND/OR MAJOR SHAREHOLDERS

He has no conflict of interest with the Group and has no family relationship with any Director and/or major shareholder of the Group.

DECLARATION ON CONVICTION OF OFFENCES WITHIN THE PAST 5 YEARS

He was publicly reprimanded and fined RM110,000 for breaching Paragraph 16.13(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad on 29 June 2022.

ONG PHUI FATT

Independent Non-Executive Director
Malaysian / 65 / Male

NO OF BOARD MEETINGS ATTENDED IN THE FINANCIAL YEAR

5 out of 5

DATE OF APPOINTMENT

10 February 2023

QUALIFICATIONS

- Degree in Economics from University of Malaya

EXPERIENCE

He has over 30 years' experience in the banking and corporate finance sectors, and had held various senior position in several international banks. He was attached to a Malaysian company based in Shanghai from 2014 to 2020. Prior to that, he held the position as Director-Investment Banking in a Malaysian investment bank. He ventures into his own investment advisory business in 2020.

MEMBERSHIP IN BOARD COMMITTEE(S)

- Chairman, Nominating Committee
- Chairman, Corporate Administration and Compliance Committee
- Chairman, Risk Committee
- Member, Audit Committee
- Member, Remuneration Committee

DIRECTORSHIP IN OTHER PUBLIC COMPANIES

None

DECLARATION OF CONFLICT OF INTEREST OR ANY FAMILY RELATIONSHIP WITH ANY OTHER DIRECTOR AND/OR MAJOR SHAREHOLDERS

He has no conflict of interest with the Group and has no family relationship with any Director and/or major shareholder of the Group.

DECLARATION ON CONVICTION OF OFFENCES WITHIN THE PAST 5 YEARS

He maintains a clean record with regards to convictions for offences (other than traffic offences, if any) within the past 5 years.

DIRECTORS' PROFILE

(Cont'd)

SUZANA MANJA BINTI IBRAHIM

Independent Non-Executive Director
Malaysian / 59 / Female

NO OF BOARD MEETINGS ATTENDED IN THE FINANCIAL YEAR

5 out of 5

DATE OF APPOINTMENT

17 February 2023

QUALIFICATIONS

- Master in Business & Industrial Management, Asia e University

EXPERIENCE

She has over 25 years of experience in a diverse range of business from construction, hotel, information technology and insurance.

Currently, she sits on the Boards of numerous business and non-business organisations and she is also the Chairperson of People's Empowerment Organisation of Perak ("Pertubuhan Pemerkasaan Rakyat Negeri Perak").

MEMBERSHIP IN BOARD COMMITTEE(S)

- Member, Audit Committee
- Member, Nominating Committee
- Member, Risk Committee

DIRECTORSHIP IN OTHER PUBLIC COMPANIES

None

DECLARATION OF CONFLICT OF INTEREST OR ANY FAMILY RELATIONSHIP WITH ANY OTHER DIRECTOR AND/OR MAJOR SHAREHOLDERS

She has no conflict of interest with the Group and has no family relationship with any Director and/or major shareholder of the Group.

DECLARATION ON CONVICTION OF OFFENCES WITHIN THE PAST 5 YEARS

She maintains a clean record with regards to convictions for offences (other than traffic offences, if any) within the past 5 years.

KEY SENIOR MANAGEMENT PROFILE

NG CHEE KEONG

*Deputy Chief Executive Officer
(Legal, Compliance, Internal Controls
and Corporate Governance)*

NATIONALITY

Malaysian

AGE/GENDER

54 / Male

DATE OF APPOINTMENT

24 June 2020

QUALIFICATIONS

- Bachelor of Law from Bond University, Australia

EXPERIENCE

He was called to the Malaysian Bar in 1996 and has over 20 years of experience as a legal practitioner.

He was also a partner in Messrs Tan, Ng & Ong (Advocates and Solicitors) from 2001 to 2019 and as a consultant from 2019 to 2020.

He was appointed as Independent Non-Executive Director of Revenue Group Berhad since 1st December 2017.

He is currently the Deputy Chief Executive Officer in charge of legal compliance, internal controls and corporate governance of the Group.

DIRECTORSHIP IN OTHER PUBLIC COMPANIES

Revenue Group Berhad

YEN PENG YEW

Head of Factory and Production

NATIONALITY

Malaysian

AGE/GENDER

56 / Male

DATE WHICH FIRST APPOINTED TO KEY SENIOR MANAGEMENT

1 January 2008

QUALIFICATIONS

- Certificate in Marketing from Advance Tutorial Centre
- Cambridge General Certificate of Education A Level from Thomson Pre-University Singapore

EXPERIENCE

Since his graduation from Advance Tutorial Centre, he joined Khee San Food Industries Sdn Bhd as Production Supervisor mainly supervising Deposited Candy section. In 1997, he was transferred to Victory Sochow Food Industries Ltd. (Chouzhou), a subsidiary of Khee San Food Industries Sdn. Bhd. as a Production Manager, to set up and design the new candy line in their China plant. His duty is to in-charge of the day-to-day production planning and execution of all manufacturing and operations functions and to seek for raw and packaging material to meet the production requirement.

In 2003, he was transferred back to Malaysia, involve in the new wafer line set up, design and operation. Eventually, he was promoted to Deputy Factory Manager in Year 2008. In 2021, he was transferred back to HQ to take charge of the day-to-day production planning and execution of all the manufacturing and operations function to ensure the maximization of the utilization of resources, cost and quality standard maintenance. Subsequently, he was promoted to Head of Factory and Production in year 2023.

KEY SENIOR MANAGEMENT PROFILE

(Cont'd)

THYE CHEE LIN*Deputy Factory Manager***NATIONALITY**

Malaysian

AGE/GENDER

55 / Male

**DATE WHICH FIRST APPOINTED
TO KEY SENIOR MANAGEMENT**

1 July 2013

QUALIFICATIONS

- Diploma in Electrical and Electronic-City of Guilds of London Institute (Institute Technology Pertama, Kuala Lumpur)

EXPERIENCE

He joined Khee San Food Industries Sdn Bhd in 1999 as Production Supervisor Cum Technician (Electrical) mainly responsible for the Hard candy and Soft candy Auto cooker.

He was promoted on 1 May 2009 as Assistant Production Manager and was responsible for daily production operation and organize machinery maintenance upkeep.

He was promoted to Production Manager on 1 January 2012 and was responsible to meet daily production output and reporting to top management. He was also responsible to liaise with supplier and contractor on machinery spare parts and service job.

He was promoted to Deputy Factory Manager on 1 July 2013 and is responsible for the factory operation including production, housekeeping, infrastructure and maintenance.

LEE CHAI HONG*Head of Procurement/
Purchasing Division***NATIONALITY**

Malaysian

AGE/GENDER

66 / Female

**DATE WHICH FIRST APPOINTED
TO KEY SENIOR MANAGEMENT**

28 February 2020

QUALIFICATIONS

- Kuen Cheng High School, SPM
- Unified Examination Certificate
- Certificate in London Chamber of Commerce & Industry (LCCI)

EXPERIENCE

Ms Lee Chai Hong joined Khee San Food Industries Sdn Bhd in July 1977 as Account Clerk. She was handling Account Payable / Account Receivable and Sales Analysis in 1986. In 1995, she was promoted to Account Supervisor, in charge full set of Accounts. In October 2008, she was promoted to Accounts Assistant Manager, assisting in managing cash flow and day to day transactions. In August 2010, she was promoted to Accounts Manager and subsequently to Group Manager (Accounts and Finance) in February 2020. In 2022, she transferred to manage procurement department and promoted to Head of Procurement.

KEY SENIOR MANAGEMENT PROFILE

(Cont'd)

VOO LIP SANG @ PHILIP

Financial Controller

NATIONALITY

Malaysian

AGE/GENDER

58 / Male

DATE OF APPOINTMENT

10 November 2022

QUALIFICATIONS

- Chartered Accountant, Malaysian Institute of Accountant
- Member of Malaysian Institute of Certified Public Accountants

EXPERIENCE

He started his career with a Big Five (5) international accounting in assurance and business advisory services and held the last position as Audit Manager. He has accumulated professional experience of more than 30 years and held senior financial position with a multinational semi-conductor industry equipment trading company (Regional Controller) and listed companies (Chief Financial Officer or Group Financial Controller).

BAIDAH BINTI ISMAIL

*Head of Human Resources,
Corporate & Administration*

NATIONALITY

Malaysian

AGE/GENDER

48 / Female

DATE OF APPOINTMENT

21 November 2022

QUALIFICATIONS

- Bachelor of Accountancy, University Putra Malaysia (UPM)

EXPERIENCE

Puan Baidah Ismail joined Khee San Food Industries Sdn Bhd in November 2022 as Head of Human Resources, Corporate & Administration. She is responsible for the overall Human Resources & Administrative and Information Technology functions of the Group. In her working experience of more than 20 years, she has previously held managerial positions in Human Resources and Administration of manufacturing companies.

KEY SENIOR MANAGEMENT PROFILE

(Cont'd)

TAN SEOK GAIK @ RENEE*Head of Sales & Marketing***QUALIFICATIONS**

- Diploma in Management, University Teknologi Malaysia

NATIONALITY

Malaysian

AGE/GENDER

44 / Female

DATE OF APPOINTMENT

3 March 2023

EXPERIENCE

She joined Khee San Food Industries Sdn Bhd in March 2023 as Head of Sales and Marketing. She is responsible developing strategic objectives related to sales and marketing functions and also establishing a brand and corporate identity for local and export business. She has more than 18 years of working experience.

DECLARATION OF CONFLICT OF INTEREST OR ANY FAMILY RELATIONSHIP WITH ANY OTHER DIRECTOR AND/OR MAJOR SHAREHOLDER

She is the sister-in-law of Dato' Sri Ngu Tieng Ung, JP, and the aunt of Ngu Chienn Ying, both Directors and major shareholders of the Company.

Notes:

Save as disclosed above, none of the key senior management has:

- (a) Any directorship in public companies and listed issuers;
- (b) Any family relationship with any director and/or major shareholder of the Company;
- (c) Any conflict of interest with the Company;
- (d) Any convictions for offences (other than traffic offences) within the past 5 years; and
- (e) Any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

MANAGEMENT DISCUSSION & ANALYSIS

1. INTRODUCTION

Khee San Berhad (“KSB”) and its five (5) subsidiaries, Khee San Food Industries Sdn Bhd (“KSFI”), Khee San Marketing Sdn Bhd, Fruit Plus Limited (incorporated in Hong Kong), Mega Global Confectionary Sdn Bhd and Fujian Khee San Food Company Limited (incorporated in The People’s Republic of China) (collectively known as “the Group”), are the largest manufacturers of candy in Malaysia.

The Group’s headquarter and facilities are located in Seri Kembangan where it produces and distributes the following products:

Sweets & Candies	
<ul style="list-style-type: none"> • Chewy • Deposited • Hard 	<ul style="list-style-type: none"> • Tablet • Chewing Gum • Bubble Gum

2. FINANCIAL REVIEW

a) Review of Statement of Comprehensive Income

The summary of the Statement of Comprehensive Income is as follows:

(RM Million)	FYE 2025	FYE 2024
Revenue	57.4	52.3
Gross Profit	15.3	13.5
Gross Profit Margin (“GPM”)	26.7%	25.8%
Other Income	2.2	0.5
Distribution Costs	(1.1)	(0.6)
Administrative Expenses	(14.2)	(12.3)
Impairment losses	(0.3)	(0.1)
Other Expenses	(0.1)	(0.2)
Finance Costs	(0)*	(0)*
Profit Before Tax	1.8	0.8
Profit After Tax	1.8	0.8

* Less than RM100,0000

The Group reported revenue of RM57.4 million for the current financial year, marking an increase of RM5.1 million, or 9.8%, as compared to the previous financial year. The growth was primarily driven by higher local demand and improved sales mix across key confectionery categories.

The Group achieved a gross profit of RM15.3 million in the current financial year, reflecting a gross profit margin of 26.7%. This represents an improvement over the previous financial year’s gross profit of RM1.8 million or 13%.

The Group recorded a profit after tax of RM1.8 million for the current financial year, representing an improvement of RM1.0 million compared to the preceding year. The increase in profitability was primarily attributable to the recovery of administrative expenses, which were recognised as other income during the year. This positive performance signifies the Group’s continued recovery from prior years’ losses, underpinned by higher gross profit margins, prudent cost management, and enhanced production efficiency.

MANAGEMENT DISCUSSION & ANALYSIS

(Cont'd)

b) Review of Statement of Financial Position

The summary of the Statement of Financial Position is as follows:

(RM Million)	FYE 2025	FYE 2024	Variance
Property, Plant and Equipment	51.2	52.1	(0.9)
Right-Of-Use Assets	0.1	0.3	(0.2)
Inventories	12.2	11.4	0.8
Trade and Other Receivables	5.4	3.9	1.5
Cash and Bank Balances	6.1	4.2	1.9
Total Assets	75.0	71.9	3.1
Trade and Other Payables	63.7	62.8	0.9
Deferred Tax Liabilities	3.7	3.6	0.1
Total Borrowings	75.4	75.4	-
Other Liabilities	6.2	6.7	(0.5)
Total Liabilities	149.0	148.5	0.5
Shareholders' Equity	(74.0)	(76.6)	2.6

For FYE 2025, there was a slight increase in total assets compared to FYE 2024. This increase was driven by several factors:

1. **Inventories:** There was an increase of RM0.8 million in inventories. This increase of inventories was due to the expectation of higher sales demand in the upcoming 1st quarter in the financial year ended 2026.
2. **Fixed deposit with a licensed bank:** There was an additional placement of fixed deposit of RM2 million.

However, these increases were partially offset by a decrease in property, plant, and equipment. The reduction in property, plant and equipment amounted to RM0.9 million, which was mainly attributable to the depreciation of property, plant and equipment.

As of 30 June 2025, total liabilities stood at RM149 million, reflecting a minor of 0.3% increase from RM148.5 million reported in the previous year. There were no significant changes in liabilities as compared to the prior year.

Correspondingly, Shareholders' Equity has improved from negative 76.6 million to negative RM74 million primarily due to the factors mentioned above.

MANAGEMENT DISCUSSION & ANALYSIS

(Cont'd)

c) Review of Statement of Cash Flows

The summary of the Statement of Cash Flows is as follows:

(RM Million)	FYE 2025	FYE 2024
Net cash generated from operating activities	2.6	2.2
Net cash used in investing activities	(0.4)	(0.1)
Net cash used in financing activities	(0.3)	(0.2)
Net increase in cash and cash equivalents	1.9	1.9
Cash and cash equivalents at the beginning of the year	(5.4)	(7.3)
Cash and cash equivalents at the end of the year	(3.5)	(5.4)

The Group's net cash generated from operating activities improved to RM2.6 million for the current financial year, compared to a net cash outflow of RM2.2 million in the previous financial year. This positive shift is attributed by stronger operating profits and improved working capital management during the year.

In respect of investing activities, the Group recorded a net cash outflow of RM0.4 million for the current financial year, compared to RM0.1 million in the preceding year. The increase in net cash used was mainly due to the absence of proceeds from the disposal of fixed assets amounting to RM0.3 million in the previous year, partially offset by lower capital expenditure of RM0.3 million during the year as compared to RM0.4 million in the prior year.

In respect of financing activities, there was a slight increase in net cash used, amounting to RM0.3 million. Overall, there were no significant changes compared to the preceding financial year.

3. GROUP REVENUE PERFORMANCE OVERVIEW

The Group's revenue performance for FYE 2025 and FYE 2024 on a geographical market segment basis is as follows:

(RM Million)	FYE 2025	FYE 2024
Domestic Market	39.4	33.4
Export Market	18.0	18.9
Total	57.4	52.3

MANAGEMENT DISCUSSION & ANALYSIS

(Cont'd)

4. BUSINESS OPERATIONS REVIEW

In FYE 2025, the Group recorded total sales revenue of RM57.4 million of which the domestic sales accounted for 69% and the export sales accounted for the balance of 31%. The main sales product category of the Group is Candy.

Candy

The Candies segment is subdivided into various categories as follows:

Categories	Brands
Chewy	Fruitplus, Mintplus, Choco Plus and Milk Plus, Victory, Snackie, Sochews and Beyond
Deposited	Victory Brand
Hard	Torrone, Snackie, Kiss Me, BonBon, Fizzy, Salt Plus, Salt & Lemon, Comilk, Nini, Golly Pop, Crystal Pop, Ong Mali and Victory (Coffee Kaw Kaw)
Tablet	Bento
Chewing Gum	Victory
Bubble Gum	88 Super Bubble Gum

The Candy segment comprises the majority of the Group's revenue and was the main contributor of the Group. The bestselling product was the Fruitplus range of chewy candies whilst Torrone Barley Mint hard candies were an iconic product which was easily recognisable as it has been present in the market for over three decades. The overall market condition remained strong for the segment with strong demand for the chewy and soft candy products.

Production Operations

The Group's production operations are based at its plant located in Seri Kembangan, Selangor which produces the candy products. The Group's operation capacity is sufficient to meet the market demand. The Group is currently operating 8 lines of operational production lines

Similarly, for the Fruitplus chewy candy, the Group has progressively increased its packaging machines capacity over the last decade to meet its increasing demand on Fruit Plus Chewy Candy. Additional upgrades have also been made to the production lines to further automate the chewy candy process which help in increasing the production output, reduce wastage as well as to reduce the Group's reliance on manpower. These efforts put forth by the Group will address the constraints faced by the production department.

Sales and Marketing

Whilst the Group has established a strong footing in the domestic market, it has made significant headwinds to grow its export markets. The Group currently exports to over 20 countries with major destinations being China, Hong Kong, Vietnam, Japan, South Africa and other Asia Pacific countries. For the domestic market, the focus will be on widening its coverage to all the various retail sales point across both the wholesale and modern distribution channels. These sales points can range from 24-hour convenient stores, to the various big hypermarket chains.

Distribution Channels

The Group sells its products through two primary distribution channels, namely the wholesale and modern distribution channels.

In an effort to achieve higher sales volume, the Group continues to strengthen its presence in both channels within Malaysia. For export sales, the Group's distribution network extends across countries in Asia, Europe, Africa, and the Middle East. To enhance market visibility and expand its international reach, the Group actively participates in key trade exhibitions, including those held in Tokyo (Japan), Dubai (United Arab Emirates), Jakarta (Indonesia), and Singapore.

MANAGEMENT DISCUSSION & ANALYSIS

(Cont'd)

5. BUSINESS RISK OVERVIEW

The Group faces several risk factors that may affect the Group's profitability. Those risks include the following:

Labour shortages and wage fluctuations

The Group's production activities are labour intensive in nature, thus it is prone to labour shortages. By the same, it is also subject to wage fluctuations as the increase in minimum wage level in peninsular Malaysia. In an effort to reduce the over-reliance to the labour issues, the Group will continue to invest in automating the production operation.

Fluctuation of raw materials price

The fluctuation of raw materials' prices has been an inherent issue for the Group, as well as its competitors in the similar industry. As an example, sugar price fluctuations may severely impact the Group as it is a major component of the Group's products. Realising this issue, the Group has taken necessary steps to reduce the risk of constant price fluctuations by engaging with its various raw material suppliers to strive for favourable longer-term supply arrangements. At the same time, the Group are constantly exploring with new suppliers to ensure that it is not overly dependent and reliant on its current key suppliers. The Group shall ensure that these initiatives are carried out without compromising its products quality.

Fluctuation of foreign currency exchange rate

Significant fluctuation of foreign currency exchange rate will impact the Group's cash flow movement and profitability as most of its input materials are sourced from abroad. In addition, the Group also relies on its export sales which are also subject to changes in currency exchange rates. The Group shall manage currency exchange rate fluctuations by continuing to monitor global currency movements and, if necessary, take proactive hedging positions to mitigate such risk.

Changes in consumers' preferences

The Group is aware of the continuous shift in consumers' taste preferences. As such it is constantly introducing innovative new flavours for its existing product range, as well as new products and product packaging to the market.

Product quality

The Group recognises the importance of maintaining high quality standards for its food-based products. Any deterioration in product quality could result in significant reputational damage and have a long-term adverse impact on the Group's brand image. To mitigate such risks, the Group has implemented stringent quality management systems and comprehensive quality assurance processes to ensure consistent product excellence. Furthermore, the Group is certified with ISO and Halal standards as a recognised manufacturer of candy and wafer products. During the financial year, the Group also obtained the Hazard Analysis and Critical Control Point (HACCP) certification for its deposited hard candy production, further reinforcing its commitment to food safety and quality compliance.

Interest rate & liquidity risk

The Group is exposed to interest rate and liquidity risks due to its relatively high level of bank borrowings. The Board is cognisant of these inherent risks and will continue to monitor the Group's cash flow position diligently while exploring alternative sources of funding. The Group may consider raising funds through the capital markets when market conditions are more favourable. Such measures would help mitigate over-reliance on banking facilities, which are susceptible to interest rate fluctuations.

MANAGEMENT DISCUSSION & ANALYSIS

(Cont'd)

Tariff and Supply Disruption Risk

The Group faces several risk factors that may affect its profitability, including potential supply disruptions arising from increased tariffs. Heightened trade tensions or changes in government trade policies may result in higher import costs on raw materials. Such measures could increase production and procurement costs, disrupt the supply chain, or delay the delivery of key inputs. In addition, prolonged tariff uncertainty may lead to fluctuations in market prices and affect the Group's competitiveness in both domestic and international markets. The Group actively monitors trade developments and seeks to mitigate these risks through supplier diversification, strategic inventory management, and cost optimisation initiatives. Based on the Group's current assessment, the overall impact of these risks on its operations and financial performance is expected to be minimal.

6. OUTLOOK OF FUTURE PROSPECTS

The Group believes that the demand for our candy products and business prospects will remain positive due to the growing demand for confectionery products.

Based on our market understanding and analysis, demand for confectionery products in Malaysia is expected to continue its upward trajectory in 2025. According to updated estimates from the Independent Market Research (IMR) prepared by Providence Strategic Partners Sdn. Bhd., the manufacturing sales value of confectionery products is projected to increase from RM13.8 billion in 2023 to RM19.4 billion by 2026, representing a compound annual growth rate (CAGR) of approximately 12.0%. This growth is driven by resilient consumer demand, expanding product innovation, and sustained recovery in the post-pandemic operating environment.

Similarly, demand for sugar confectionery products has maintained a positive trajectory, with retail sales value improving to RM436.7 million in 2021, RM448.7 million in 2022, and RM460.0 million in 2023. According to the Independent Market Research (IMR) by Providence Strategic Partners Sdn. Bhd., retail sales of sugar confectionery are projected to increase from RM460.0 million in 2023 to RM485.0 million by 2026, representing a CAGR of approximately 1.8%.

The Group remains optimistic about achieving positive operating results following the completion of its Regularisation Plan and Scheme of Arrangement, initially submitted to Bursa Securities on 18 July 2023. A Revised Regularisation Plan was subsequently submitted on 4 July 2024 and approved by Bursa Securities on 19 August 2024, subject to specified terms and conditions.

On 23 January 2025, the Group requested its first extension of time (EOT1) until 18 August 2025 to complete the implementation of the Regularisation Plan, which was granted by Bursa Securities on 28 January 2025. A second extension (EOT2) was subsequently sought on 25 July 2025 and approved on 18 August 2025, allowing additional time until 18 February 2026 to complete the implementation.

The Group is confident that the Regularisation Plan will be fully implemented within the financial year ending 30 June 2026.

The outlook for FY2026 remains cautiously optimistic. The confectionery sector is expected to experience steady demand recovery, supported by resilient consumer spending and new distribution opportunities in both domestic and regional markets.

The Group is weighing all options and will decide on the best course of action moving forward and will act in the best interests of its shareholders.

SUSTAINABILITY STATEMENT

The Board of Directors of Khee San Berhad (“KSB” or “the Group”) is pleased to present the Group’s Sustainability Statement for the financial year ended 30 June 2025 (“FYE2025”). This Statement reflects our commitment to embedding sustainability at the core of our business strategy and operations, as we continue to strengthen our long-term resilience and stakeholder value creation.

At KSB, we recognise that sustainability is fundamental to sustaining growth and competitiveness in a dynamic operating landscape. Guided by a structured approach to Environmental, Social and Governance (“ESG”) priorities, we proactively manage risks and seize opportunities that align with our corporate purpose. Through this Statement, we aim to provide transparent disclosure of our key initiatives, progress, and performance in addressing material sustainability matters that impact our stakeholders and the communities we serve.

SCOPE AND BOUNDARY

The scope of this report is limited to the sustainability progress and impact of all business operations and initiatives carried out by KSB, covering both financial and non-financial aspects for the period from 1 July 2024 to 30 June 2025.

GUIDELINES AND STANDARDS

This Sustainability Statement 2025 is prepared in line with Bursa Malaysia’s Main Market Listing Requirements and the National Sustainability Reporting Framework (NSRF), with reference to the Sustainability Reporting Guide (3rd Edition).

REPORT QUALITY AND ASSURANCE

This Statement has not been subjected to an assurance process. The data reported in this Statement has been internally sourced and verified by the respective business units or information owners.

The Group shall continue to strengthen its data collection and analysis procedures to enhance the quality and accuracy of its data subjected to internal review by our internal auditors going forward.

SUSTAINABILITY GOVERNANCE

The Board of Directors (“the Board”) plays a central role in driving the Group’s sustainability agenda. It is responsible for overseeing sustainability matters, setting strategic direction, and ensuring that sustainability initiatives are closely aligned with the Group’s vision and mission.

To support this oversight, the Board is assisted by the Risk Management Committee, which provides guidance in formulating sustainability strategies and monitoring their implementation. Throughout the financial year under review, cross-functional collaboration was key, where various departments, business units, and operational teams contributed to the execution and integration of sustainability practices across the Group.

KSB Group’s Sustainability Governance Structure and their key roles is as follows:

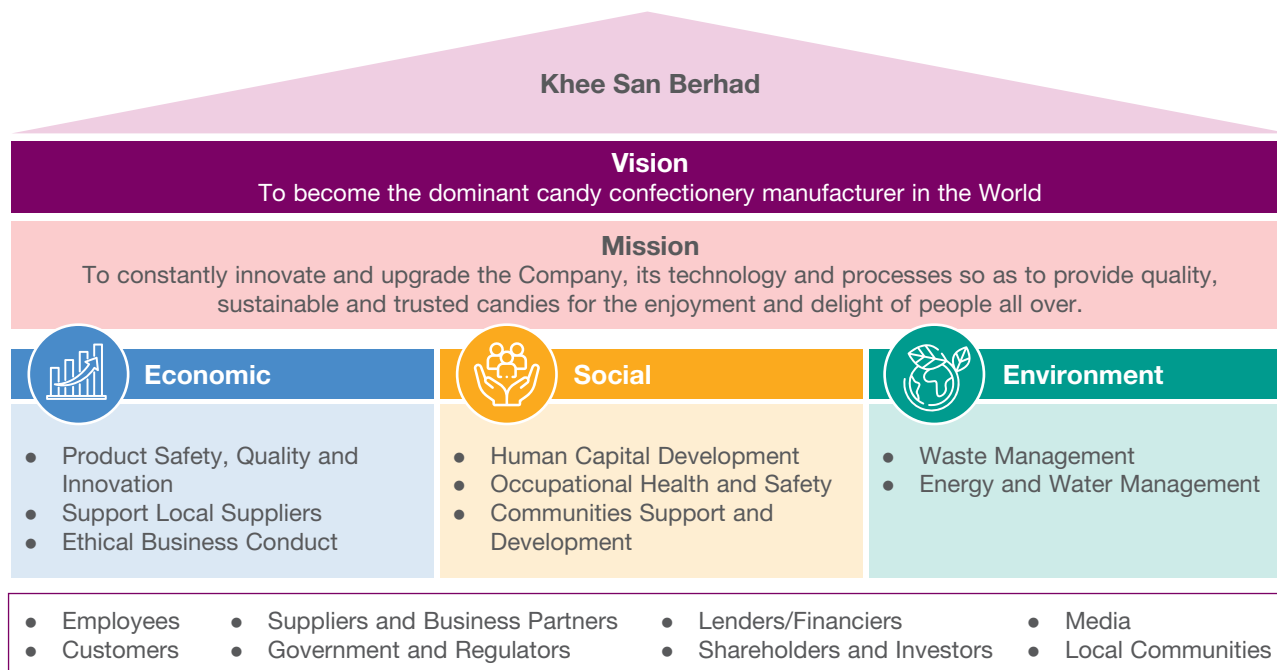


SUSTAINABILITY STATEMENT

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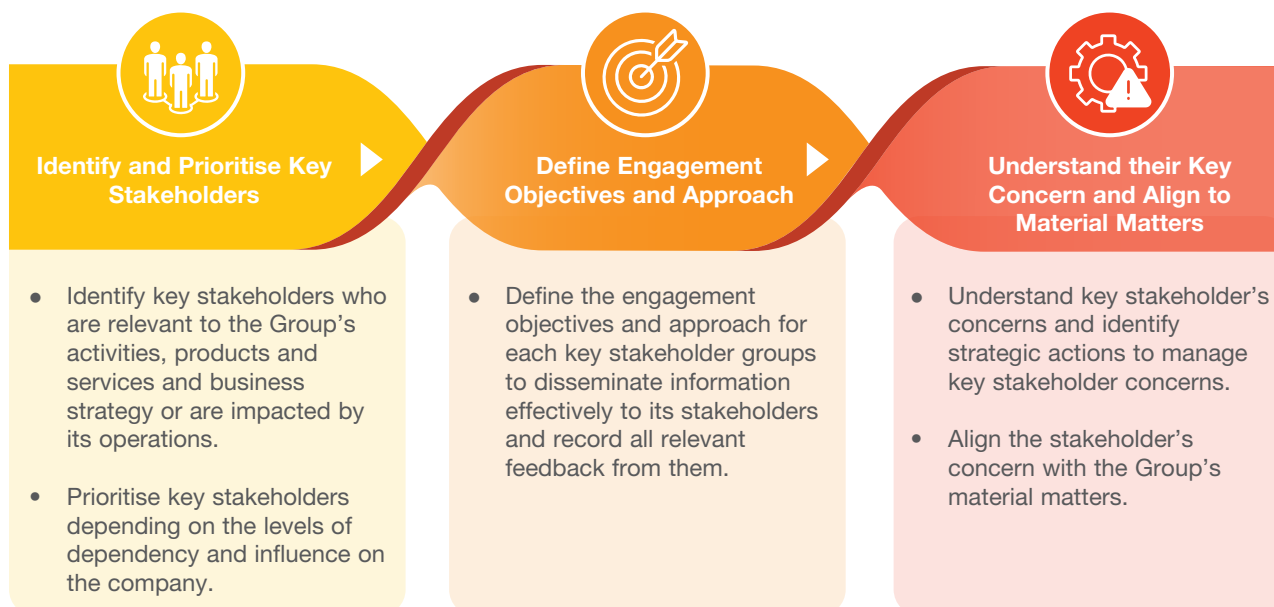
SUSTAINABILITY FRAMEWORK

The Group has implemented a sustainability framework to bolster the sustainability management practices. The framework incorporates our ESG vision and mission, material sustainability matters and our engagement with the stakeholders.



STAKEHOLDERS ENGAGEMENT PROCESS

Engaging with stakeholders allows the Group to gain meaningful insights into the economic, environmental, and social impacts of its operations. These interactions help uncover evolving sustainability risks and opportunities as the business grows. The Group's sustainability initiatives and disclosures are primarily directed toward key stakeholders identified by their significant influence or interest. The Group has adopted a 3-step process in engaging stakeholders such as:



SUSTAINABILITY STATEMENT

(Cont'd)

STAKEHOLDERS ENGAGEMENTS

Engagement with stakeholders helps the Group to make informed decisions by understanding stakeholder needs and concerns. Strong stakeholder relationships and a positive reputation gives us a competitive edge in the marketplace. The following are the areas of interest and methods of engagement used for the Group's key stakeholder groups:

Stakeholder Groups	Engagement Method	Frequency
Employees	<ul style="list-style-type: none"> Performance Review Department and Management meeting One to one engagement 	<ul style="list-style-type: none"> Annually Monthly As needed
	<p>Key Concern</p> <ul style="list-style-type: none"> Fair employment practices and diversity in gender and ethnic groups Training and career progression Safe and healthy working environments Employee benefits and welfare Succession planning <p>Our Responses:</p> <ul style="list-style-type: none"> Adherence to employment laws Establishment of Employee Handbook, diversity policies, code of conduct etc. Training programs to support career growth and personal development Annual performance appraisal Production team attends health and safety briefings and trainings Competitive Incentive Scheme 	
Customers	<ul style="list-style-type: none"> Company Website Corporate and Media Announcement Customer Survey 	<ul style="list-style-type: none"> As needed
	<p>Key Concern</p> <ul style="list-style-type: none"> Quality and pricing <p>Our Responses:</p> <ul style="list-style-type: none"> Produce candies under strict quality control process so as to ensure quality and consistency Better understand the customers' requirements (i.e Price point, size, variety) Conduct market survey & research 	
Suppliers	<ul style="list-style-type: none"> Updates and meetings Suppliers evaluation 	<ul style="list-style-type: none"> Monthly Annually
	<p>Key Concern</p> <ul style="list-style-type: none"> Fair and transparent tender and procurement process Prompt payment Continuous and future business opportunities <p>Our Responses:</p> <ul style="list-style-type: none"> Professional approaches to reviewing suppliers proposal, adhere to the available Standard Operating Procedures ("SOPs") Ensuring product quality by conducting annual supplier and vendor evaluations Standard payment cycles and procedures, adhere to the available SOPs Support local suppliers throughout our value chain 	

SUSTAINABILITY STATEMENT

(Cont'd)

Stakeholder Groups	Engagement Method	Frequency
Government and Regulators	<ul style="list-style-type: none"> Production plan visit Compliance and regulatory requirements reporting 	<ul style="list-style-type: none"> As needed
	<p>Key Concern</p> <ul style="list-style-type: none"> Ensuring adherence to applicable regulations (Environmental and Occupational Safety and Health Act etc) Upholding corporate governance and best business practices Other authorities approvals, such as Halal, Water, Electricity, etc <p>Our Responses:</p> <ul style="list-style-type: none"> Maintain close consultations with, and provide regular updates to, the regulatory authorities and local governments, this ensures that we are in compliance with the law. Corporate governance internal policies such as Anti Bribery Anti Corruption ("ABAC") Policy, Whistleblowing Policy etc. 	
Lenders/ Financiers	<ul style="list-style-type: none"> Company website Corporate and media announcement Loan covenant and compliance reporting Ad-hoc company festive event 	<ul style="list-style-type: none"> As needed
	<p>Key Concern</p> <ul style="list-style-type: none"> Sustainable performance in loan repayment <p>Our Responses:</p> <ul style="list-style-type: none"> Provide timely updates on the Group's financial performance and corporate developments 	
Shareholders and Investors	<ul style="list-style-type: none"> Quarterly Report Corporate and media announcement Social Media/ Company Website Annual General Meeting ("AGM")/ Extraordinary General Meeting ("EGM") Annual report 	<ul style="list-style-type: none"> Quarterly As needed Annually
	<p>Key Concern</p> <ul style="list-style-type: none"> Sustainable performance which can build/ improve confidence levels of shareholders, boost share price and continue to pay dividends to shareholders Corporate governance, risk management and internal controls <p>Our Responses:</p> <ul style="list-style-type: none"> Communicate financial results, key development and strategies via quarterly result announcements and annual report Provide responses to shareholders and investors queries during AGM/ EGM Corporate governance internal policies such as ABAC Policy, Whistleblowing Policy, Board Diversity Policy, etc., made available on the website. 	

SUSTAINABILITY STATEMENT

(Cont'd)

Stakeholder Groups	Engagement Method	Frequency
Media	<ul style="list-style-type: none"> Company website Corporate and media announcement Social media Conferences and corporate events AGM/EGM 	<ul style="list-style-type: none"> Quarterly As needed Annually
	<p>Key Concern</p> <ul style="list-style-type: none"> Transparency and promptness in sharing information with stakeholders <p>Our Responses:</p> <ul style="list-style-type: none"> Proactively engage with diverse media and press representatives Maintain open-door communication with the media Swiftly respond to all media inquiries Briefing sessions to media to share updates on products 	
Local Communities	<ul style="list-style-type: none"> Company website Corporate and media announcement Corporate social responsibility event 	<ul style="list-style-type: none"> As needed
	<p>Key Concern</p> <ul style="list-style-type: none"> Impact of operations/development on surrounding communities and environment <p>Our Responses:</p> <ul style="list-style-type: none"> Provide social and economic benefits to the communities, for example job opportunities and supporting local businesses. Monitor production compliance to local authorities requirements on production hours, noise exposure and environmental-related laws and regulations. 	

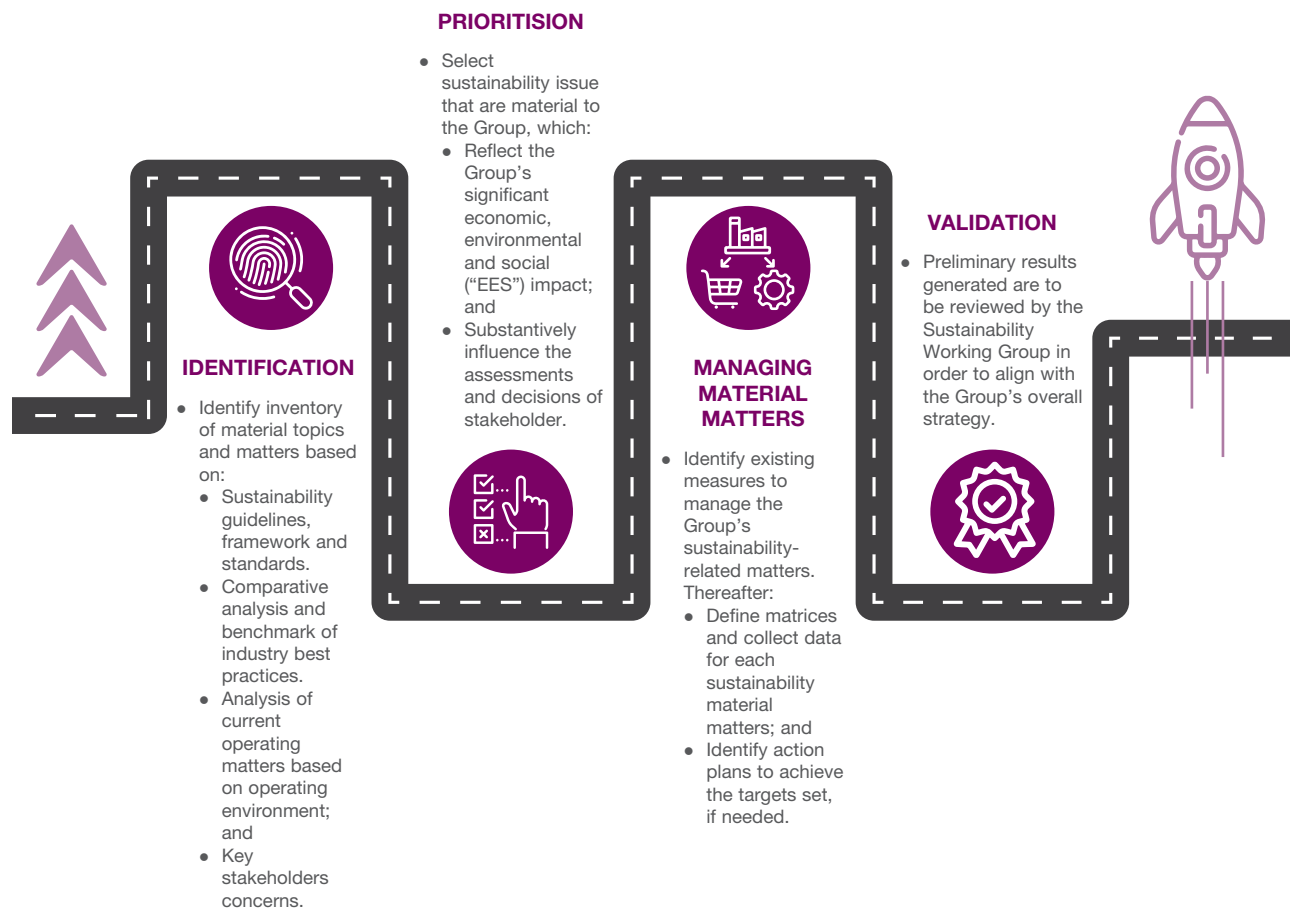
SUSTAINABILITY STATEMENT

(Cont'd)

DETERMINATION OF OUR MATERIAL MATTERS

The goal of our materiality assessment is to determine which issues are most relevant and significant to our business and stakeholders, helping us to focus our efforts on addressing the most important sustainability and corporate responsibility challenges.

We have adopted a 4-step materiality assessment approach in line with the guidance prescribed by Bursa Malaysia's Sustainability Reporting Guide 3rd Edition.






SUSTAINABILITY STATEMENT

(Cont'd)

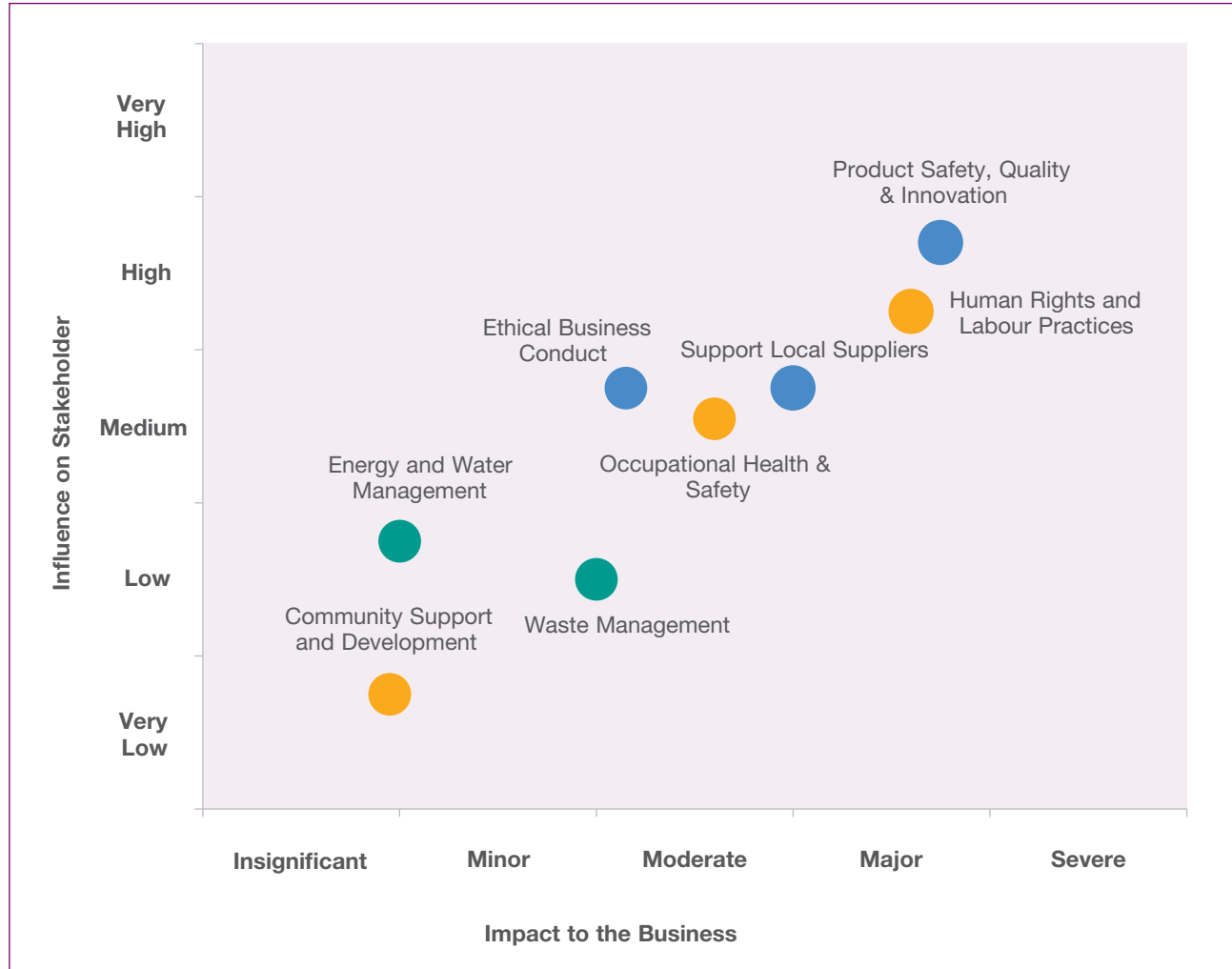
MATERIAL SUSTAINABILITY MATTERS

The Group has identified material topics aligned with KSB's most significant economic, environmental, social, and governance impacts. These topics were prioritised based on their relevance to our core business operations and the concerns of key stakeholders. The following table outlines each material matter along with the associated risks and opportunities.

ESG Pillar	Material Matter	Key Risks	Opportunities
 Environmental	Energy & Water Management	<ul style="list-style-type: none"> High electricity usage from cooking, mixing, and packaging Rising utility costs Carbon reporting obligations due to fuel and power usage 	<ul style="list-style-type: none"> Reduce cost through solar, Light-Emitting Diode ("LED"), and efficient motors Apply closed-loop cooling & condensate recovery (non-contact water) Access to green tax incentive
	Waste Management	<ul style="list-style-type: none"> Improper disposal of sugar waste, expired stock, or packaging may breach Department of Environment ("DOE") environmental regulations. Rising disposal and compliance costs 	<ul style="list-style-type: none"> Recycle wrappers with licensed partners Reduce packaging through redesign
 Social	Human Rights & Labour Practice	<ul style="list-style-type: none"> Non-compliance with labour laws (e.g. working hours, housing) Forced labour allegations impacting audit scores or export eligibility 	<ul style="list-style-type: none"> Improve workforce stability and morale Attract ESG-conscious retail partners
	Occupational Health & Safety	<ul style="list-style-type: none"> Injuries from hot syrup, machines, or slips Department of Occupational Safety and Health ("DOSH") or food safety non-compliance Low productivity due to poor working conditions 	<ul style="list-style-type: none"> Enhance training, Personal Protective Equipment ("PPE"), and ergonomic practices Reduce incidents and insurance costs Boost safety certifications
	Community Support & Development	<ul style="list-style-type: none"> Lack of brand visibility in Corporate Social Responsibility ("CSR") may weaken local support Rising public concern on children's wellbeing 	<ul style="list-style-type: none"> Support on school extra co-curriculum activities Improve community ties through supporting community engagement activities Enhance brand trust and reputation
 Governance	Product Safety, Quality & Innovation	<ul style="list-style-type: none"> Product recalls due to contamination or mislabeling Loss of Halal/ Makanan Selamat Tanggungjawab Industri ("MESTI")/ Good Manufacturing Practice ("GMP") status Falling behind on healthier product trends 	<ul style="list-style-type: none"> Launch low-sugar or functional candies Gain customer trust with certified processes Drive export market entry
	Ethical Business & Conduct	<ul style="list-style-type: none"> Fraud or bribery risk in procurement or vendor dealings Weak whistleblower or Anti-Bribery Anti-Corruption ("ABAC") controls affecting governance integrity 	<ul style="list-style-type: none"> Strengthen anti-bribery systems Improve transparency for Bursa ESG scoring Attract ethical investors
	Support Local Suppliers	<ul style="list-style-type: none"> Supply chain delays from import dependency Inconsistent Halal or quality standards among vendors 	<ul style="list-style-type: none"> Source from local Halal-certified vendors Shorten lead times Promote local economic support in ESG branding

SUSTAINABILITY STATEMENT

(Cont'd)



ECONOMIC

- Product Safety, Quality & Innovation
- Support Local Suppliers
- Ethical Business Conduct



ENVIRONMENT

- Waste Management
- Energy and Water Management



SOCIAL

- Human Rights and Labour Practices
- Occupational Health & Safety
- Communities Support and Development

SUSTAINABILITY STATEMENT

(Cont'd)

SUSTAINABLE STRATEGIES AND PERFORMANCE

The following are the areas of interest and methods of engagement used for the Group's key stakeholder groups:

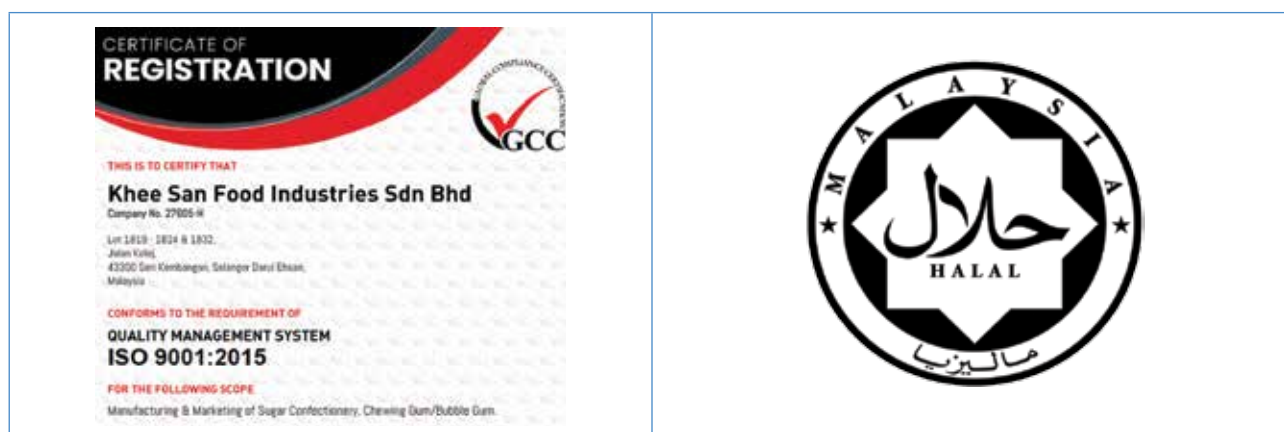


ECONOMIC

PRODUCT SAFETY, QUALITY & INNOVATION

The Group take pride in ensuring the quality of product. All of our finished goods are required to undergo meticulous examination by our Quality Assurance Department.

As our social responsibility to our customers, the Group is committed to produce good quality products for the market by adhering to the GMP and continuous compliance with Halal certificate & ISO 9001:2015 Quality Management System certificate, ("MESTI") certification to ensure food safety & hygiene.



To support ongoing product innovation and strengthen our market presence, several new products have been launched during the financial year ended 2025, as outlined below.

PRODUCT LAUNCH IN FYE2025

Comilk 90g

Coffee Kaw Kaw
Sochews Dual Cube Chewy Candy

Blackcurrant + Melon

Orange + Melon

Strawberry + Melon

Melon single Flavour

SUSTAINABILITY STATEMENT

(Cont'd)

As part of our commitment to continuous enhanced customer experience, two of our key products are undergoing packaging improvements for lunch during financial year ended 2025. These updates aim to improve functionality, consumer convenience, and brand visibility, as detailed below.

No.	Product	Main Innovation	Key Enhancements
1	Sochews Long Bars	Improved Packaging Design	<ul style="list-style-type: none"> Added inner plastic layer for enhanced hygiene and freshness Consumer-centric upgrade for better accessibility
2	Bon Bon Buah-Buahan 120g	Revamped Packaging Design	<ul style="list-style-type: none"> Launched an practical size 120g pack to suit on-the-go lifestyles. Better portion control with the same great taste Repositioned as a fun & fruity everyday treat Enhanced shelf appeal and refreshed branding

Sochews Long Bars (Blackcurrent)

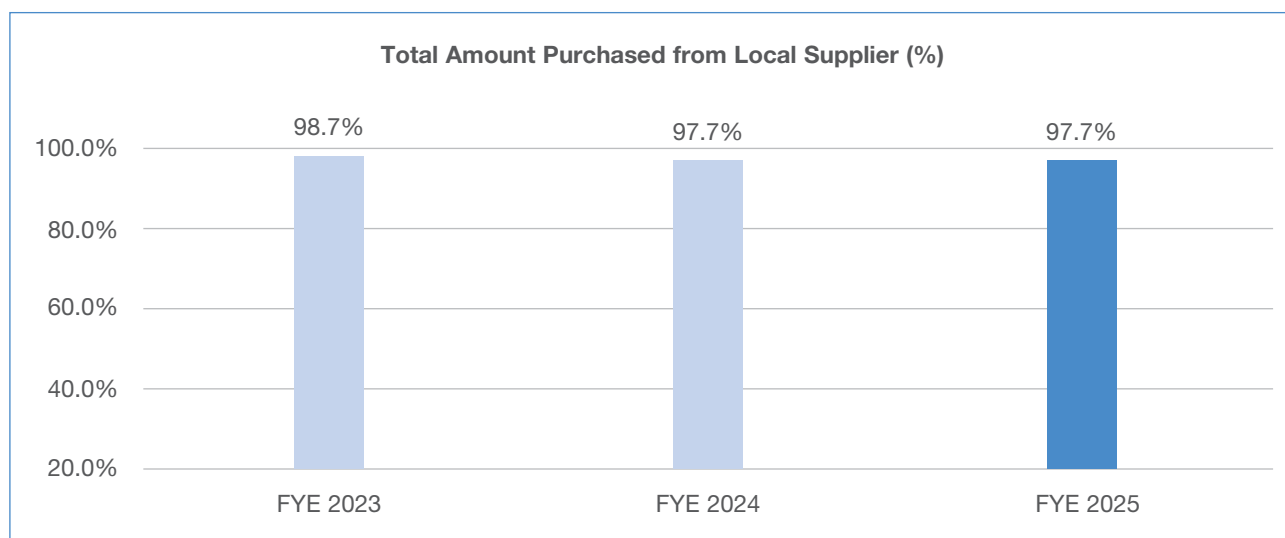


Bon Bon Buah-Buahan 120g



SUPPORT LOCAL SUPPLIERS

Supporting local suppliers is part of our commitment to ethical and sustainable procurement across all operations. KSB implements a rigorous pre-qualification and selection process to ensure suppliers meet our standards for quality, compliance, and responsible practices.



To enhance operational efficiency and ensure supply reliability, the Group places strong emphasis on engaging local suppliers as part of its procurement strategy. In FYE2025, total purchases from local suppliers amounted to RM32.73 million, representing 97.7% of total procurement. This reflects a consistent trend compared to RM30.36 million (97.7%) in FYE 2024 and RM37.07 million (98.7%) in FYE 2023. Leveraging local sourcing enables the Group to shorten delivery timelines, improve responsiveness to production needs, and minimise exposure to external supply chain disruptions.

SUSTAINABILITY STATEMENT

(Cont'd)

ETHICAL BUSINESS CONDUCT

Upholding the highest ethical standards remains a core principle at KSB. The Group has established a Whistleblowing Policy to reinforce our commitment to conducting business with honesty, integrity, and accountability. This policy provides a structured framework that supports and protects employees and stakeholders in reporting misconduct or unethical behaviour, in alignment with the Group's Code of Conduct and Ethics ("COCE"). The Whistleblowing Policy, and Board Charter are publicly accessible on KSB's corporate website at www.kheesanbhd.com.

To ensure ongoing compliance with the Anti-Bribery and Corruption (ABAC) Policy, COCE, and other related governance policies, all new employees are required to attend an induction programme. Furthermore, all employees and business associates must complete a Declaration Form confirming their commitment to adhere to these standards.

In FYE2025, the Group recorded zero incidents of bribery or corruption, reflecting the effectiveness of our governance measures and continuous emphasis on ethical business conduct.

Indicator	Unit	FYE2023	FYE2024	FYE2025
Confirmed incident of corruption and action taken	Cases	Zero	Zero	Zero



HUMAN RIGHTS AND LABOUR PRACTICES

The Group is committed to preventing any human rights violations by adhering to the Employment Act 1955 and other labour practices and standards (i.e. Minimum Wages Order, Social Security Act 1969, Anti-Sexual Harrassment Act 1994, etc).

In FYE2025, there were no complaints received concerning human rights violations.

Indicator	Unit	FYE2023	FYE2024	FYE2025
Complaints concerning human rights violations	Number	Zero	Zero	Zero

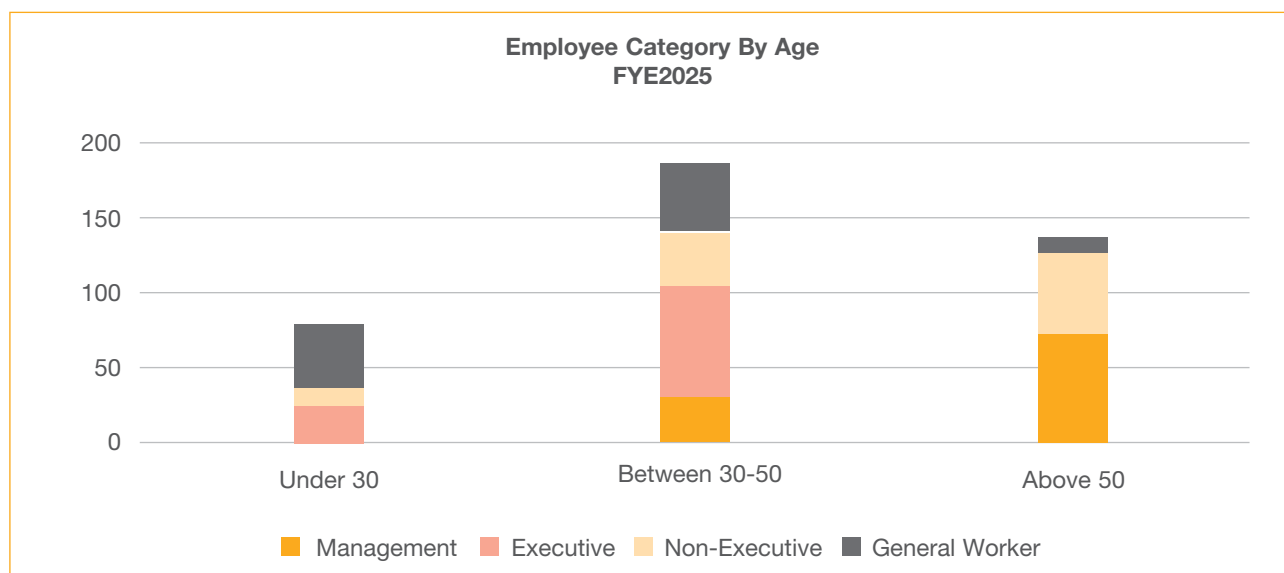
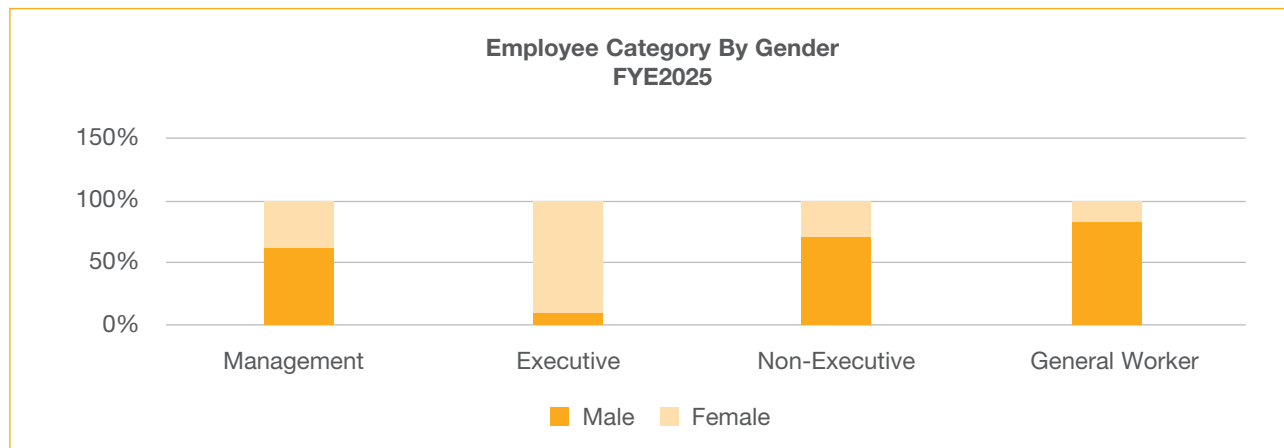
Diversity & Inclusivity

Employees are a vital pillar of the Group's long-term success and sustainability. Their performance, dedication, and sense of ownership are essential in driving operational excellence and building a resilient, future-ready organisation.

At KSB, we actively foster an inclusive and respectful workplace where individuals feel valued and empowered to contribute their unique skills and perspectives. We embrace diversity in all its forms, including race, ethnicity, gender, and age, as a strength that enriches our culture and supports innovation across the Group.

SUSTAINABILITY STATEMENT

(Cont'd)

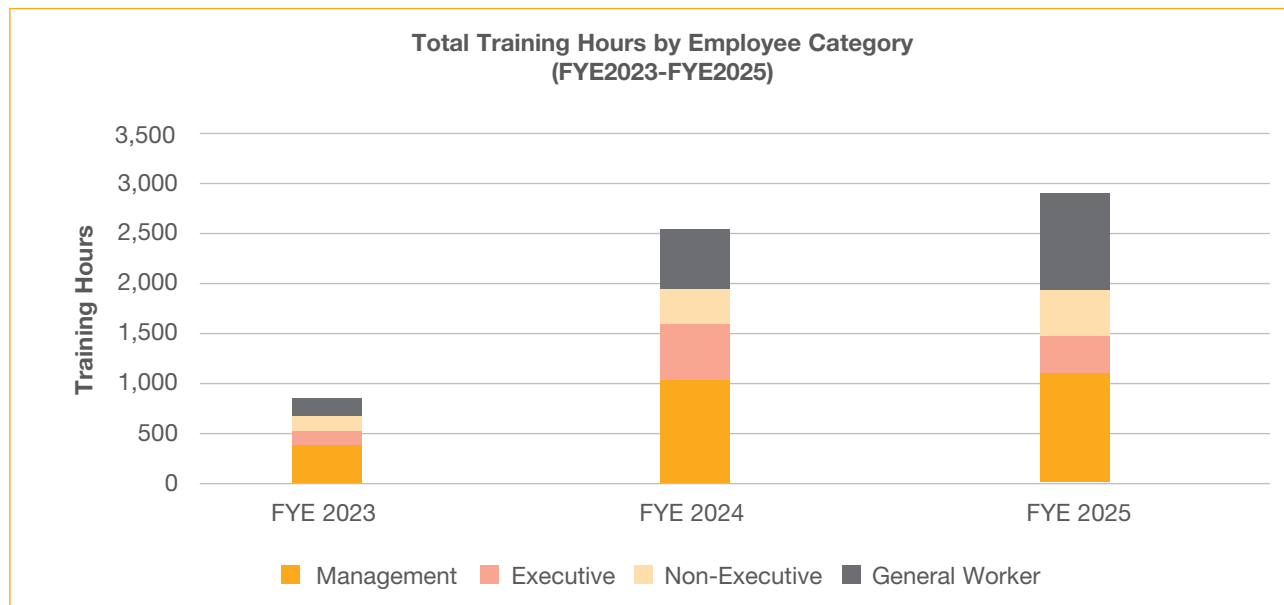


The Group takes efforts to develop a sustainable talent pool that can realise its potential and at the same time create a balanced and conducive working environment for its employees. The Group organises in-house as well as external training programs and workshops which are tailor-made to different departments and job functions to cater for their respective skill sets. This is to elevate our employees in broadening their knowledge base and technical knowledge on new developments in their respective fields of expertise, as well as improving the soft skills of our employees.

A minimum of 8 training hours per employee has been set as a key performance indicator on annual performance appraisal to encourage the participation of training. Furthermore, a series of training is required to be undertaken by new employees as part of their induction program. During FYE2025, the total training hours spent was 2,904 hours or 12 training hours per employee.

SUSTAINABILITY STATEMENT

(Cont'd)



Indicator	Unit	FYE2023	FYE2024	FYE2025
Total hours of training	Hours	844	2,551	2,904
Total headcount	Pax	190	214	243
Average training hours per headcount	Hours	4.4	11.9	12.0

Moreover, we also provide other employee benefits such as hospitalisation, group insurance coverage and long service awards in honour of our employees' dedication, commitment and hard work.

OCCUPATIONAL HEALTH & SAFETY

We prioritise a safe and healthy environment for our employees. The Group implement measures such as:

- Surveillance at work (installation of CCTV)
- Established Health & Safety policy
- PPE provided to production team to prevent accidents and injuries
- Conduct toolbox meetings on a weekly basis.
- Appointment of pest control service provider to ensure hygiene at workplace
- Fire drill exercise and compliance to Fire Services Act 1988

In FYE2025, the work-related fatalities and lost time incident rate ("LTIR") remains at zero.

SUSTAINABILITY STATEMENT

(Cont'd)

COMMUNITIES SUPPORT AND DEVELOPMENT

The Group's commitment extends beyond business, actively supporting the growth of our local communities. The Group makes charitable contributions to the local communities by way of donations and sponsorship for education purposes, candies giveaways and sponsors for events.

In FYE2025, contributions are made to the local communities (i.e. schools, fire-fighters, non-profit organisations) as below:



Indicator	Unit	FYE2023	FYE2024	FYE2025
Amount invested in the community	RM	6,500	6,618	31,226
Beneficiaries of the investment in the community	Number	4	7	26

In addition, as part of our ongoing commitment to community support and promoting healthy lifestyles, the Company successfully organised the Fruit Plus Fun Run 2025 on 17 May 2025 at Dataran Dewan Bandaraya Kuala Lumpur. The event attracted around 3,700 participants and featured 3KM and 5KM run categories to encourage inclusivity and participation across all age groups. Through this initiative, we aimed to foster a sense of unity, promote physical wellness, and strengthen our engagement with the local community in a fun and meaningful way.



KSB continues to offer internship opportunities to students from local university as part of its commitment to nurturing future talent and contributing to workforce development. The internship programme provides practical industry expose, skill development and equipping students with knowledge and competencies relevant to their field of study.

In FYE2025, the Company engaged intern within the Sales & Marketing Department, providing hands-on experience and fostering the development of competencies essential for success in the industry.

SUSTAINABILITY STATEMENT

(Cont'd)



ENVIRONMENT

Being a responsible corporate citizen, KSB continues to adhere to a cleaner, greener and healthier working environment. It is mindful of the environmental impact of its activities and has maintained full compliance with all environmental regulations and will continue to develop effective initiatives to protect the environment.

WASTE MANAGEMENT

KSB is committed to implementing sustainable practices throughout the production process, from sourcing of raw materials, consumption, and disposal. The Group prioritise the procurement of packaging materials with lower plastic content. Moreover, we encourage digital communication and submission to minimise printing and paper usage.

The total waste generated by KSB for the past 3 financial years are shown below:

Indicator	Unit	FYE2023	FYE2024	FYE2025
Waste diverted from disposal (recyclable)	Metric tons	22.392	30.727	23.122
Waste directed to disposal (non-recyclable)		1.600	1.000	0.800
Total waste generated		23.992	31.727	23.922

The Group has appointed a certified waste disposer to handle the waste generated, particularly on solid waste such as used lubricant oil and cooking oil that is produced during the manufacturing process. In addition, the Group recycle its scrap cartons, plastic film, paper core, sugar bags and empty milk tins by selling them to local scrap collectors.

Total waste generated decreased from 31.727 metric tons in the previous year to 23.922 metric tons. Non-recyclable waste sent for disposal reduced from 1.0 metric ton to 0.8 metric ton. These reductions were driven by enhancements in waste handling processes and the increased reuse of carton boxes within warehouse operations.

Amongst some of the initiatives undertaken by the Group to reduce waste are:

- Comply with preservation of environmental aspects
- Avoid contamination and improve quality of environment
- Ensure all materials used, where possible, are sourced from sustainable or recycled means
- Ensure wastes are responsibly disposed at designated premises
- Recycled obsolete packaging materials

ENERGY AND WATER MANAGEMENT

The Group recognise that electricity consumption is one of the key contributors to greenhouse gas emissions and is mindful of the need to conserve water in our operations, even though our operations are not located in water-stressed areas. During FYE2025, the energy and water consumption was summarised as below:

Indicator	Unit	FYE2023	FYE2024	FYE2025
Energy management	Megawatt (MWh)	2,352	2,174	2,287
Water management	Megaliter	47	56	61

During the reporting period, KSB experienced a slight increase in energy consumption, rising from 2,174 MWh in the previous period to 2,287 MWh. This uptick is primarily attributed to higher manpower requirements and extended operating hours arising from special packaging size orders. Additionally, water consumption increased from 56 ML to 61 ML, primarily due to renovation work carried out at factory to meet Hazard Analysis and Critical Control Point ("HACCP") certification requirements, also intensified cleaning schedule in housekeeping, these measures reflect the company's ongoing commitment to ensuring product quality, safety, and compliance with food safety requirements.

SUSTAINABILITY STATEMENT

(Cont'd)

In the effort to reduce energy consumption to combat climate change, we have undertaken multiple measures for energy savings such as using battery-powered forklifts, energy efficient lighting and equipment such as LED bulbs and switching off electronics when not in use. We also optimise manufacturing efficiency through energy-efficient production machinery and other natural resources in the business operations.

The Group emphasises the importance of keeping machinery, tools, and equipment clean. At the end of each business day, all will be thoroughly cleaned. Conservation methods are practised during the cleaning process to ensure consumption of water remains low.

KSB GROUP'S COMMITMENTS

The KSB Group acknowledge the importance of the sustainability element in the business and the Group pledge to work collectively to mould a better future for generations to come by improving our sustainability performance.

This report was approved by the Board on 21 October 2025.

SUSTAINABILITY STATEMENT

(Cont'd)

BURSA ESG REPORTING FORM

Input Sustainability Information

Indicator	Measurement Unit	2023	2024	2025
Bursa (Anti-corruption)				
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category				
Management	Percentage	50.00	96.00	96.00
Executive	Percentage	0.00	100.00	100.00
Non-executive/Technical Staff	Percentage	0.00	98.00	100.00
General Workers	Percentage	0.00	100.00	100.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	0.00	0.00	0.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0	0
Bursa (Community/Society)				
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	6,500.00	6,618.00	31,226.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	4	7	26
Bursa (Diversity)				
Bursa C3(a) Percentage of employees by gender and age group, for each employee category				
Age Group by Employee Category				
Management Under 30	Percentage	5.00	4.00	0.00
Management Between 30-50	Percentage	28.00	25.00	29.00
Management Above 50	Percentage	67.00	71.00	71.00
Executive Under 30	Percentage	38.00	31.00	25.00
Executive Between 30-50	Percentage	62.00	61.00	75.00
Executive Above 50	Percentage	0.00	8.00	0.00
Non-executive/Technical Staff Under 30	Percentage	11.00	20.00	13.00
Non-executive/Technical Staff Between 30-50	Percentage	41.00	34.00	34.00
Non-executive/Technical Staff Above 50	Percentage	48.00	46.00	53.00
General Workers Under 30	Percentage	41.00	45.00	41.00
General Workers Between 30-50	Percentage	47.00	44.00	48.00
General Workers Above 50	Percentage	12.00	11.00	11.00

Internal assurance

External assurance

No assurance

(*)Restated

SUSTAINABILITY STATEMENT

(Cont'd)

Indicator	Measurement Unit	2023	2024	2025
Bursa (Diversity)				
Gender Group by Employee Category				
Management Male	Percentage	55.00	67.00	62.00
Management Female	Percentage	45.00	33.00	38.00
Executive Male	Percentage	13.00	15.00	8.00
Executive Female	Percentage	87.00	85.00	92.00
Non-executive/Technical Staff Male	Percentage	62.00	73.00	69.00
Non-executive/Technical Staff Female	Percentage	38.00	27.00	31.00
General Workers Male	Percentage	78.00	85.00	82.00
General Workers Female	Percentage	22.00	15.00	18.00
Bursa C3(b) Percentage of directors by gender and age group				
Male	Percentage	100.00	80.00	71.00
Female	Percentage	0.00	20.00	29.00
Under 30	Percentage	0.00	0.00	14.00
Between 30-50	Percentage	33.00	0.00	0.00
Above 50	Percentage	67.00	100.00	86.00
Bursa (Energy management)				
Bursa C4(a) Total energy consumption	Megawatt	2,352.00	2,174.00	2,287.00
Bursa (Health and safety)				
Bursa C5(a) Number of work-related fatalities	Number	0	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.00	0.00	0.00
Bursa C5(c) Number of employees trained on health and safety standards	Number	0	202	210
Bursa (Labour practices and standards)				
Bursa C6(a) Total hours of training by employee category				
Management	Hours	392	1,044	1,115
Executive	Hours	132	544	368
Non-executive/Technical Staff	Hours	160	360	463
General Workers	Hours	160	604	958
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	69.00	70.00	72.00
Bursa C6(c) Total number of employee turnover by employee category				
Management	Number	11	1	2
Executive	Number	10	2	3
Non-executive/Technical Staff	Number	19	5	2
General Workers	Number	25	29	22
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0	0

Internal assurance

External assurance

No assurance

(*)Restated

SUSTAINABILITY STATEMENT

(Cont'd)

Indicator	Measurement Unit	2023	2024	2025
Bursa (Supply chain management)				
Bursa C7(a) Proportion of spending on local suppliers	Percentage	98.70	97.80	97.70
Bursa (Data privacy and security)				
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	0
Bursa (Water)				
Bursa C9(a) Total volume of water used	Megalitres	47.000000	56.000000	61.000000
Bursa (Waste management)				
Bursa C10(a) Total waste generated	Metric tonnes	23.99	31.73	23.92
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	22.39	30.73	23.12
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	1.60	1.00	0.80
Bursa (Emissions management)				
Bursa C11(a) Scope 1 emissions in tonnes of CO ₂ e	Metric tonnes	0.00	0.00	0.00
Bursa C11(b) Scope 2 emissions in tonnes of CO ₂ e	Metric tonnes	909.30	840.80	800.38
Bursa C11(c) Scope 3 emissions in tonnes of CO ₂ e (at least for the categories of business travel and employee commuting)	Metric tonnes	0.00	12.21	31.15

CORPORATE GOVERNANCE OVERVIEW STATEMENT

THE BOARD OF DIRECTORS (“BOARD”) OF KHEE SAN BERHAD (“KHEE SAN” OR “COMPANY”) PRESENTS THIS STATEMENT TO PROVIDE SHAREHOLDERS AND INVESTORS WITH AN OVERVIEW OF THE CORPORATE GOVERNANCE PRACTICES OF THE COMPANY DURING THE FINANCIAL YEAR ENDED 30 JUNE 2025 (“FYE 2025”).

The Corporate Governance Overview Statement (“CG Statement”) is made pursuant to Paragraph 15.25(1) of the Main Market Listing Requirements (“Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and guidance was drawn from Practice Note 9 of Bursa Securities’ Listing Requirements and the Corporate Governance Guide (4th Edition) issued by Bursa Securities with reference to the following three (3) key principles under the leadership of the Board:

Principle A	Board leadership and effectiveness	<ul style="list-style-type: none"> • Board responsibilities • Board composition • Remuneration
Principle B	Effective audit and risk management	<ul style="list-style-type: none"> • Audit committee • Risk management and internal control framework
Principle C	Integrity in corporate reporting and meaningful relationship with stakeholders	<ul style="list-style-type: none"> • Engagement with stakeholders • Conduct of general meetings

This CG Statement is to be read together with the Corporate Governance Report 2025 (“CG Report”) of the Company which is available at www.kheesanbhd.com.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

1.0 Board’s Responsibilities

The Board takes full responsibility for the oversight and overall performance of the Company and provided leadership within a framework of prudence and effective controls which enables risks to be appropriately assessed and managed. To ensure effective discharge of their function and responsibilities, the Board has defined and collectively reviewed and approved the roles and responsibilities as well as the schedule of reserved matters in the Board Charter. In order to assist the Board in the oversight function on specific responsibility areas, the Board has established six (6) Board Committees, namely:

- 1) Audit Committee (“AC”)
- 2) Nominating Committee (“NC”)
- 3) Remuneration Committee (“RC”)
- 4) Corporate Administration and Compliance Committee
- 5) Risk Committee (“RIC”)
- 6) Employees’ Share Scheme Committee

All committees have a written Terms of Reference to guide them to perform its roles and responsibilities respectively. The Chairman of the respective Committees will report to the Board of the outcome of the Committee meetings for the Board’s considerations and approvals and extracts of such reports are incorporated in the minutes of the Board meetings. The Board retains full responsibility for the direction and control of the Company.

The Executive Chairman instils good governance practices, leadership and effectiveness in the Board through chairing of board meetings and deliberating together with the Board members on board matters and policies.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(Cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

1.0 Board's Responsibilities (Cont'd)

The position of the Chairman and Chief Executive Officer ("CEO") are held by two (2) different individuals with a clear division of responsibilities, ensure a balance of power and authority, such that no one (1) individual has unfettered powers of decision-making, and are clearly defined in the Board Charter. Mr. Yong Loong Chen is the Executive Chairman and leads the Board and is responsible for the effective performance of the Board. He is supported by the CEO, Mr. Edward Tan Juan Peng and Deputy CEO, Mr. Ng Chee Keong who manage and lead the senior management team of the Group on the day-to-day business operations and implements the Board's decisions and policies.

The Chairman of the Board is a member of the Employees' Share Scheme Committee. The Chairman is also invited to attend other Board Committee meetings to provide explanation and answers where appropriate.

The Board is supported by suitably qualified and competent Company Secretary who is qualified secretary under Section 235(2)(a) of the Companies Act 2016. The appointment of Company Secretary is based on the capability and proficiency determined by the Board. The Constitution of the Company permits the removal of Company Secretary by the Board. All members of the Board, whether as a whole or in their individual capacity, have access to the advice and services of the Company Secretary on all matters relating to the Group to assist them in the furtherance of their duties. The Board is regularly updated and kept informed by the Company Secretary and the Management of the requirements such as restrictions in dealing with the securities of the Company and updates as issued by the various regulatory authorities including the latest developments in the legislation and regulatory framework affecting the Group.

During the FYE 2025, the Board had reviewed and approved, amongst others:

- 1) Audited Financial Statements for FYE 30 June 2024
- 2) Annual Report 2024 and Corporate Governance Report 2024
- 3) Quarterly results
- 4) Recommendation of Directors' Fees and Benefits, Re-election of Retiring Directors and Re-appointment of External Auditors for shareholders' approval
- 5) Remuneration Package of Executive Director
- 6) Change of Company Secretaries
- 7) Formation of Employees' Share Scheme Committee
- 8) Corporate Calendar for the year 2025
- 9) Revised Anti-Bribery and Corruption Prevention Policy, Whistleblowing Policy and new Conflicts of Interest Policy and Procedures
- 10) Terms of Reference of AC and Employees' Share Scheme Committee
- 11) Group Risk Assessment Report
- 12) Disposal of Motor Vehicles

The Board had established the Anti-Bribery and Corruption Prevention Policy in keeping with the commitment set forth to prevent bribery and corruption. Khee San takes a zero-tolerance approach to bribery and corruption and is committed to acting professionally, fairly and integrity in all business dealings and relationships wherever the Group operates and expects the individuals and organisation of the Group work with to uphold and adopt the same approach.

As an additional measure to safeguard the integrity of the Group, the Board has defined its Whistleblowing Policy to provide guidance for stakeholders to report genuine concerns of any possible improprieties pertaining to financial reporting, compliance, malpractices and unethical business conduct within the Group. In addition, the Board has also defined its Code of Conduct and Ethics which serves as a tool for the Board to convey and instill its values into the organisation.

The Board Charter, Terms of Reference of the Board Committees, Director's Fit and Proper Policy, Directors' Remuneration Policy, Anti-Bribery and Corruption Prevention Policy, Whistleblowing Policy, Conflicts of Interest Policy and Procedures and Code of Conduct and Ethics are also available on the Company's website at www.kheesanbhd.com.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(Cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

2.0 Board Composition

The NC oversees and reviews on an on-going basis, the overall composition of the Board in terms of size, the required mix of skills, experience and other qualities and core competencies for the Directors of the Company. The effectiveness of the Board as a whole and the contribution and performance of each individual Director to the effectiveness of the Board and the Board Committees will also be assessed by the NC on an annual basis.

The Board comprised of seven (7) members, of which three (3) are Independent Non-Executive Directors. The Board's composition is in compliance with the provisions of the Listing Requirements of Bursa Securities for independent non-executive directors to make up at least one third (1/3) of the Board membership. The profiles of the individual Directors are set out in the Directors' Profile in this Annual Report 2025.

The presence of Independent Non-Executive Directors from various fields are invaluable assets to the Company and fulfil the pivotal role in corporate accountability. The role of Independent Non-Executive Directors is particularly important as they provide unbiased and independent views, advices and judgements to take into account the interests of the Group and stakeholders.

The Board is supportive of boardroom diversity as it can offer greater depth and breadth compared to non-diverse board. The Board practices no discrimination in terms of appointment of Directors as well as hiring employees wherein the Directors and Senior Management are recruited based on their merit, skills and experiences and not driven by age, cultural background and gender. In line with the promotion of gender diversity as recommended under the Malaysian Code on Corporate Governance ("MCCG"), the Board currently has two (2) female Directors, namely Puan Suzana Manja Binti Ibrahim and Ms. Ngu Chienn Ying.

The Board understands that the quality of information affects the effectiveness of the Board to oversee the conduct of business and to evaluate the Management's performance of the Group. Information and materials that are important to the Board's understanding of the business to be conducted at a Board or committee meeting will be distributed to the Directors in order to provide ample time for review beforehand. Notice of Board meetings are usually issued at least five (5) working days prior to the meetings. Upon conclusion of meeting, the Company Secretary will ensure that accurate and proper records of the proceedings and resolutions passed are recorded and the minutes is circulated to the Board members before the next meeting.

During FYE 2025, five (5) Board meetings were held and all the Board Papers were circulated to the Board in a timely manner. The Directors attendance at the Board meetings during FYE 2025 were as follows:

DIRECTORS	DESIGNATION	ATTENDANCE
Yong Loong Chen	Executive Chairman	5/5
Edward Tan Juan Peng	Chief Executive Officer	5/5
Mohanadas A/L K.P.Balan	Independent Non-Executive Director	5/5
Ong Phui Fatt	Independent Non-Executive Director	5/5
Suzana Manja Binti Ibrahim	Independent Non-Executive Director	5/5
Dato' Sri Ngu Tieng Ung, JP (Appointed on 24.09.2024)	Non-Independent Non-Executive Director	4/4
Ngu Chienn Ying (Appointed on 24.09.2024)	Executive Director	4/4

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(Cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

2.0 Board Composition (Cont'd)

The Directors are encouraged and afforded the opportunity to upskill and keep themselves abreast with the market and regulatory changes throughout the financial year. During the FYE 2025, the Directors attended continuous professional development programmes covering various topics ranging from taxation, leadership, governance, sustainability and industry knowledge. During FYE 2025, the Directors attended the following training programmes:

DIRECTORS	PROGRAMME	ATTENDANCE
Yong Loong Chen	Phantom Share vs Ordinary Share	4 September 2024
	LIP Alumni Networking session 3	11 September 2024
	Building Sustainable Credibility: Assurance, Greenwashing and the Risk of Green-Hushing	24 September 2024
	Board ethics : Growing concerns from new technology, stakeholder interests and conflict of interest	16 October 2024
	Grow Your Company Profits in New Ways with AI	26 March 2025
	Virtual Tax Conference 2025 - Tackling Practical Problems faced by taxpayers	22 April 2025
	Anti-Bribery Anti-Corruption Policy Briefing	18 June 2025
Edward Tan Juan Peng	Virtual Tax Conference 2025 - Tackling Practical Problems faced by taxpayers	22 April 2025
	ASEAN Business Forum 2025	29 May 2025
	Anti-Bribery Anti-Corruption Policy Briefing	18 June 2025
Mohanadas A/L K.P.Balan	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)	18-19 June 2025
	Anti-Bribery Anti-Corruption Policy Briefing	18 June 2025
Ong Phui Fatt	Conflict of Interest ("COI") and Governance of COI	27 August 2024
	ESG Updates Locally and Internationally; Climate-Related Litigation - What's Happening? and Sustainability Reporting Best Practices and Tips	5 November 2024
	ICDM PowerTalk - Board Leadership in Industry Disruption: Steering Companies Through Market Shifts	12 March 2025
	Anti-Bribery Anti-Corruption Policy Briefing	18 June 2025
Suzana Manja Binti Ibrahim	Leadership Retreat organised by Yayasan Pencegahan Jenayah Malaysia (Perak)	18-19 January 2025
	Anti-Bribery Anti-Corruption Policy Briefing	18 June 2025
Dato' Sri Ngu Tieng Ung, JP	Anti-Bribery Anti-Corruption Policy Briefing	18 June 2025
Ngu Chienn Ying	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)	24-25 February 2025
	Anti-Bribery Anti-Corruption Policy Briefing	18 June 2025

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(Cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

2.0 Board Composition (Cont'd)

The directors will continue to undergo a periodic training in the relevant courses as well as attend seminars, conferences and similar events in keeping themselves abreast with the latest skills and knowledge to discharge their duties effectively.

NC Statement

The NC comprised three (3) Independent Non-Executive Directors as follows:

NAME	DESIGNATION	DIRECTORSHIP
Ong Phui Fatt	Chairman	Independent Non-Executive Director
Mohanadas A/L K.P.Balan	Member	Independent Non-Executive Director
Suzana Manja Binti Ibrahim	Member	Independent Non-Executive Director

Activities of the NC

During the FYE 2025, the NC conducts annual assessment via questionnaires, of individual Director in respect of his/her skill, experience, contribution and other core competencies, of Independent Directors on whether they continue to meet the independence criteria prescribed in the Listing Requirements of Bursa Securities and the ability to discharge their duties with unbiased judgement as well as the effectiveness of the Board as a whole and various Board committees in terms of mix of skills and expertise. The NC also recommended the appointment of additional Directors.

In recommending suitable candidates for directorships and Board committees to the Board, the NC takes into consideration the candidate's experience, competency, character, time commitment and potential contribution to the Group. Any new nomination received is recommended to the Board after a comprehensive assessment and the NC's endorsement.

3.0 Remuneration

The remuneration of Directors is determined at levels which enable the Company to attract and retain Directors with the relevant experience and expertise to manage the business of the Group effectively. The RC oversees the remuneration of directors. The remuneration for Directors is in line with the Board's aim to retain, attract and reward talent based on industry benchmarks.

The remuneration packages for Executive Directors are reviewed by the RC and recommended to the Board for approval. It is then decided by the Board without the respective Executive Directors' participation in determining their remuneration.

Bonuses payable to Executive Directors are performance-based and relate to the individual and the Company's as well as Group's achievement of specific goals. The Non-Executive Directors do not receive any performance related remuneration.

Detailed disclosures of individual Directors' remuneration that includes fee, allowance, salary and other emoluments from the Company on a named basis for the FYE 2025, along with the senior management's remuneration presented in bands of RM50,000, are provided under Practice 8.1 and Practice 8.2 of the CG Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(Cont'd)

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

1.0 Audit Committee

The members of AC comprise of all Independent Non-Executive Directors. The Chairman of the AC is distinct from the Chairman of the Board so as to promote unfettered objectivity during the Board's review of the AC's findings and recommendations. The current AC composition meets the requirements of Paragraph 15.09 of the Listing Requirements of Bursa Securities where the AC Chairman, Mr. Mohanadas A/L K.P.Balan is a member of Malaysian Institute of Accountants. The present composition of the AC allows it to possess the requisite level of financial literacy and business acumen to have a sound understanding of the financial matters of the Group, as well as an understanding of the latest developments in financial reporting, accounting and auditing standards.

None of the members of the AC are former audit partners of the current external audit firm of the Group. As stated in the Terms of Reference of the AC, the Committee is mindful of the minimum three (3) years cooling off period best practice under the MCCG when considering the appointment of former key audit partner from its current external audit firm to ensure that the review of the Group's financial statements and the performance and independence of the External Auditors are being conducted objectively by the AC.

Before the commencement of the current financial year audit, the AC had reviewed and deliberated with the External Auditors on their audit planning memorandum, covering the audit risk areas, approach, emphasis and timeline. The AC also noted the External Auditors' independence check and confirmation procedures carried out in the firm as well as no conflict of interest for rendering their non-audit services to the Group presently.

Full details of the AC's duties and responsibilities are stated in its Terms of Reference which is made available on the Company's website at www.kheesanbhd.com and the detailed disclosure on the role and activities undertaken by the AC during the financial year is provided in the AC Report of this Annual Report 2025.

2.0 Risk Management and Internal Control Framework

The Board has ultimate responsibility for reviewing the Company's risks, approving the risk management framework and policy and overseeing the Company's strategic risk management and internal control framework to achieve its objectives within an acceptable risk profile, as well as safeguarding the interest of stakeholders and shareholders and the Group's assets.

The Board is supported by the RIC which reports to the Board regarding the Group's risk exposures, including a review of risk assessment model used to monitor the risk exposures and the Management's view on the acceptable and appropriate level of risks faced by the Group. The RIC will continue to evaluate, review and monitor the Group's risk management framework and activities on on-going basis to identify, assess and monitor the key business risks of the Company to safeguard shareholders' investment and Company's assets.

The Company also engaged outsourced internal auditors to provide independent assessments on the adequacy, efficiency and effectiveness of the Company's internal control system. The internal auditors report directly to the AC and internal audit plans are tabled to the AC for review and approval to ensure adequate coverage.

The process of the risk management and internal control are ongoing, which are undertaken by each department within the Company. The Company will continuously enhance the existing system of risk management and internal control by taking into consideration the changing business environment.

Further details on the features of the risk management and internal control framework, and the adequacy and effectiveness of this framework, are disclosed in the Statement of Risk Management and Internal Control in this Annual Report 2025.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(Cont'd)

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIPS WITH STAKEHOLDERS

1.0 Engagement with Stakeholders

The Board is committed to provide effective, transparent and regular communication with its shareholders and other stakeholders regarding the business, operations and financial performance of the Group to enable them to make informed decisions.

Through its website www.kheesanbhd.com and its announcements on Bursa Securities' website, the Group shares mandatory public announcements as well as publishes its quarterly and annual results. The quarterly financial results are announced to Bursa Securities via Bursa LINK immediately after the Board's approval. This is important in ensuring equal and fair access to information by the investing public.

2.0 Conduct of General Meetings

The Annual General Meeting ("AGM") serves as the primary platform for shareholders to engage the Board and Senior Management in a productive two-way dialogue. Shareholders are accorded with the opportunity to put forward questions and seek clarifications on the broad areas of the Group's performance, business activities and outlook during a Question & Answer session held during the AGM.

The Notice for the 29th AGM that was held on 28 November 2024 was issued on 18 October 2024 which is more than the 28 days recommended notice period. This gave shareholders sufficient time to read and consider the resolutions to be resolved and enable shareholders to make an informed decision in exercising their voting rights. The Minutes of the 29th AGM, which includes the questions raised by shareholders together with the responses by the Company and outcome of the voting results, was made available to the shareholders within thirty (30) business days after the 29th AGM at www.kheesanbhd.com.

All Directors of the Company will also attend the 30th AGM of the Company scheduled on 21 November 2025 to engage with shareholders and proxies proactively. The Chairman will ensure that sufficient opportunities are given to shareholders and proxies to raise questions relating to the affairs of the Company and that adequate responses are given.

COMPLIANCE STATEMENT

The Board is satisfied that during the FYE 2025, the Company has substantially complied with the best practices of the MCCG on the application of the principles and best practices in corporate governance.

This CG Statement has been reviewed and approved by the Board on 21 October 2025.

AUDIT COMMITTEE REPORT

1. MEMBERSHIP AND MEETINGS

The Audit Committee ("AC") comprises of three (3) members of which all are Independent Non-Executive Directors, in compliance with Paragraph 15.09 of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities").

The members of the AC and details of their attendance at the AC Meetings for the financial year ended ("FYE") 30 June 2025 ("FYE 2025") are as follows:

NAME	DESIGNATION	NUMBER OF MEETING(S) ATTENDED
Mohanadas A/L K.P.Balan [^]	Chairman, Independent Non-Executive Director	5/5
Ong Phui Fatt	Member, Independent Non-Executive Director	5/5
Suzana Manja Binti Ibrahim	Member, Independent Non-Executive Director	5/5

[^] Member of the Malaysian Institute of Accountants

The AC met five (5) times during the financial year. Mr. Edward Tan Juan Peng, the Company's Chief Executive Officer and other senior management staff attended the meetings by invitation of the AC. The representatives of internal and external auditors were also present during deliberations of the subjects which required their input and advices.

2. TERMS OF REFERENCE

The Terms of Reference ("TOR") of the AC are aligned with the MMLR of Bursa Securities and recommendations of the Malaysian Code on Corporate Governance. The TOR is available at the Company's website at www.kheesanbhd.com.

3. SUMMARY OF ACTIVITIES

During the FYE 2025, the AC carried out the following activities and believed it had discharged its duties in accordance with its TOR:

1. Financial Reporting

- The AC had reviewed and ensured that the four (4) quarterly financial results of the Group complied with the Malaysian Financial Reporting Standards and Appendix 9B of the MMLR.
- The AC had reviewed and made recommendation to the Board in respect of the annual Audited Financial Statements of the Company and the Group for the FYE 30 June 2024 to ensure that it presented a true and fair view of the Company's financial position and performance for the year and compliance with all the regulatory requirements.

AUDIT COMMITTEE REPORT

(Cont'd)

3. SUMMARY OF ACTIVITIES (Cont'd)

1. Financial Reporting (Cont'd)

The summary of the AC meetings held were as follows:

DATE OF MEETING	SUBJECT MATTERS
23 August 2024	<ul style="list-style-type: none"> Discussed on the Audit Review Memorandum for FYE 30 June 2024 from Messrs Kreston John & Gan Reviewed the Quarterly Results for the period ended 30 June 2024
14 October 2024	<ul style="list-style-type: none"> Reviewed the Audited Financial Statements for the FYE 30 June 2024
28 November 2024	<ul style="list-style-type: none"> Reviewed the Quarterly Results for the period ended 30 September 2024
26 February 2025	<ul style="list-style-type: none"> Reviewed the Quarterly Results for the period ended 31 December 2024
22 May 2025	<ul style="list-style-type: none"> Discussed on the Audit Planning Memorandum for FYE 30 June 2025 Reviewed the Quarterly Results for the period ended 31 March 2025

2. Annual Reporting

The AC had reviewed the AC Report and Statement of Risk Management and Internal Control to ensure adherence to legal and regulatory reporting requirements and recommended the same to the Board for approval.

3. External Audit

- The AC had reviewed and discussed the Audit Review Memorandum for the FYE 30 June 2024 with Messrs Kreston John & Gan ("Kreston") at the meeting held on 23 August 2024.
- The AC had also conducted two (2) private sessions with Kreston without the presence of the Executive Directors and Management to discuss and address any issues of concern.
- The AC evaluated the performance of the External Auditors covering areas such as caliber, quality processes, audit team, independence, audit scope and audit communication as well as the audit fees, prior to the recommendation to the Board on their re-appointment.
- On 22 May 2025, the AC had reviewed the Audit Planning Memorandum for the FYE 30 June 2025 presented by Kreston.

4. Internal Audit

- The AC had reviewed the results of Internal Audit Report together with the recommendations from Resolve IR Sdn Bhd ("Resolve IR"). The AC considered Resolve IR's recommendations coupled with the Management's responses and made appropriate advice to the Management on issues which require adoption and improvement.
- The AC had also reviewed and adopted the three (3)-year Internal Audit Plan for FYE 30 June 2026 to FYE 30 June 2028.
- The AC had undertaken assessment of the performance of Resolve IR and was satisfied with the competency, experience and resources of the Internal Audit Function for discharging its role and responsibilities.

AUDIT COMMITTEE REPORT

(Cont'd)

3. SUMMARY OF ACTIVITIES (Cont'd)

5. Governance

- a) The AC had reviewed the AC TOR, Whistleblowing Policy, Anti-Bribery and Corruption Prevention Policy and recommended necessary revisions to the Board for approval.
- b) The AC had also reviewed and recommended the new Conflicts of Interest Policy and Procedures for adoption by the Board. In addition, it reviewed potential conflict of interest situations, with no cases reported.
- c) Apart from the above, the AC also reviewed potential bribery and corruption incidents and noted that no cases had been reported.

4. INTERNAL AUDIT ("IA") FUNCTION

The Group's internal audit function is outsourced to Resolve IR Sdn Bhd who assists the AC and the Board in providing independent assessment on the adequacy, efficiency and effectiveness of the Group's internal control system. The IA audit processes were mainly:

- To review the adequacy and test the integrity of the system of internal control;
- To assess compliance with policies and procedures and recommended best practices; and
- To review and identify any potential areas for improvement in the effectiveness and efficiency of the processes (if any).

The Internal Auditors report directly to the AC. During the FYE 2025, the Internal Auditors presented the following report to the AC:

DATE OF AC MEETING	INTERNAL AUDIT REPORT
22 May 2025	Internal Audit Report on Treasury Management and Summary of follow up on previous internal audit findings

The Internal Auditors are guided by the Professional Practices Framework by the Institute of Internal Auditors. Observations and findings from the audit reviews, including the recommended corrective actions were discussed with the Management. The internal audit report together with the Management's response and proposed corrective action plans were then presented to the AC for their review during the quarterly meetings. Follow up review was also conducted to ensure corrective actions have been implemented.

The fees incurred for the outsourcing of the internal audit function for the FYE 2025 was RM15,000.

STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL

1. INTRODUCTION

Pursuant to paragraph 15.26(b) and Practice Note 9 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad in relation to the requirement to prepare the statement on risk management and internal control ("Statement"), in which the Statement shall be guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers ("Guidelines"). The Board of Directors ("the Board") of Khee San Berhad ("the Company") is pleased to present the statement on the state of the risk management and internal control of the Company and its subsidiaries ("the Group") for the financial year ended 30 June 2025.

The Board believes the practice of good risk management and internal control is an important continuous process to safeguard Shareholders' investments and the Group's assets.

2. BOARD'S RESPONSIBILITIES

The Board upholds its overall responsibility for the Group's system of internal control, including the assurance of its adequacy and integrity of the risk management and internal control system and its alignment with the corporate objectives. The internal control system of the Group covering the risk management, financial, organisational and operation, business environment and compliance control.

The Board also affirms that they will continuously improve the process for identifying, evaluating, monitoring and managing the significant risks faced by the Group as to safeguard the Shareholders' and Stakeholders' interests. However, in view of the limitation inherent in any system of internal control and risk management, it should be noted that a system of internal control and risk management framework are designed to manage the principal risks of the Group rather than to eliminate the risks of failure. As such, the internal control system can only provide reasonable and adequate, but not absolute assurance against material misstatement of management and financial information or against any loss or fraud.

The Board is assisted by the Management in implementing the Board's policies and procedures on risk and control by identifying and assessing the risks faced, and in the design, operation and monitoring of suitable internal controls to manage and control these risks.

A Board Committee, namely Risk Committee had been established to assist the Board in their responsibilities to identify, assess and monitor key business / operational / financial / reputational risks to safeguard Shareholders' investments and the Company's assets. The establishment of this committee is to complement the Group's existing Board committees which include Corporate Administration and Compliance Committee which are aimed to inculcate good corporate governance culture within the Group by reinforcing ethical, prudent and professional behaviour.

The Risk Committee serves as a testament of the Board's long-term commitment in maintaining an effective risk management framework and internal control system, which will ensure the perseverance of Shareholders' interests, and shall allow the Group to effectively meet its business objectives in the current challenging business environment.

3. RISK MANAGEMENT FRAMEWORK

With the increasingly complex and dynamic business environment, proactive management of the overall business risks is a prerequisite in ensuring that the risk management and control framework is embedded into the culture, processes and structures of the Group to achieve its strategic objectives. The Group is committed to ensure that the risks inherent in its business are identified and effectively managed through its planned activities.

As the effectiveness of the risk management system is dependent on constant awareness of potential risks and regular practice of risk assessment processes by all levels of an organisation, the level of success in the implementation of mitigation actions have been incorporated as one of the criteria in the annual performance appraisal of Senior Management. The deliberation of risks and related mitigating responses are carried out at regular Management meetings of the Group and significant risks are conveyed to the Board at the quarterly scheduled meetings, if necessary.

STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL

(Cont'd)

4. INTERNAL AUDIT FUNCTION

The Internal Audit was carried out by the Group's outsourced internal audit function, namely Resolve IR Sdn Bhd ("Resolve") which was engaged on 18 January 2024 by the Audit Committee to conduct a holistic independent review of the adequacy, efficiency and effectiveness of the Group's internal control system. The review during financial year ended 30 June 2025 was conducted on the Treasury Management function of a wholly-owned subsidiary of the Company, namely Khee San Food Industries Sdn Bhd. The scope of work of the internal audit includes reviewing the adequacy and the integrity of the Group's internal control system, management information system and the system methodology on compliance with the applicable laws, regulations, rules and guidelines. The Internal Auditors had reported their key findings directly to the Audit Committee and they are independent of the Management and operations.

On 22 May 2025, the Audit Committee had approved the Internal Audit Plan of the Group. The Internal Auditors carry out continuous internal controls to ascertain the effectiveness of the system of internal control, assess compliance with policies and procedures and recommended best practices and review and identify any potential areas for improvement in the effectiveness and efficiency of the Group.

All findings and the recommendations together with the Management actions for further improvement were submitted to the Audit Committee. In assessing the adequacy and effectiveness of the system of internal control, the Audit Committee reports to the Board on its activities, the audit findings and the necessary recommendations or actions needed to be taken by the Management to rectify those issues.

During the financial year ended 30 June 2025, the Internal Auditors have conducted approved internal audit plan which was in consistent with the corporate goal of the Group and the internal Auditors' report was deliberated by the Audit Committee during its Audit Committee Meeting and recommendations made to the Board and/or the Management were acted upon thereafter.

5. KEY ELEMENTS OF INTERNAL CONTROL

The key elements of risk management and internal control system are described as follows:

- Establishment of a conducive control environment in accordance with the increasing level of awareness as well as the actions of the Directors and Management, and overall attitude in relation to the risk management and internal control system and its importance to the Group;
- Establishment of the relevant terms of reference and organisational structure which defined responsibility and accountability to enhance the Group's ability to achieve its strategies and operational objectives;
- A clear and detailed organisational structure has been established to focus on the related reporting responsibilities and accountabilities to ensure and clarify task ownership;
- Board meetings and Management meetings are held more often on the operational issues, financial performance, human resources matter and business plans to review, discuss, identify and manage the key risks so that they are still within controlled environment;
- The initiative to implement comprehensive policies and procedures manuals, including staff handbooks, to ensure adherence with internal controls and the relevant laws and regulations that have been enforced, provide general rules on, and authority limits over diverse operating, financial, human resources inclusive of health and safety matters;
- Internal policies and procedures as set out in the Group's policies and procedures which include different operational and management aspects are being updated from time to time to address operational deficiencies and changes of risk;
- Different types of communication such as email and teleconferencing are seen as effective instruments for communication and knowledge sharing among the employees;
- A Code of Conduct and Ethics, which defines the organisation's ethical standards and expected behaviour in the workplace, has been introduced to all employees. New employees are briefed on the Group's culture, organisational structure, relevant job descriptions, responsibilities and key performance indicators by their immediate supervisors upon joining. A copy of the briefing documents is filed in their respective personnel files;

STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL

(Cont'd)

5. KEY ELEMENTS OF INTERNAL CONTROL (Cont'd)

The key elements of risk management and internal control system are described as follows: (Cont'd)

- The Group has formalised an Anti-Bribery and Corruption Prevention Policy, which reflects its zero-tolerance commitment to bribery and corruption. The Policy was developed taking into account measures to manage corruption risks within the Group, including annual corruption risk assessments, prohibition of facilitation payments, gifts and hospitality, donations and sponsorships, and the engagement of business partners, among others. In support of the Policy, all employees and business partners are required to sign an integrity pledge to affirm their commitment to ethical and corruption-free practices. The Anti-Bribery and Corruption Prevention Policy is published on the corporate website.
- The Whistleblowing Policy covers all parties including external stakeholders and members of the public (where relevant). This policy outlines the reporting process when there are occurrences of known and/or suspected malpractices or wrongdoings.
- Recruitment of experienced, skilled and professional staff to fulfil the respective responsibilities and ensuring adequate controls are in place;
- Continuous provision of information to the management, which covers the financial performance of the Company, such as cashflow performance;
- The major capital expenditures and assets disposals are appraised and approved by the Board, as well as the Board of Directors of the subsidiaries, whenever applicable; and
- The Group's financial performance and statements are reviewed by the Audit Committee and subsequently reported to the Board. Regular and comprehensive management reports to the Audit Committee by various operational lines and business units, covering key business performance, operating statistics and routine matters to facilitate effective monitoring of significant variances and deviations from standard operating procedures and budget.

6. BOARD ASSESSMENT

The Executive Chairman and Chief Executive Officer, being the persons primarily responsible for the overseeing and managing of the operational affairs of the Company have provided assurance to the Board that the Group's risk management and internal control system, has been operated adequately and effectively, in all material aspects, based on the Group's policies and procedures.

For the financial year under review, with the implementation of recommended improvements to internal control process proposed in year 2024, the Management had improved on its internal control system with no significant internal control deficiencies or material weaknesses noted.

The Board is of the opinion that the Group's existing system of internal control is adequate to safeguard Shareholders' investment and the Group's assets. However, the Board recognises that the Group's risk management and internal control system must continuously evolve to keep pace with the changing and challenging business environment. Therefore, the Board will continue to enhance the Group's internal control processes and strengthen its risk management framework on an ongoing basis.

7. REVIEW BY EXTERNAL AUDITORS

As required under Paragraph 15.23 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the External Auditors, Messrs. Kreston John & Gan has reviewed this Statement of Risk Management and Internal Control pursuant to the scope set out in Recommended Practice Guide issued by the Malaysian Institute of Accountants. The External Auditors' limited assurance review was performed in accordance with the Audit and Assurance Practice Guide ("AAPG") 3 issued by the Malaysian Institute of Accountants. The AAPG 3 does not require the External Auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control system of the Group.

The External Auditors reported that nothing has come to their attention that could them to believe that the Statement is not prepared, in all material aspects, in accordance with the disclosures required by paragraphs 41 and 42 of the Guidelines, to be set out or is factually inaccurate.

This Statement was approved by the Board on 21 October 2025.

DIRECTORS' RESPONSIBILITY STATEMENT

FOR THE AUDITED FINANCIAL STATEMENTS

The Directors are required by the Companies Act 2016 ("the Act") to prepare the financial statements for each financial year which have been made out in accordance with applicable Malaysian Financial Reporting Standards (MFRS), International Financial Reporting Standards (IFRS), the requirements of the Act in Malaysia.

The Directors are responsible to ensure that the financial statements give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year, and of the results and cash flows of the Group and of the Company for the financial year.

In preparing the financial statements, the Directors have:

- (i) adopted appropriate accounting policies and applied them consistently;
- (ii) made judgements and estimates that are reasonable and prudent; and
- (iii) prepared the financial statements on a going concern basis, the validity of which is dependent on the following:
 - a. The Company had on 18 July 2023 submitted the Proposed Regularisation Plan ("PRP") to Bursa Malaysia Securities ("Bursa Securities") which entails a scheme of arrangement to address the financial condition of the Group and of the Company.

On 5 July 2024, the Company had submitted the revised PRP to Bursa Securities and Bursa Securities approved the PRP via its letter dated 19 August 2024.

On 21 October 2024, the shareholders of the Company approved the PRP at an Extraordinary General Meeting.

Upon the Company's applications, Bursa Securities after taking into consideration of the relevant facts and circumstances, had granted the Company extensions of time to implement the PRP, with the most recent approval given on 18 August 2025. In this approval, Bursa Securities had granted the Company a further extension of six (6) months, extending the implementation deadline of PRP to 18 February 2026.

The Company believes that the PRP once being implemented, 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.

The Directors are responsible to ensure that the Group and the Company maintain accounting records that accurately reflect their financial position, thereby enabling the preparation of financial statements in compliance with the Act.

The Directors are responsible for taking all reasonable measures available to them to safeguard the assets of the Group and of the Company, and to identify and prevent fraud and other irregularities.

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

The directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 30 June 2025.

PRINCIPAL ACTIVITIES

The Company is principally an investment holding company. The principal activities of the subsidiaries are set out in Note 7 to the financial statements.

RESULTS

	Group RM	Company RM
Profit/(Loss) for the financial year attributable to : -		
- Owners of the Company	1,783,051	(4,276,493)

DIVIDEND

No dividend has been paid, declared or proposed since the end of the previous financial year.

The directors do not recommend any dividend payment in respect of the current financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those as disclosed in the financial statements.

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that there were no known bad debts to be written off and that allowance for doubtful debts was not required.

At the date of this report, the directors are not aware of any circumstances which would render the amount written off for bad debts, or the amount of the allowance for doubtful debts, in the financial statements of the Group and of the Company inadequate to any substantial extent.

SHARES AND DEBENTURES

The Company did not issue any shares and debentures during the financial year.

CURRENT ASSETS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain whether any current assets, which were unlikely be realised in the ordinary course of business including the value of the current assets as shown in the accounting records of the Group and of the Company have been written down to an amount which the current assets might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances that would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

(Cont'd)

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

At the date of this report, there does not exist : -

- i) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other person, or
- ii) any contingent liability in respect of the Group and of the Company that has arisen since the end of the financial year.

No contingent liability or other liability of the Group and of the Company has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet its obligations as and when they fall due other than those as disclosed in Note 34 to the financial statements.

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances, not otherwise dealt with in this report or the financial statements of the Group and of the Company, that would render any amount stated in the financial statements misleading.

ITEM OF MATERIAL AND UNUSUAL NATURE

The results of the operations of the Group and of the Company for the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the current financial year.

DIRECTORS OF THE COMPANY

The directors of the Company in office at any time during the financial year until the date of this report are : -

Edward Tan Juan Peng
Mohanadas A/L K.P.Balan
Ong Phui Fatt
Yong Loong Chen
Suzana Manja Binti Ibrahim
Dato' Sri Ngu Tieng Ung, JP
Ngu Chienn Ying

The director who holds office in the subsidiaries (excluding directors who are also directors of the Company) during the financial year until the date of this report is : -

Ng Chee Keong

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

(Cont'd)

DIRECTORS' INTERESTS

According to the register of directors' shareholding under Section 59 of the Companies Act 2016, the interests of the directors in office at the end of the financial period in the ordinary shares of the Company and its related corporations during the financial year are as follows : -

	Number of ordinary shares			
	As at 1.7.2024	Additions	Sold	As at 30.6.2025
The Company				
<u>Direct interest</u>				
Dato' Sri Ngu Tieng Ung, JP	-	120,000	-	120,000
Yong Loong Chen	-	598,500	-	598,500
Ong Phui Fatt	-	50,000	-	50,000
<u>Deemed interest</u>				
Dato' Sri Ngu Tieng Ung, JP	-	71,663,700	(34,329,600)	37,334,100
Ngu Chienn Ying	-	71,783,700	(34,329,600)	37,454,100

Dato' Sri Ngu Tieng Ung, JP and Ngu Chienn Ying, by virtue of their interest in shares in the Company are also deemed interested in shares of all the Company's subsidiaries to the extent the Company has an interest.

Other than as disclosed above, none of the other directors holding office at 30 June 2025 had any interest in the ordinary shares of the Company and of its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by director as shown below, or the fixed salary of a full-time employee of the Company) by reason of a contract made the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest, except for any benefits which may deemed to have arisen by virtue of the significant related party transactions as disclosed in Note 35 to the financial statements.

There were no arrangements during and at the end of the financial year, to which the Company is a party, which had the object of enabling the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

(Cont'd)

DIRECTORS' BENEFITS (Cont'd)

The details of the remuneration paid to or receivable by the Directors of the Group and the Company in respect of the financial year ended 30 June 2025 are as follows : -

	Group and Company RM
Executive directors	
- Fees	120,700
- Other emoluments	1,469,448
	1,590,148
Non-executive directors	
- Fees	163,700
- Other emoluments	65,500
	229,200
	1,819,348

INDEMNIFYING DIRECTORS, OFFICERS OR AUDITORS

No indemnities have been given to or insurance premium paid, during or since the end of the financial year, for any person who is or has been the director, officer or auditor of the Company.

SIGNIFICANT EVENTS

Details of significant events are disclosed in Note 36 to the financial statements.

SUBSIDIARIES

Other than those subsidiaries with modified opinions in their auditors' reports as disclosed in Note 7 to the financial statements, the available reports on the financial statements of the remaining subsidiaries did not contain any qualifications.

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

(Cont'd)

AUDITORS

- a) The auditors' remuneration of the Group and the Company for the financial year ended 30 June 2025 are as follows : -

	Group RM	Company RM
Auditors' remuneration : -		
- statutory audit	114,984	40,000
- other services	113,000	113,000
	227,984	153,000

- b) The auditors, Kreston John & Gan, Chartered Accountants, have indicated their willingness to accept re-appointment.

Signed on behalf of the Board of Directors in accordance with a resolution of the directors

Yong Loong Chen

Edward Tan Juan Peng

Kuala Lumpur
Date: 21 October 2025

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF KHEE SAN BERHAD

(Incorporated in Malaysia, Registration No. 199401018697 (304376-A))

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Qualified Opinion

We have audited the financial statements of Khee San Berhad, which comprise the statements of financial position as at 30 June 2025 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of material accounting policy information, as set out on pages 61 to 116.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2025, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Qualified Opinion

Material Uncertainty Related to Going Concern

We draw attention to Note 2(a) to the financial statements, which discloses the following : -

- i. The Group and the Company have prepared their financial statements by applying the going concern assumption, notwithstanding that the Group and the Company incurred accumulated losses of RM202,247,908 and RM122,107,019 respectively as at 30 June 2025, and as of that date, the Group's and the Company's current liabilities exceeded their current assets by RM121,522,937 and RM13,164,572 respectively. These conditions raise significant doubt about the appropriateness of using the going concern basis in preparing the financial statements.
- 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 ("MMLR") of Bursa Malaysia Securities Berhad ("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 relevant regulatory authorities to regularise its financial condition within 12 months from 18 November 2021. Bursa Securities had vide its letters dated 20 December 2022 and 12 June 2023 respectively, granted the Company extension of time of 12 months up to 17 November 2023 to submit its Regularisation Plan. Consequential thereof, the Company submitted its Regularisation Plan to Bursa Securities on 18 July 2023. On 19 August 2024, the Company's Regularisation Plan was approved by Bursa Securities.

On 18 August 2025, M & A Securities Sdn. Bhd. on behalf of the Board, has announced that Bursa Securities had resolved to grant the Group and the Company a further extension of time of 6 months up to 18 February 2026 to implement the Regularisation Plan.

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 believes that the Regularisation Plan once implemented, it will enable the Group and the Company to generate sufficient cash flows to meet their obligations and continue sustainable and viable operations,
- b. Continuous financial support provided by substantial shareholders to the Group and the Company to meet their obligations.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF KHEE SAN BERHAD
(Incorporated in Malaysia, Registration No. 199401018697 (304376-A))
(Cont'd)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (Cont'd)**Basis for Qualified Opinion (Cont'd)**

Due to the delay in the implementation of the regularisation plan, we are unable to obtain sufficient appropriate audit evidence to conclude whether it is appropriate to use the going concern assumption to prepare these financial statements as the outcome of the Group's and of the Company's plans to address its liquidity requirements and liabilities repayment obligations are inherently uncertain and cannot be reasonably determined at the date of this report. Accordingly, we were unable to obtain sufficient appropriate audit evidence to support the validity of the assumptions adopted by the Directors in preparing the financial statements on a going concern basis.

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.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matters described in the *Material Uncertainty Related to Going Concern* section, we have determined the matters below to be the key audit matters to be communicated in our report.

Group

Key Audit Matters	How our audit addresses this matter
Revenue recognition Refer to Note 3(h)(i) - Material accounting policy information and Note 19 – Revenue. Revenue is one of the significant accounts in the financial statements and also an important driver of the Group's operating results. We identified revenue recognition to be an area of audit focus as it is to be a possible cause of higher risk of material misstatements in the timing and amount of revenue recognised. Specifically, we focused our audit efforts to determine the possibility of overstatement of revenue.	<ul style="list-style-type: none"> • Tested the operating effectiveness of the Group's internal controls over timing and amount of revenue recognised; • Inspected the terms of significant sales contracts to determine the point of transfer of control over goods and services; • Inspected the documents which evidenced the delivery of goods and services to customers; and • Tested the sales transactions as well as credit notes issued, near to the financial year end to assess whether the revenue was recognised in the correct financial period.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF KHEE SAN BERHAD

(Incorporated in Malaysia, Registration No. 199401018697 (304376-A))

(Cont'd)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (Cont'd)

Key Audit Matters (Cont'd)

Group (Cont'd)

Key Audit Matters	How our audit addresses this matter
<p>Property, plant and equipment</p> <p>Refer to Note 3(d) - Significant accounting policies and Note 4 – Property, plant and equipment</p> <p>The carrying amount of the Group's property, plant and equipment ("PPE") amounted to RM51,200,790 represent 68% of the Group's total assets as at 30 June 2025.</p> <p>The management has assessed if there are indication of impairment and performed an assessment on the carrying amount of the PPE.</p> <p>For freehold land and buildings, the fair value of the freehold land and buildings has been revalued by external independent valuers performed on 30 June 2025.</p>	<ul style="list-style-type: none"> Reviewed and checked the ownership and physical existence of major PPE; Reviewed the insurance coverage of major items, if any; Reviewed the impairment test performed by the management and assess the adequacy of impairment loss on the property, plant and equipment; <p><u>For property, plant and equipment stated at revalued amount</u></p> <ul style="list-style-type: none"> We have assessed the valuer's qualifications and reviewed their terms of engagement to determine whether there were any matters which might affect their objectivity or which may impose limitations or restrictions in their assignment. We have read the valuation report and assessed that the valuation approach was in accordance with professional valuation standards and are appropriate for purpose of determining the valuation of land. We assessed the valuation approach adopted by the valuers and the key assumptions and inputs used in the valuation to determine whether the resulting valuation would be unbiased and appropriate under the circumstances.

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Group and the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. As described in the Basis for Qualified Opinion section above, we were unable to obtain sufficient appropriate evidence about the validity of the assumptions adopted by the Directors in preparing the financial statements on a going concern basis. Accordingly, we are unable to conclude whether or not the other information is materially misstated with respect to this matter.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF KHEE SAN BERHAD
(Incorporated in Malaysia, Registration No. 199401018697 (304376-A))
(Cont'd)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (Cont'd)

Responsibilities of the Directors for the Financial Statements

The directors of the Group and the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also : -

- Identify and assess the risk of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF KHEE SAN BERHAD

(Incorporated in Malaysia, Registration No. 199401018697 (304376-A))

(Cont'd)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (Cont'd)

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that : -

- a) the subsidiaries of which we have not acted as auditors, are disclosed in Note 7 to the financial statements.
- b) in our opinion, we have not obtained all the information and explanations that required for the matter as described in the Basis of Qualified Opinions section.

OTHER MATTER

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the contents of this report.

Kreston John & Gan
(AF 0113)
Chartered Accountants

Kuala Lumpur,
Date: 21 October 2025

Thien Tze Vui
Approval No: 03653/04/2026 J
Chartered Accountant

STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2025

		Group		Company	
		2025	2024	2025	2024
	Note	RM	RM	RM	RM
ASSETS					
Non-Current Assets					
Property, plant and equipment	4	51,200,790	52,115,423	13,067	15,040
Right-of-use assets	5	119,017	250,609	-	-
Intangible assets	6	-	-	-	-
Investment in subsidiaries	7	-	-	3,236,403	3,291,364
Total Non-Current Assets		51,319,807	52,366,032	3,249,470	3,306,404
Current Assets					
Inventories	8	12,197,204	11,428,753	-	-
Trade receivables	9	3,403,048	2,475,075	-	-
Other receivables, deposits and prepayments	10	2,017,439	1,446,461	2,500	28,148
Amount due from a subsidiary	11	-	-	1,366	1,366
Deposits with licensed banks	29	4,039,472	2,010,498	-	-
Cash and bank balances	29	2,070,002	2,171,459	77,981	1,605
Total Current Assets		23,727,165	19,532,246	81,847	31,119
Total Assets		75,046,972	71,898,278	3,331,317	3,337,523
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	12	112,191,917	112,191,917	112,191,917	112,191,917
Reserves		16,081,349	15,209,933	-	-
Accumulated losses		(202,247,908)	(204,030,959)	(122,107,019)	(117,830,526)
Total Capital Deficiencies		(73,974,642)	(76,629,109)	(9,915,102)	(5,638,609)
Non-Current Liabilities					
Lease liabilities	13	46,598	154,293	-	-
Deferred tax liabilities	14	3,724,914	3,628,181	-	-
Total Non-Current Liabilities		3,771,512	3,782,474	-	-
Current Liabilities					
Trade payables	15	17,412,866	17,855,195	-	-
Other payables and accruals	16	46,244,776	44,895,490	2,480,481	2,623,729
Amount due to directors	17	5,084,725	5,315,604	84,725	315,604
Amounts due to subsidiaries	11	-	-	10,681,213	6,036,799
Borrowings	18	75,456,069	75,456,069	-	-
Lease liabilities	13	1,049,916	1,222,555	-	-
Current tax liabilities		1,750	-	-	-
Total Current Liabilities		145,250,102	144,744,913	13,246,419	8,976,132
Total Liabilities		149,021,614	148,527,387	13,246,419	8,976,132
Total Equity and Liabilities		75,046,972	71,898,278	3,331,317	3,337,523

The accompanying accounting policies and explanatory notes form an integral part of the financial statements

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Revenue	19	57,400,133	52,303,044	-	-
Cost of sales		(42,091,650)	(38,832,728)	-	-
Gross profit		15,308,483	13,470,316	-	-
Finance income	21	163,917	22,508	-	391
Other operating income	22	1,993,198	528,990	56,396	-
Distribution expenses		(1,061,542)	(611,657)	-	-
Administrative expenses		(14,193,194)	(12,178,879)	(4,277,928)	(3,964,040)
Impairment losses		(288,791)	(137,562)	(54,961)	(194,777)
Other expenses		(106,894)	(296,147)	-	-
Profit/(Loss) from operations		1,815,177	797,569	(4,276,493)	(4,158,426)
Finance costs	23	(43,474)	(13,655)	-	-
Profit/(Loss) before taxation	24	1,771,703	783,914	(4,276,493)	(4,158,426)
Income tax credit	27	11,348	-	-	-
Profit/(Loss) after taxation for the financial year		1,783,051	783,914	(4,276,493)	(4,158,426)
Other comprehensive income : -					
- Revaluation surplus on property, plant and equipment	4	967,328	-	-	-
- Deferred tax liability on revaluation surplus on property, plant and equipment	14	(96,733)	-	-	-
Total comprehensive income/(loss) for the financial year		2,653,646	783,914	(4,276,493)	(4,158,426)
Total comprehensive income/(loss) financial year attributable to : -					
- Owners of the Company		2,653,646	783,914	(4,276,493)	(4,158,426)
- Non-controlling interests		-	-	-	-
		2,653,646	783,914	(4,276,493)	(4,158,426)
Basic and diluted earnings per share (RM)	28	1.30	0.57		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

	← Non-Distributable →					
	Share capital RM	Merger deficits RM	Revaluation reserves RM	Translation reserves RM	Accumulated losses RM	Total RM
Group						
At 1 July 2023	112,191,917	(17,443,699)	32,653,632	-	(204,814,873)	(77,413,023)
Profit for the financial year/ Total comprehensive income for the financial year	-	-	-	-	783,914	783,914
At 30 June 2024	112,191,917	(17,443,699)	32,653,632	-	(204,030,959)	(76,629,109)
Translation gain	-	-	-	821	-	821
Profit for the financial year	-	-	-	-	1,783,051	1,783,051
Other comprehensive income for the financial year	-	-	870,595	-	-	870,595
Total comprehensive income for the financial year	-	-	870,595	-	1,783,051	2,653,646
At 30 June 2025	112,191,917	(17,443,699)	33,524,227	821	(202,247,908)	(73,974,642)

	← Non-Distributable →					
	Share capital RM	Merger deficits RM	Revaluation reserves RM	Translation reserves RM	Accumulated losses RM	Total RM
Company						
At 1 July 2023	112,191,917	-	-	-	(113,672,100)	(1,480,183)
Loss for the financial year/ Total comprehensive loss for the financial year	-	-	-	-	(4,158,426)	(4,158,426)
At 30 June 2024	112,191,917	-	-	-	(117,830,526)	(5,638,609)
Loss for the financial year/ Total comprehensive loss for the financial year	-	-	-	-	(4,276,493)	(4,276,493)
At 30 June 2025	112,191,917	-	-	-	(122,107,019)	(9,915,102)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

		Group		Company	
		2025	2024	2025	2024
	Note	RM	RM	RM	RM
Cash flows from operating activities					
Profit/(Loss) before taxation		1,771,703	783,914	(4,276,493)	(4,158,426)
Adjustments for : -					
Depreciation of property, plant and equipment	4	2,229,957	2,938,886	1,973	1,973
Depreciation of right-of-use assets	5	131,592	112,899	-	-
Deposit written off	24	72,500	-	-	-
Impairment loss on investment in subsidiaries companies	7	-	-	54,961	194,777
Impairment loss on inventories	8	288,791	33,526	-	-
Impairment loss on trade receivables	24	-	137,562	-	-
Interest expenses	23	43,474	13,655	-	-
Loss/(Gain) on disposal of property, plant and equipment	24	1,650	(267,201)	-	-
Unrealised gain on foreign exchange	22	(133,646)	(149,802)	-	-
Operating profit/(loss) before working capital changes		4,406,021	3,603,439	(4,219,559)	(3,961,676)
Changes in working capital : -					
Amount due to subsidiary companies		-	-	4,644,414	3,304,296
Amount due to directors		(230,879)	(48,400)	(230,879)	(48,400)
Inventories		(1,057,242)	(2,301,825)	-	-
Other payables and accruals		1,350,107	156,203	(143,248)	76,738
Other receivables, deposit and prepayment		(643,478)	830,470	25,648	579,793
Trade receivables		(794,327)	(591,238)	-	-
Trade payables		(442,329)	543,961	-	-
Net cash generated from/(used in) operations		2,587,873	2,192,610	76,376	(49,249)
Income tax refunded, net		13,098	-	-	-
Interest paid	23	(43,474)	(13,655)	-	-
Net cash from/(used in) operating activities		2,557,497	2,178,955	76,376	(49,249)
Balance carried forward		2,557,497	2,178,955	76,376	(49,249)

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025
(Cont'd)

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Balance brought forward		2,557,497	2,178,955	76,376	(49,249)
Cash flows used in investing activities					
Proceeds from disposal of plant and equipment		2,100	310,000	-	-
Purchase of plant and equipment	4	(351,746)	(420,885)	-	-
Net cash used in investing activities		(349,646)	(110,885)	-	-
Cash flow used in financing activity					
Repayment of lease liabilities, representing net cash used in financing activity	(b)	(280,334)	(222,876)	-	-
Net increase/(decrease) in cash and cash equivalents		1,927,517	1,845,194	76,376	(49,249)
Cash and cash equivalents at beginning of the financial year		(5,423,509)	(7,268,703)	1,605	50,854
Cash and cash equivalents at end of the financial year	29	(3,495,992)	(5,423,509)	77,981	1,605

a) Cash outflows for leases as a lessee

			Group
		2025	2024
	Note	RM	RM
Included in net cash from operating activities : -			
Payment relating to short-term leases	24	-	7,380
Payment relating to leases of low-value-assets	24	15,634	4,310
Interest paid in relation to lease liabilities	23	43,474	13,136
		59,108	24,826
Included in net cash from financing activities : -			
Payment of lease liabilities	(b)	280,334	222,876
		339,442	247,702

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

(Cont'd)

b) Reconciliation of movements of liabilities to cash flows arising from financing activities : -

Group	At 1 July 2024 RM	Net change from financing cash flows RM	Acquisition of new lease RM	At 30 June 2025 RM
Bankers' acceptances	65,850,603	-	-	65,850,603
Lease liabilities	1,376,848	(280,334)	-	1,096,514
Total liabilities from financing activities	67,227,451	(280,334)	-	66,947,117

Group	At 1 July 2023 RM	Net change from financing cash flows RM	Acquisition of new lease RM	At 30 June 2024 RM
Bankers' acceptances	65,850,603	-	-	65,850,603
Lease liabilities	1,546,212	(222,876)	53,512	1,376,848
Total liabilities from financing activities	67,396,815	(222,876)	53,512	67,227,451

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025

1. GENERAL INFORMATION

Khee San Berhad (“the Company” or “KSB”) is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad. The addresses of the registered office and principal place of business of the Company are as follows : -

Registered office	: Unit 521, 5th Floor, Lobby 6 Block A, Damansara Intan No.1, Jalan SS20/27 47400 Petaling Jaya Selangor Darul Ehsan
Principal place of business	: Lot 1819 – 1824 & 1832 Jalan Kolej 43300 Seri Kembangan Selangor Darul Ehsan

The consolidated financial statements of the Company as at and for the financial year ended 30 June 2025 comprise the Company and its subsidiaries (together referred to as the “Group” and individually referred to as “Group entities”). The financial statements of the Company as at and for the year ended 30 June 2025 do not include other entities.

The Company is principally an investment holding company. The principal activities of the subsidiaries are set out in Note 7 to the financial statements.

These financial statements were authorised for issue by the Board of Directors on 21 October 2025.

2. BASIS OF PREPARATION

a) Financial position of the Group and the Company

For the financial year ended 30 June 2025, the Group and the Company incurred accumulated losses of RM202,247,908 (2024 – RM204,030,959) and RM122,107,019 (RM117,830,526) respectively, and as of that date, the Group’s and the Company’s current liabilities exceeded their current assets by RM121,522,937 (2024 – RM125,212,667) and RM13,164,572 (2024 – RM8,945,013) respectively.

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 (“MMLR”) of Bursa Malaysia Securities Berhad (“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. Bursa Securities had vided its letters dated 20 December 2022 and 12 June 2023 respectively, granted the Company extension of time of 12 months up to 17 November 2023 to submit its Regularisation Plan. Consequential thereof, the Company submitted its Regularisation Plan to Bursa Securities on 18 July 2023.

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.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025

(Cont'd)

2. BASIS OF PREPARATION (Cont'd)

a) Financial position of the Group and the Company (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 : -

- i) On 19 August 2024, the Company's Regularisation Plan was approved by Bursa Securities. The Company believes that the Regularisation Plan once implemented after obtaining the approval from the shareholders, will enable the Group and the Company to generate sufficient cash flows to meet their obligations and continue sustainable and viable operations,
- ii) On 18 August 2025, M & A Securities Sdn. Bhd. on behalf of the Board, has announced that Bursa Securities had resolved to grant the Group and the Company a further extension of time of 6 months up to 18 February 2026 to implement the Regularisation Plan,
- iii) Continuous financial support provided by substantial shareholders to the Group and the Company to meet their obligations.

The directors of the Company are of the opinion that the preparation of the financial statements of the Group and of the Company on a going concern basis remains appropriate as they believe the Group's business operations are gradually turnaround and the Regularisation Plan will be implemented as scheduled. Accordingly, the Group and the Company are able to realise their assets and discharge their liabilities in the normal course of business.

b) Statement of compliance

The financial statements of the Group and the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

c) Adoption of new MFRSs and amendments to MFRSs

The Group and the Company has adopted the following applicable amendments to MFRSs that are effective for the current financial year : -

- Amendments to MFRS 16 *Leases – Lease Liability to a Sale and Leaseback*
- Amendments to MFRS 101 *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants*
- Amendments to MFRS 107 *Statement of Cash Flows* and MFRS 7 *Financial Instruments: Disclosures – Supplier Finance Arrangements*

The adoption of the above amendments to MFRSs did not have any significant effect on the financial statements of the Group and the Company and did not result in significant changes to the Group and the Company's existing accounting policies.

d) Amendments to MFRSs and new MFRS that have been issued, but yet to be effective

- i) The Group and the Company have not adopted the following new MFRS and amendments to MFRSs that have been issued but yet to be effective : -

New MFRSs effective for annual periods beginning on or after 1 January 2027

- MFRS 18 *Presentation and Disclosure in Financial Statements*
- MFRS 19 *Subsidiaries without Public Accountability: Disclosures*

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025

(Cont'd)

2. BASIS OF PREPARATION (Cont'd)

d) Amendments to MFRSs and new MFRS that have been issued, but yet to be effective

- i) The Group and the Company have not adopted the following new MFRS and amendments to MFRSs that have been issued but yet to be effective : -

Amendments to MFRSs effective for annual periods beginning on or after a date yet to be confirmed

- Amendments to MFRS 10 *Consolidated Financial Statements* and MFRS 128 *Investment in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
- ii) The Group and the Company plans to adopt the above applicable new MFRSs and amendments to MFRSs when they become effective. A brief discussion on the above significant new MFRSs and amendment to MFRSs that may be applicable to the Company are summarised below.

MFRS 18 Presentation and Disclosure in Financial Statements

MFRS 18 replaces MFRS 101 Presentation of Financial Statements. It retains many requirements from MFRS 101 without modification.

MFRS 18 introduces two subtotals which are to be presented in the statement of profit or loss – including “operating profit”, which has been specifically defined. Income and expenses shall be presented in five categories: operating, investing, financing, income taxes and discontinued operations.

MFRS 18 requires disclosure of explanations of the entity’s company-specific measures that are related to the statement of profit or loss, referred to as management-defined performance measures (“MPMs”). The entity is required to reconcile MPMs to a total or subtotal required by MFRS 18 or another MFRS Accounting Standards. MFRS 18 also requires other disclosures, including how each MPM is calculated, what the MPM communication about the entity’s financial performance, and any changes made to the MPMs in the year.

MFRS 18 adds new principles for aggregation and disaggregation of information. It requires the entity to classify the expenses in the “operating” category in the profit or loss by nature or function, or both. The entity that classifies operating expenses by functions are required to disclose in the notes to the financial statements, the amount of depreciation, amortisation, employee benefits, impairment losses and write-downs of inventories included in each line in the operating category. Subject to materiality, MFRS 18 requires items presented or disclosed as “other” to be labelled and/or described in as faithfully representative and precise a way as possible.

- iii) The Group and the Company is currently performing analysis to quantify the financial effects arising from adoption of the new MFRSs and amendments/improvements to MFRSs.

e) Basis of measurement

The financial statements have been prepared on the historical cost basis other than as disclosed in Note 3 to the financial statements.

f) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia (“RM”), which is the Company’s functional currency.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025

(Cont'd)

2. BASIS OF PREPARATION (Cont'd)

g) Use of estimates and judgements

The preparation of the financial statements in conformity with MFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than the following items : -

i) Depreciation of property, plant and equipment

Property, plant and equipment are depreciated in a straight-line basis over their estimated useful life. Management estimated that useful life of these assets as disclosed in Note 3(d). Changes in the expected level of usage and technological developments could impact the economic useful life and the residual values of these assets, therefore future depreciation charges could be revised. The carrying amount of property, plant and equipment is disclosed in Note 4 to the financial statements.

ii) Impairment of investment in subsidiaries

The Company reviews the investments in subsidiaries for impairment when there is an indication of impairment and assess the impairment of receivables on the amounts due from subsidiaries when the receivables are long outstanding.

The recoverable amounts of the investments in subsidiaries and amounts due from subsidiaries are assessed by reference to the value in use of the respective subsidiaries.

The value in use is the net present value of the projected future cash flows derived from the business operations of the respective subsidiaries discounted at an appropriate discount rate. For such discounted cash flow method, it involves the use of estimated future results and a set assumption of reflect their income and cash flows. Judgement had also been used to determine the discount rate for the cash flows and the future growth of the businesses of the subsidiaries.

The carrying amounts of investment in subsidiaries is disclosed in Note 7 to the financial statements.

iii) Allowance for slowing moving inventories to net realizable value

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews are required judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories. The carrying amount of inventories is disclosed in Note 8 to the financial statements.

iv) Measurement of Expected Credit Loss ("ECL") allowance for financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group and the Company use judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of reporting period. Details of ECL are disclosed in Note 31(b)(i) to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025

(Cont'd)

2. BASIS OF PREPARATION (Cont'd)

g) Use of estimates and judgements (Cont'd)

v) Valuation of freehold land and buildings

The Group measures its freehold land and buildings at revalued amount with changes in fair value being recognised in other comprehensive income. Significant judgement is involved in determining the appropriate valuation techniques and inputs for fair value measurements. The estimated fair value may vary from the actual prices that would be achieved in an arm's length transaction at the end of the reporting date.

Information about the valuation techniques and inputs used in determining the fair value of freehold and leasehold land is disclosed in the Note 4 to the financial statements.

3. MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies set out below have been applied consistently to the periods presented in these financial statements and have been applied consistently by the Group and the Company, unless otherwise stated.

a) Basis of consolidation

i) Subsidiaries and business combination

The Group applies the acquisition method except for combinations of entities under common control, to account for business combinations from the acquisition date when the acquired set of activities meets the definition of a business and control is transferred to Group.

ii) Non-controlling interests

At the acquisition date, components of non-controlling interests of the Group are measured at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

iii) Common control combinations

The common control combinations are business combinations in which all the combining entities have common ultimate controlling parties prior to and immediately after such combinations, and that control is not transitory. Under the principles of merger accounting, the assets and liabilities of the combining entities are consolidated using the existing book values from the controlling parties' perspective and the results of each of the combining entity are presented as if the combination had been effected throughout the current and previous comparative periods presented. On consolidation, the cost of investment is matched against the nominal value of ordinary shares acquired and any difference is taken to equity as merger reserve (for resulting credit difference) or merger deficit (for resulting debit difference).

b) Separate financial statements

In the Company's statement of financial position, investment in subsidiaries is measured at cost less any accumulated impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025

(Cont'd)

3. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

c) Financial instruments

Financial assets – subsequent measurements and gains and losses

Debt instruments at amortised cost

These assets are subsequently measured at amortised cost under the effective interest method. The gross carrying amount is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities – amortised cost

Financial liabilities are classified at amortised cost. Financial liabilities are subsequently measured at amortised cost under the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

d) Property, plant and equipment

Property, plant and equipment (other than freehold land and buildings) are measured at cost less accumulated depreciation and any accumulated impairment losses.

Freehold land and buildings are stated at revalued amount, which is the fair value at the date of the revaluation less any accumulated impairment losses. Fair value is determined from market-based evidence by appraisal that is undertaken by professionally qualified valuers.

Revaluations are performed with sufficient regularity to ensure that the fair value of a revalued asset does not differ materially from that which would be determined using fair values at the reporting date. Any revaluation surplus is recognised in other comprehensive income and accumulated in equity under the revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in the profit or loss, in which case the increase is recognised in the profit or loss to the extent of the decrease previously recognised.

A revaluation deficit is first offset against unutilised previously recognised revaluation surplus in respect of the same asset and the balance is thereafter recognised in the profit or loss.

Upon disposal, any revaluation surplus relating to the particular asset being sold is transferred to retained earnings.

Freehold land has an unlimited useful life and therefore is not depreciated. All other property, plant and equipment are depreciated on straight-line basis by allocating their depreciable amounts over their remaining useful lives.

Buildings	50 years
Electrical equipment	10 years
Furniture, fittings and equipment	10 years
Motor vehicles	5 years
Plant and machinery	5 - 20 years

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025

(Cont'd)

3. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

e) Leases

Lessee accounting

A contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

Right-of-use assets

The right-of-use assets are measured at cost less accumulated depreciation and any accumulated impairment losses, and adjust for any remeasurement of the lease liabilities. The right of-use assets are depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use assets or the end of the lease term.

Lease liabilities

The lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the incremental borrowing rate. The Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

Short-term leases and leases of low value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. Accordingly, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of lease.

f) Inventories

Inventories are measured at the lower of cost and net realisable value.

The cost of inventories is calculated using the weighted average method, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of work-in-progress and finished goods, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less than estimated costs of completion and the estimated costs necessary to make the sale.

g) Impairment

i) Financial assets

The Group and the Company recognise loss allowances for expected credit losses on financial assets measured at amortised cost, debt investments measured at fair value through other comprehensive income, contract assets and lease receivables. Expected credit losses are a probability-weighted estimate of credit losses.

The Group and the Company measure loss allowances at an amount equal to lifetime expected credit loss, except for debt securities that are determined to have low credit risk at the reporting date, cash and bank balance and other debt securities for which credit risk has not increased significantly since initial recognition, which are measured at 12-month expected credit loss. Loss allowances for trade receivables, contract assets and lease receivables are always measured at an amount equal to lifetime expected credit loss.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025

(Cont'd)

3. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

g) Impairment (Cont'd)

i) Financial assets (Cont'd)

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Group and the Company consider reasonable and supportable information that is relevant and available without under cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's and the Company's historical experience and informed credit assessment and including forward-looking information, where available.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the 12 months after the reporting date. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group and the Company are exposed to credit risk.

The Group and the Company estimate the expected credit losses on trade receivables using a provision matrix with reference to historical credit loss experience.

An impairment loss in respect of financial assets measured at amortised cost is recognised in profit or loss and the carrying amount of the asset is reduced through the use of an allowance account.

An impairment loss in respect of debt investments measured at fair value through other comprehensive income is recognised in profit or loss and the allowance account is recognised in other comprehensive income.

At each reporting date, the Group and the Company assess whether financial assets carried at amortised cost and debt securities at fair value through other comprehensive income are credit-impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The gross carrying amount of a financial asset is written off (either partially or full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group or the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's or the Company's procedures for recovery amounts due.

ii) Other assets

The carrying amounts of other assets (except for inventories, lease receivables, deferred tax asset, assets arising from employee benefits, investment property measured at fair value and non-current assets or disposal groups) classified as held for sale are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units.

The recoverable amount of an asset or cash generating unit is the greater of its value in use and its fair value less cost of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025

(Cont'd)

3. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

g) Impairment (Cont'd)

ii) Other assets (Cont'd)

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (group of cash-generating units) and then to reduce the carrying amounts of the other assets in the cash-generating unit (groups of cash-generating units) on a pro-rata basis.

Impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the financial period in which the reversals are recognised.

h) Revenue and other income

i) Revenue from contract with customers

Revenue is measured based on the consideration specified in a contract with a customer in exchange for transferring goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Company satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

The group recognises revenue from the following major sources : -

Sale of goods

Revenue from the sale of goods in the course of ordinary activities is measured at fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognised when persuasive evidence exists, usually in the form of an executed sale agreement, that the control of the goods have been transferred to the customer and recovery of the consideration is probable. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

ii) Interest income

Interest income is recognised as it accrues using the effective interest method in profit or loss except for interest income arising from temporary investment of borrowings taken specifically for the purpose of obtaining a qualifying asset which is accounted for in accordance with the accounting policy on borrowing costs.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025

(Cont'd)

3. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

i) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. Operating segments results are reviewed regularly by the chief operating decision maker, which in this case is the Chief Executive Officer of the Group, to make decisions about resources to be allocated to the segments and to assess its performance, and for which discrete financial information is available.

j) Contingencies

i) Contingent liabilities

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is not recognised in the statements of financial position and is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

ii) Contingent assets

When an inflow of economic benefit of an asset is probable where it arises from past events and where existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity, the asset is not recognised in the statements of financial position but is being disclosed as a contingent asset. When the inflow of economic benefit is virtually certain, then the related asset is recognised.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025

(Cont'd)

4. PROPERTY, PLANT AND EQUIPMENT

Group	← At valuation →		← At costs →				Total RM
	Freehold land RM	Buildings RM	Electrical equipment RM	Furniture, fittings and equipment RM	Motor Vehicles RM	Plant and machinery RM	
Cost							
At 1.7.2023	32,810,000	13,905,325	14,532,716	1,021,763	647,463	96,163,342	159,080,609
Additions	-	159,209	14,280	59,316	26,580	161,500	420,885
Disposals	-	-	-	-	(62,100)	(17,987,796)	(18,049,896)
Transfer from right-of-use assets	-	-	-	-	150,629	6,376,877	6,527,506
At 30.6.2024	32,810,000	14,064,534	14,546,996	1,081,079	762,572	84,713,923	147,979,104
Additions	-	84,211	24,928	112,307	26,300	104,000	351,746
Disposal	-	-	-	(5,000)	-	-	(5,000)
Revaluation	610,000	357,328	-	-	-	-	967,328
At 30.6.2025	33,420,000	14,506,073	14,571,924	1,188,386	788,872	84,817,923	149,293,178
Accumulated depreciation							
At 1.7.2023	-	1,382,645	12,723,482	748,025	618,623	47,560,891	63,033,666
Charge for the financial year	-	274,949	521,075	44,387	10,425	2,088,050	2,938,886
Disposals	-	-	-	-	(60,883)	(8,961,478)	(9,022,361)
Transfer from right-of-use assets	-	-	-	-	150,629	1,785,591	1,936,220
At 30.6.2024	-	1,657,594	13,244,557	792,412	718,794	42,473,054	58,886,411
Charge for the financial year	-	278,528	462,829	51,796	12,492	1,424,312	2,229,957
Disposal	-	-	-	(1,250)	-	-	(1,250)
At 30.6.2025	-	1,936,122	13,707,386	842,958	731,286	43,897,366	61,115,118
Accumulated impairment loss							
At 1.7.2023	-	-	-	-	-	41,906,824	41,906,824
Disposal	-	-	-	-	-	(8,984,736)	(8,984,736)
Transfer from right-of-use assets	-	-	-	-	-	4,055,182	4,055,182
At 30.6.2024/ 30.6.2025	-	-	-	-	-	36,977,270	36,977,270
Carrying amounts							
At 30.6.2025	33,420,000	12,569,951	864,538	345,428	57,586	3,943,287	51,200,790
At 30.6.2024	32,810,000	12,406,940	1,302,439	288,667	43,778	5,263,599	52,115,423

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025

(Cont'd)

4. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

Company	Furniture, fittings and equipment RM
Cost	
At 1.7.2022/30.6.2023/30.6.2024	19,727
Accumulated depreciation	
At 1.7.2023	2,714
Charge for the financial year	1,973
At 30.6.2024	4,687
Charge for the financial year	1,973
At 30.6.2025	6,660
Carrying amount	
At 30.6.2025	13,067
At 30.6.2024	15,040

- i) The freehold land and buildings of the Group amounted to RM45,989,951 (2024 – RM45,216,940) are stated at valuations made by an independent professional qualified valuer conducted on 30 June 2025.

Had the freehold land and buildings been carried at historical cost less accumulated depreciation, the carrying amounts of the revalued assets that would have been included in the financial statements at the end of the financial year as follows : -

	Group	
	2025	2024
	RM	RM
Freehold land	3,795,500	3,795,500
Buildings	7,074,023	7,268,340
	10,869,523	11,063,840

- ii) The freehold land and buildings at carrying amount of RM31,500,000 and RM12,500,000 (2024 – RM30,700,000 and RM12,354,488) respectively are used as securities for an advance received from other payable to the Group as disclosed in Note 16(i) to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025

(Cont'd)

4. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

iii) Details of the Group's freehold land and buildings and information about the fair value hierarchy are as follows : -

	Group	
	2025	2024
	RM	RM
Level 2		
Freehold land	33,420,000	32,810,000
Buildings	12,569,951	12,406,940
	45,989,951	45,216,940

The fair values of the freehold land and buildings of the Group are categorised as Level 2. The properties are valued by an independent firm of professional using the comparison method, determined by reference to the recent transactions of similar properties in the locality, adjusted for differences in characteristics to arrive at the fair value.

5. RIGHT-OF-USE ASSETS

Group	Buildings	Motor	Plant and	Total
	RM	vehicles	machinery	RM
		RM	RM	
Cost				
At 1.7.2023	327,081	523,046	7,823,408	8,673,535
Addition	53,512	-	-	53,512
Transfer to property, plant and equipment	-	(150,629)	(6,376,877)	(6,527,506)
At 30.6.2024	380,593	372,417	1,446,531	2,199,541
Written off	(12,000)	-	-	(12,000)
At 30.6.2025	368,593	372,417	1,446,531	2,187,541
Accumulated depreciation				
At 1.7.2023	17,085	523,046	1,963,042	2,503,173
Charge for the financial year	112,899	-	-	112,899
Transfer to property, plant and equipment	-	(150,629)	(1,785,591)	(1,936,220)
At 30.6.2024	129,984	372,417	177,451	679,852
Charge for the financial year	131,592	-	-	131,592
Written off	(12,000)	-	-	(12,000)
At 30.6.2025	249,576	372,417	177,451	799,444
Accumulated impairment loss				
At 1.7.2023	-	-	5,324,262	5,324,262
Transfer to property, plant and equipment	-	-	(4,055,182)	(4,055,182)
At 30.6.2024/30.6.2025	-	-	1,269,080	1,269,080
Carrying amount				
At 30.6.2025	119,017	-	-	119,017
At 30.6.2024	250,609	-	-	250,609

The Group leases a number of plant and machinery, motor vehicles and hostels for its foreign workers with lease term of 1 to 3 years. Fixed lease payments are made on a monthly basis.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025

(Cont'd)

6. INTANGIBLE ASSETS

	Group RM
Trademark	
Cost	
At 1.7.2023/30.6.2024/30.6.2025	1,600,000
Impairment loss	
At 1.7.2023/30.6.2024/30.6.2025	(1,600,000)
Carrying amount	
At 1.7.2023/30.6.2024/30.6.2025	-

7. INVESTMENT IN SUBSIDIARIES

	Company	
	2025 RM	2024 RM
Unquoted shares, at cost	35,567,639	35,567,639
Less: Accumulated impairment losses	(32,331,236)	(32,276,275)
	3,236,403	3,291,364

The reconciliation of the allowance for impairment loss account is as follows : -

	Company	
	2025 RM	2024 RM
At the beginning of the financial year	32,276,275	32,081,498
Impairment loss recognised	54,961	194,777
At the end of the financial year	32,331,236	32,276,275

The Company reviews the investment in subsidiaries for impairment when there is an indication of impairment. The recoverable amounts of the investment in subsidiaries are assessed by reference to the net assets of subsidiaries at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS30 JUNE 2025
(Cont'd)**7. INVESTMENT IN SUBSIDIARIES (Cont'd)**

The details of the subsidiaries are as follows : -

Name of subsidiaries	Principal place of business/ country of incorporation	Principal activities	Effective ownership Interest	
			2025 %	2024 %
Khee San Food Industries Sdn. Bhd. *	Malaysia	Manufacturer of candy confectionary and wafer products	100	100
Khee San Marketing Sdn. Bhd. *	Malaysia	Distribution of candy, confectionery and wafer products	100	100
Fruit Plus Limited #	Hong Kong	Investment holding	100	-
<u>Subsidiary company of Khee San Food Industries Sdn. Bhd.</u>				
Mega Global Confectionary Sdn. Bhd. *	Malaysia	Dormant	100	100
<u>Subsidiary company of Fruit Plus Limited</u>				
Fujian Khee San Food Company Limited #	The People's Republic of China	Dormant	100	-

* The auditors' report of the subsidiary contains qualified opinion on material uncertainty related to going concern.

Component not audited by Kreston John & Gan.

8. INVENTORIES

	Group	
	2025 RM	2024 RM
At cost		
Raw materials	7,767,670	5,440,011
Work-in-progress	2,109,511	4,398,462
Finished goods	2,320,023	1,590,280
	12,197,204	11,428,753
Recognised in profit or loss : -		
- Inventories recognised as expenses	32,756,909	28,634,787
- Impairment loss on inventories	288,791	33,526

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025

(Cont'd)

9. TRADE RECEIVABLES

	Group	
	2025	2024
	RM	RM
Trade receivables	3,416,808	2,654,481
Less: Impairment losses	(13,760)	(179,406)
	3,403,048	2,475,075

The normal credit terms of trade receivables range from immediate payment to 30 days (2024 – immediate payment to 30 days). Other terms are assessed and approved on a case-by-case basis.

The foreign currency exposures of trade receivables of the Group are as follows : -

	Group	
	2025	2024
	RM	RM
EURO	-	115,947
Hong Kong Dollar	97,968	-
Japanese Yen	290,694	-
Singapore Dollar	178,130	137,543
United States Dollar	435,350	307,027

10. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group	Company	
	2025	2024	2025
	RM	RM	RM
Other receivables	127,910	527,157	-
Deposits	1,375,308	519,204	2,500
Prepayments	514,221	400,100	-
	2,017,439	1,446,461	2,500

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025

(Cont'd)

11. AMOUNTS DUE FROM/(TO) SUBSIDIARIES

		Company	
	Note	2025 RM	2024 RM
Non-Current			
Amount due from a subsidiary	(a)	68,696,993	68,696,993
Less: Accumulated impairment losses	31(b)(i)	(68,696,993)	(68,696,993)
		-	-
Current			
Amount due from a subsidiary	(b)	1,366	1,366
Amounts due to subsidiaries	(b)	(10,681,213)	(6,036,799)

- a) The amount due from a subsidiary represents unsecured, interest-free advances repayable on demand.
- b) The amounts due from/(to) subsidiaries are non-trade in nature, unsecured, interest-free and repayable on demand by cash and cash equivalents.

12. SHARE CAPITAL

	Group and Company			
	2025	2024	2025	2024
	Number of ordinary shares			
	Unit	Unit	RM	RM
Issued and fully paid : -				
shares with no par value classified as equity				
instruments : -				
Ordinary shares				
At the beginning/end of the financial year	137,280,000	137,280,000	112,191,917	112,191,917

Ordinary shares

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025

(Cont'd)

13. LEASE LIABILITIES

Group	Factory rental RM	Hire purchase RM	Total RM
2025			
Minimum lease payments : -			
- not later than one year	82,300	974,284	1,056,584
- later than one year and not later than two years	47,300	-	47,300
	129,600	974,284	1,103,884
Less: future interest charges	(3,437)	(3,933)	(7,370)
Present value of lease liabilities	126,163	970,351	1,096,514
Repayable as follows : -			
Non-Current Liabilities			
- later than one year and not later than two years	46,598	-	46,598
Current liabilities			
- not later than one year	79,565	970,351	1,049,916
	126,163	970,351	1,096,514
2024			
Minimum lease payments : -			
- not later than one year	125,400	1,109,976	1,235,376
- later than one year and not later than two years	91,100	22,423	113,523
- later than two years and not later than five years	47,300	-	47,300
	263,800	1,132,399	1,396,199
Less: future interest charges	(9,229)	(10,122)	(19,351)
Present value of lease liabilities	254,571	1,122,277	1,376,848
Repayable as follows : -			
Non-Current Liabilities			
- later than one year and not later than two years	88,498	19,197	107,695
- later than two years and not later than five years	46,598	-	46,598
	135,096	19,197	154,293
Current liabilities			
- not later than one year	119,475	1,103,080	1,222,555
	254,571	1,122,277	1,376,848
		%	%
Effective interest rate		2.34 – 5.30	2.34 – 5.30

Included in the Group's lease liabilities were leases of motor vehicles, workers' hostel, plant and machinery under leases expiring from 1 to 3 years. Implicit interest rate of the lease is fixed at the inception of the lease arrangements, and the lease instalments are fixed throughout the lease period. There are no significant restriction clauses imposed on the lease arrangements.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025

(Cont'd)

14. DEFERRED TAX LIABILITIES

	Group	
	2025	2024
	RM	RM
At beginning of the financial year	3,628,181	3,628,181
Recognised in Other Comprehensive Income	96,733	-
At end of the financial year	3,724,914	3,628,181

Recognised deferred tax liabilities is attributable to the following : -

Group	2025	2024
	RM	RM
Revaluation reserve	3,724,914	3,628,181

Deferred tax assets have not been recognised in respect of the following items (stated at gross): -

	Group	
	2025	2024
	RM	RM
Unabsorbed tax losses	37,793,065	37,721,860
Other deductible temporary differences	14,025,158	22,127,307
	51,818,223	59,849,167

Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be against which the Group can utilise the benefits there from.

Pursuant to the latest tax legislation in Malaysia, unabsorbed tax losses from year of assessment 2019 onwards can be carried forward for a maximum of 10 years.

The unabsorbed tax losses are available for offset against future taxable profits of the Group which will expire in the following financial year : -

	Group	
	2025	2024
	RM	RM
Unutilised tax losses		
- 2030	7,617,636	7,617,636
- 2032	8,522,276	8,522,276
- 2033	21,396,024	21,396,024
- 2034	237,498	185,924
- 2035	19,631	-
	37,793,065	37,721,860

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025

(Cont'd)

15. TRADE PAYABLES

The normal credit terms of the Group's trade payables range from immediate payment to 60 days (2024 – immediate payment to 60 days). However, the terms may vary upon negotiation with the trade payables.

The foreign currency exposures of trade payables of the Group are as follows : -

	Group	
	2025	2024
	RM	RM
Singapore Dollar	94,884	99,723
United States Dollar	29,593	33,119

16. OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Other payables	41,913,404	40,129,963	1,817,449	1,969,851
Accruals	4,331,372	4,765,527	663,032	653,878
	46,244,776	44,895,490	2,480,481	2,623,729

Group

Included in other payables and accruals are as follows : -

- i) an advance amounted to RM18,000,000 (2024 – RM18,000,000) which is secured by factory freehold land and buildings of the Group as disclosed in Note 4 to the financial statements.
- ii) an amount of RM12,140,546 (2024 – RM12,140,546) is due to the financial creditors as accruals for interest on bankers' acceptances.

17. AMOUNT DUE TO DIRECTORS

The amounts outstanding are non-trade in nature, unsecured, interest free and repayable on demand. Settlement is expected to be in cash.

18. BORROWINGS

	Group	
	2025	2024
	RM	RM
Current Liabilities		
<u>Secured</u>		
Bankers' acceptances	65,850,603	65,850,603
Bank overdraft	9,605,466	9,605,466
	75,456,069	75,456,069

NOTES TO THE FINANCIAL STATEMENTS

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(Cont'd)

18. BORROWINGS (Cont'd)

The bankers' acceptances and bank overdraft are secured by corporate guarantee given by the Company and negative pledge over the unencumbered assets of the Group.

Effective interest rates per annum on the borrowings of the Group are as follows : -

	Group	
	2025	2024
Interest rate : -	%	%
Bankers' acceptances	2.18 - 10.42	2.18 - 10.42
Bank overdraft	1.80 - 9.07	1.80 - 9.07

19. REVENUE

	Group	
	2025	2024
	RM	RM
Revenue from contract with customers : -		
- Sale of goods	57,400,133	52,303,044
Timing of revenue : -		
- At a point in time	57,400,133	52,303,044

20. REVENUE – ANALYSIS AND NATURE

a) Disaggregation of revenue

	Manufacturing		Trading		Total	
	2025	2024	2025	2024	2025	2024
	RM	RM	RM	RM	RM	RM
Primary geographical markets						
Malaysia	39,402,044	33,297,677	20,032	55,476	39,422,076	33,353,153
Rest of Asia	17,340,763	17,826,040	-	-	17,340,763	17,826,040
Europe	87,764	557,610	-	-	87,764	557,610
Africa	518,986	566,241	-	-	518,986	566,241
Oceania	30,544	-	-	-	30,544	-
	57,380,101	52,247,568	20,032	55,476	57,400,133	52,303,044

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025

(Cont'd)

20. REVENUE – ANALYSIS AND NATURE (Cont'd)

b) Nature of goods and services

The following information reflects the typical transactions of the Group : -

Nature of goods or services	- Confectionery products.
Timing of recognition or method used to recognise revenue	- Revenue is recognised at a point in time when the goods are delivered and accepted by the customers at their premises.
Significant payment terms	- Cash terms and credit period of 30 days from invoice date.
Variable element in consideration	- Discounts are given to customer where the customer pay within 7, 15 or 30 days from invoice date.
Obligation for returns or refunds	- The Company allows for returns with cash refunds
Warranty	- Not applicable.

c) Transaction price allocated to the remaining performance obligations

The Group applies the practical expedient that exempts the disclosure of information on remaining performance obligations that have original expected durations of one year or less.

As at year end, all remaining performance obligations of the Group have original expected durations of one year or less.

d) Significant judgements and assumptions arising from revenue recognition

The Group applies significant judgements and assumptions to determine the probability of sales achievement of the customers, the probability that the customers will pay within 30 days from invoice date and the probability of goods returned. The Group considered internal information to estimate the probability. In applying judgement, the Group also determined that the recognition of revenue will not result in significant revenue reversal.

21. FINANCE INCOME

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Interest income	163,917	22,508	-	391

NOTES TO THE FINANCIAL STATEMENTS

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(Cont'd)

22. OTHER OPERATING INCOME

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Dividend received from liquidator	-	21,089	-	-
Human resources development fund claim	-	23,475	-	-
Gain on disposal of plant and equipment	-	267,201	-	-
Realised gain from short term investment	56,396	-	56,396	-
Recovery of fee charged by former interim judicial manager	1,770,852	-	-	-
Sales of scrap	15,320	28,189	-	-
Sundry income	16,984	39,234	-	-
Unrealised gain on foreign exchange	133,646	149,802	-	-
	1,993,198	528,990	56,396	-

23. FINANCE COSTS

	Group	
	2025	2024
	RM	RM
Interest expenses of financial liabilities that are not fair value through profit or loss	-	519
Interest expense on lease liabilities	43,474	13,136
	43,474	13,655

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025

(Cont'd)

24. PROFIT/(LOSS) BEFORE TAXATION

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
These are arrived at after charging : -				
Auditors' remuneration : -				
- current year	110,484	101,500	35,000	30,000
- prior year underprovided	4,500	-	5,000	-
- other services	113,000	103,000	113,000	103,000
Depreciation of				
- property, plant and equipment (Note 4)	2,229,957	2,938,886	1,973	1,973
- right-of-use assets (Note 5)	131,592	112,899	-	-
Deposit written off	72,500	-	-	-
Expenses relating to short-term lease *	-	7,380	-	-
Expenses relating to lease of low value assets *	15,634	4,310	-	-
Employee benefits expenses (Note 25)	11,340,242	10,118,933	1,942,793	1,649,079
Finance costs (Note 23)	43,474	13,655	-	-
Impairment loss on : -				
- subsidiaries	-	-	54,961	194,777
- trade receivables	-	137,562	-	-
- inventories	288,791	33,526	-	-
Loss on disposal of plant and machinery	1,650	-	-	-
Realised loss on foreign exchange	248,805	272,503	-	-
and crediting : -				
Gain on disposal of plant and machinery (Note 22)	-	(267,201)	-	-
Interest income (Note 21)	(163,917)	(22,508)	-	(391)
Unrealised gain on foreign exchange (Note 22)	(133,646)	(149,802)	-	-

* The Group leases buildings and office equipment with contract term of 1 to 2 years. These leases are short-term and/or leases of low value items.

NOTES TO THE FINANCIAL STATEMENTS

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(Cont'd)

25. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Salaries, wages, overtime and allowance	10,259,293	9,209,078	1,728,307	1,474,529
Employee provident fund	669,674	617,570	200,369	166,276
Employment Insurance System	6,003	5,453	618	451
Social security cost	129,246	98,207	5,411	3,945
Other benefits	276,026	188,625	8,088	3,878
	11,340,242	10,118,933	1,942,793	1,649,079

Employee benefits expense included directors' remuneration (exclude benefits-in-kind) amounting to RM1,708,835 (2024 – RM1,447,977) as disclosed in Note 26 to the financial statements.

26. DIRECTORS' REMUNERATION

	Group and Company	
	2025	2024
	RM	RM
Executive director		
- Fees	120,700	72,000
- Other emoluments	1,469,448	1,217,777
	1,590,148	1,289,777
Non-executive directors		
- Fees	163,700	108,000
- Other emoluments	65,500	50,200
	229,200	158,200
Total excluding benefits-in-kind	1,819,348	1,447,977

27. INCOME TAX CREDIT

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Current income tax : -				
- current year	(28,000)	-	-	-
- underprovided in previous financial year	(10,988)	-	-	-
Tax refund	50,336	-	-	-
	11,348	-	-	-

Income tax is calculated at the Malaysian statutory tax rates of 24% (2024 – 24%) of the estimated assessable profit for the financial year.

NOTES TO THE FINANCIAL STATEMENTS

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(Cont'd)

27. INCOME TAX CREDIT (Cont'd)

	Group		Company	
	2025	2024	2025	2024
	%	%	%	%
Applicable tax rate	24	24	(24)	(24)
Overprovision of current income tax in respect of prior year	(1)	-	-	-
Non-deductible expenses	101	241	24	24
Utilisation of deferred tax assets not recognised in prior year	(125)	(265)	-	-
Effective tax rate	(1)	-	-	-

28. EARNINGS PER SHARE

Basic:

Basic earnings per share is calculated by dividing the earnings for the financial year attributable to equity holders of the Company by the weighted-average number of ordinary shares in issue during the financial year.

	Group	
	2025	2024
	RM	RM
Profit for the financial year attributable to ordinary equity holders of the Group	1,783,051	783,914
Weighted average number of ordinary shares in issue (Unit) (Note 12)	137,280,000	137,280,000
Basic earnings per share (sen)	1.30	0.57

Diluted:

The basic and diluted earnings per share are equal as the Company has no dilutive potential ordinary shares.

29. CASH AND CASH EQUIVALENTS

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Cash and bank balances	2,070,002	2,171,459	77,981	1,605
Deposit with licensed banks	4,039,472	2,010,498	-	-
Bank overdraft	(9,605,466)	(9,605,466)	-	-
	(3,495,992)	(5,423,509)	77,981	1,605

NOTES TO THE FINANCIAL STATEMENTS

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(Cont'd)

29. CASH AND CASH EQUIVALENTS (Cont'd)

The foreign currency exposures of cash and bank balances of the Group are as follows : -

	Group	
	2025	2024
	RM	RM
Cash and bank balances		
- EURO	5,922	5,276
- Hong Kong Dollar	217	78,438
- Japanese Yen	1,097	290,414
- United States Dollar	13,203	33,850

The fixed deposit with licensed bank of the Group has maturity period of 1 to 6 months (2024 – 1 to 6 months). The interest rate of fixed deposit with licensed bank ranged from 3.10% to 3.60% (2024 – 3.60) per annum.

30. SEGMENTAL INFORMATION

Segment information is presented in respect of the Group's business and geographical segments. The primary format, business segments, is based on the Group's management and internal reporting structure.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise interest-earning assets and revenue, interest-bearing loans, borrowings and expenses, and corporate assets and expenses.

Segment capital expenditure is the total cost incurred during the year to acquire segment assets that are expected to be used for more than one year.

Business segments

The Group comprises the following main business segments : -

Investment holding : Investment in subsidiaries

Manufacture and trading : Manufacturing and trading of food and all related products.

There are varying levels of integration amount the reportable segments. This integration includes transfers of raw materials, shared managed services and financial resources. Inter-segment pricing is determined on negotiated basis in a manner similar to transactions with third parties.

Performance is measured based on segment profit before tax, interest, depreciation and amortization, as included in the internal management reports that are reviewed by the Group's Chief Executive Officer (the chief operating decision maker). Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Segment assets and liabilities

The total of segment assets and liabilities are measured based on all assets and liabilities of a segment, as included in the internal management reports that are reviewed by the Group's Chief Executive Officer.

Segment capital expenditure

Segment capital expenditure is the total cost incurred during the financial year to acquire property, plant and equipment, and intangible assets other than goodwill.

NOTES TO THE FINANCIAL STATEMENTS

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(Cont'd)

30. SEGMENTAL INFORMATION (Cont'd)

a) Business Segments

	Investment- holding RM	Manufacturing and trading RM	Elimination RM	Total RM
2025				
Revenue:				
Revenue from external customers	-	57,400,133	-	57,400,133
Inter-company revenue	-	19,163	(19,163)	-
	-	57,419,296	(19,163)	57,400,133
Results:				
Segment results	(4,300,055)	5,896,354	54,961	1,651,260
Finance income	-	163,917	-	163,917
Finance costs	-	(43,474)	-	(43,474)
Segment (loss)/profit before taxation	(4,300,055)	6,016,797	54,961	1,771,703
Income tax credit	-	11,348	-	11,348
(Loss)/Profit for the financial year	(4,300,055)	6,028,145	54,961	1,783,051
Other information				
Segment assets	3,331,317	85,375,535	(13,659,880)	75,046,972
Segment liabilities	13,269,160	214,659,321	(78,906,867)	149,021,614
Non-cash expenses/(income)				
- Depreciation of property, plant and equipment	1,973	2,227,984	-	2,229,957
- Depreciation of right-of-use assets	-	131,592	-	131,592
- Loss on disposal of plant and equipment	-	1,650	-	1,650
- Impairment loss on inventories	-	288,791	-	288,791
- Impairment loss on investment in subsidiaries	54,961	-	(54,961)	-
- Unrealised gain on foreign exchange	-	(133,646)	-	(133,646)
Included in the measure of segment assets is : -				
- Additions to non-current asset other than financial instruments and deferred tax assets	-	1,319,074	-	1,319,074

NOTES TO THE FINANCIAL STATEMENTS

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(Cont'd)

30. SEGMENTAL INFORMATION (Cont'd)

a) Business Segments (Cont'd)

	Investment- holding RM	Manufacturing and trading RM	Elimination RM	Total RM
2024				
Revenue:				
Revenue from external customers	-	52,303,044	-	52,303,044
Inter-company revenue	-	77,845	(77,845)	-
Total revenue	-	52,380,889	(77,845)	52,303,044
Results:				
Segment results	(4,158,817)	4,739,101	194,777	775,061
Finance income	391	22,117	-	22,508
Finance cost	-	(13,655)	-	(13,655)
Segment (loss)/profit before taxation	(4,158,426)	4,747,563	194,777	783,914
Taxation	-	-	-	-
(Loss)/Profit for the financial year	(4,158,426)	4,747,563	194,777	783,914
Other information				
Segment assets	3,337,523	80,147,351	(11,586,596)	71,898,278
Segment liabilities	(8,976,132)	(216,543,480)	76,992,225	(148,527,387)
Non-cash expenses/(income)				
- Depreciation of property, plant and equipment	1,973	2,936,913	-	2,938,886
- Depreciation of right-of-use assets	-	112,899	-	112,899
- Impairment loss on inventories	-	33,526	-	33,526
- Impairment loss on trade receivables	-	137,562	-	137,562
- Gain on disposal of plant and equipment	-	(267,201)	-	(267,201)
- Impairment loss on investment in subsidiaries	194,777	-	(194,777)	-
- Unrealised gain on foreign exchange	-	(149,802)	-	(149,802)
Included in the measure of segment assets is : -				
- Additions to non-current asset other than financial instruments and deferred tax assets	-	420,855	-	420,855

NOTES TO THE FINANCIAL STATEMENTS

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(Cont'd)

30. SEGMENTAL INFORMATION (Cont'd)

b) Geographical segment

The trading operations are based not only in Malaysia but also spread throughout the rest of Asia, Europe, and Africa.

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers whereas segment assets are based on the geographical location of assets.

	Segment revenue		Segment assets	
	2025	2024	2025	2024
	RM	RM	RM	RM
Malaysia	39,422,076	33,353,153	75,046,972	71,898,278
Rest of Asia	17,340,763	17,826,040	-	-
Europe	87,764	557,610	-	-
Africa	518,986	566,241	-	-
Oceania	30,544	-	-	-
	57,400,133	52,303,044	75,046,972	71,898,278

31. FINANCIAL INSTRUMENTS

a) Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows : -

- i) Financial assets measured at amortised cost ("FAAC"); and
- ii) Financial liabilities measured at amortised cost ("FLAC").

Group	Carrying Amounts RM	FAAC RM	FLAC RM
2025			
Financial assets			
Trade receivables	3,403,048	3,403,048	-
Other receivables and deposits	1,503,218	1,503,218	-
Deposits with licensed banks	4,039,472	4,039,472	-
Cash and bank balances	2,070,002	2,070,002	-
	11,015,740	11,015,740	-
Financial liabilities			
Trade payables	(17,412,866)	-	(17,412,866)
Other payables and accruals	(46,244,776)	-	(46,244,776)
Amount due to directors	(5,084,725)	-	(5,084,725)
Borrowings	(75,456,069)	-	(75,456,069)
Lease liabilities - hire purchase	(970,351)	-	(970,351)
	(145,168,787)	-	(145,168,787)

NOTES TO THE FINANCIAL STATEMENTS

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(Cont'd)

31. FINANCIAL INSTRUMENTS (Cont'd)

a) Categories of financial instruments (Cont'd)

The table below provides an analysis of financial instruments categorised as follows : - (Cont'd)

Group (Cont'd)	Carrying Amounts RM	FAAC RM	FLAC RM
2024			
Financial assets			
Trade receivables	2,475,075	2,475,075	-
Other receivables and deposits	1,046,361	1,046,361	-
Deposits with licensed banks	2,010,498	2,010,498	-
Cash and bank balances	2,171,459	2,171,459	-
	7,703,393	7,703,393	-
Financial liabilities			
Trade payables	(17,855,195)	-	(17,855,195)
Other payables and accruals	(44,895,490)	-	(44,895,490)
Amount due to directors	(5,315,604)	-	(5,315,604)
Borrowings	(75,456,069)	-	(75,456,069)
Lease liabilities - hire purchase	(1,122,277)	-	(1,122,277)
	(144,644,635)	-	(144,644,635)
Company	Carrying amounts RM	FAAC RM	FLAC RM
2025			
Financial assets			
Deposits	2,500	2,500	-
Amount due from a subsidiary	1,366	1,366	-
Cash and bank balances	77,981	77,981	-
	81,847	81,847	-
Financial liabilities			
Other payables and accruals	(2,480,481)	-	(2,480,481)
Amount due to directors	(84,725)	-	(84,725)
Amount due to subsidiaries	(10,681,213)	-	(10,681,213)
	(13,246,419)	-	(13,246,419)

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025

(Cont'd)

31. FINANCIAL INSTRUMENTS (Cont'd)

a) Categories of financial instruments (Cont'd)

The table below provides an analysis of financial instruments categorised as follows : - (Cont'd)

Company	Carrying amounts RM	FAAC RM	FLAC RM
2024			
Financial assets			
Deposits	8,148	8,148	-
Amount due from a subsidiary	1,366	1,366	-
Cash and bank balances	1,605	1,605	-
	11,119	11,119	-
Financial liabilities			
Other payables and accruals	(2,623,729)	-	(2,623,729)
Amount due to directors	(315,604)	-	(315,604)
Amount due to subsidiaries	(6,036,799)	-	(6,036,799)
	(8,976,132)	-	(8,976,132)

b) Financial risk management

The Group and the Company have exposure to the following risks from its use of financial instruments as follows : -

- Credit risk
- Liquidity risk
- Market risk
- Operational risk

i) Credit risk

Credit risk is the risk of a financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its receivables from customers. The Company's exposure to credit risk arises principally from advances to subsidiary and financial guarantees given to banks for credit facilities granted to subsidiaries. There are no significant changes as compared to previous financial year.

Trade receivables

Risk management objectives, policies and processes for managing the risk

The credit risk is controlled by the application of credit approvals, limits and monitoring procedures. Credit risks are minimised and monitored via strictly limiting the Group's associations to business partners with high credit worthiness. The Group also has an internal credit review which is conducted if the credit risk is material. Trade receivables are monitored on an ongoing basis via Group management reporting procedures.

At each reporting date, the Group assesses whether any of the trade receivables are credit impaired.

NOTES TO THE FINANCIAL STATEMENTS

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(Cont'd)

31. FINANCIAL INSTRUMENTS (Cont'd)

b) Financial risk management (Cont'd)

i) Credit risk (Cont'd)

Trade receivables (Cont'd)

Risk management objectives, policies and processes for managing the risk (Cont'd)

The gross carrying amounts of credit impaired trade receivables are written off (either partially or full) when there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables that are written off could still be subject to enforcement activities.

There are no significant changes as compared to previous financial year.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables are represented by carrying amounts in the statement of financial position. Credit risk and receivables are monitored on an ongoing basis. These procedures substantially mitigate credit risk of the Group.

Management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are measured at their realisable values. A significant portion of these receivables are regular customers that have been transacting with the Group. The Group uses ageing analysis to monitor the credit quality of the receivables. Any past due receivables having significant balances, which are deemed to have higher credit risk, are monitored individually.

The trade receivables are not secured by any collateral or supported by any other credit enhancements.

Recognition and measurement of impairment losses

The Group uses an allowance matrix to measure the expected credit losses ("ECL") of trade receivables from individual customers, which comprise a very large number of insignificant balances outstanding.

To measure the ECLs, trade receivables have been grouped based on credit risk and days past due. The Group considers a receivable to have significant high credit risk when its outstanding balance is more than 12 months.

Where a receivable has a low credit risk, it is excluded from the allowance matrix and its ECL is assessed individually by considering historical payment trends and financial strength of the receivable.

NOTES TO THE FINANCIAL STATEMENTS

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(Cont'd)

31. FINANCIAL INSTRUMENTS (Cont'd)

b) Financial risk management (Cont'd)

i) Credit risk (Cont'd)

Trade receivables (Cont'd)*Recognition and measurement of impairment losses (Cont'd)*

The following table provides information about the exposure to credit risk and ECLs for trade receivables as at the reporting date which are grouped together as they are expected to have similar risk nature : -

	Gross RM	Less: Allowance RM	Net RM
Group			
2025			
No past due	2,542,084	-	2,542,084
Past due 1 - 30 days	748,886	-	748,886
Past due 31 - 60 days	60,427	-	60,427
Past due over 60 days	65,411	(13,760)	51,651
	3,416,808	(13,760)	3,403,048
2024			
No past due	2,139,640	-	2,139,640
Past due 1 - 30 days	208,012	-	208,012
Past due 31 - 60 days	29,148	-	29,148
Past due over 60 days	277,681	(179,406)	98,275
	2,654,481	(179,406)	2,475,075

The movements in the allowance for impairment in respect of trade receivables during the financial year are as follows : -

	Lifetime ECL RM	Credit impaired RM	Total RM
Group			
At 1.7.2023	-	195,559	195,559
Addition	-	178,606	178,606
Reversal of impairment loss on trade receivables no longer required	-	(41,044)	(41,044)
Written off	-	(153,715)	(153,715)
At 30.6.2024	-	179,406	179,406
Written off	-	(165,646)	(165,646)
At 30.6.2025	-	13,760	13,760

NOTES TO THE FINANCIAL STATEMENTS

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(Cont'd)

31. FINANCIAL INSTRUMENTS (Cont'd)

b) Financial risk management (Cont'd)

i) Credit risk (Cont'd)

Other receivables

Risk management objectives, policies and processes for managing the risk

The credit risk is controlled by the application of credit approvals, limits and monitoring procedures. Credit risks are minimised and monitored via strictly limiting the Group's associations to business partners with high credit worthiness. The Group also has an internal credit review which is conducted if the credit risk is material. Other receivables are monitored on an ongoing basis via Group management reporting procedures.

There are no significant changes as compared to previous financial year.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

Recognition and measurement of impairment losses

The Group uses an allowance matrix to measure the expected credit losses ("ECL") of its receivables, where a receivable has a low credit risk, it is excluded from the allowance matrix and its ECL is assessed individually by considering historical payment trends and financial strength of the receivable.

Financial guarantee

Risk management objectives, policies and processes for managing the risk

The Group and the Company provide unsecured financial guarantees to banks in respect of banking facilities granted to certain subsidiaries. The Company monitors on an ongoing basis the results of subsidiaries and repayments made by the subsidiaries.

Exposure to credit risk, credit quality and collateral

The maximum exposure to credit risk amounts to RM75,456,069 (2024 – RM75,456,069) representing the outstanding banking facilities of the subsidiaries as at the end of the reporting period.

The financial guarantees have not been recognised since the fair value on initial recognition was not material as the guarantees provided as credit enhancement to subsidiaries' secured borrowings.

Inter-company loans and advances

Risk management objectives, policies and processes for managing the risk

The Group and the Company provide unsecured loans and advances to subsidiaries. The Company monitors the ability of the subsidiaries to repay the loans and advances on an individual basis.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

Loans and advances provided are not secured by any collateral or supported by any other credit enhancements.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025

(Cont'd)

31. FINANCIAL INSTRUMENTS (Cont'd)

b) Financial risk management (Cont'd)

i) Credit risk (Cont'd)

Inter-company loans and advances (Cont'd)

Recognition and measurement of impairment losses

Generally, the Company considers loans and advances to subsidiaries have low credit risk. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. As the Company is able to determine the timing of payments of the subsidiaries' loans and advances when they are payable, the Company considers the loans and advances to be in default when the subsidiaries are not able to pay when demanded. The Company considers a subsidiary's loan or advance to be credit impaired when : -

- The subsidiary is unlikely to repay its loan or advance to the Company in full;
- The subsidiary's loan or advance is overdue for more than 365 days; or
- The subsidiary is continuously loss making and is having a deficit shareholders' funds.

The Company determines the probability of default for these loans and advances individually using internal information available.

The movements in the allowance for impairment in respect of inter-company loans and advances during the financial period are as follows : -

	Lifetime ECL RM	Credit impaired RM	Total RM
Company			
At 1.7.2023/30.6.2024/30.6.2025	-	68,696,993	68,696,993

Deposits with licensed banks and Cash and bank balances

Deposits with licensed banks and Cash and bank balances are placed with major financial institutions which have low credit risks and any expected credit losses arising on these financial assets are insignificant.

ii) Liquidity risks

Liquidity risks is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's exposure to liquidity risk arises principally from its various payables, loans and borrowings.

The Group maintains a level of cash and cash equivalents deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025

(Cont'd)

31. FINANCIAL INSTRUMENTS (Cont'd)

b) Financial risk management (Cont'd)

ii) Liquidity risks (Cont'd)

The table below summarises the maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments : -

Group	Carrying amounts RM	Contractual interest rate %	Contractual undiscounted cash flows RM	Under 1 year RM	1 – 2 years RM	2 – 5 years RM
2025						
<i>Non-derivative financial liabilities</i>						
Trade payables	17,412,866	-	17,412,866	17,412,866	-	-
Other payables and accruals	46,244,776	-	46,244,776	46,244,776	-	-
Amount due to directors	5,084,725	-	5,084,725	5,084,725	-	-
Bankers' acceptances	65,850,603	2.18 - 10.42	65,850,603	65,850,603	-	-
Bank overdraft	9,605,466	1.80 - 9.07	9,605,466	9,605,466	-	-
Lease liabilities	1,096,514	2.34 - 5.30	1,103,884	1,056,584	47,300	-
	<u>145,294,950</u>		<u>145,302,320</u>	<u>145,255,020</u>	<u>47,300</u>	<u>-</u>
2024						
<i>Non-derivative financial liabilities</i>						
Trade payables	17,855,195	-	17,855,195	17,855,195	-	-
Other payables and accruals	44,895,490	-	44,895,490	44,895,490	-	-
Amount due to directors	5,315,604	-	5,315,604	5,315,604	-	-
Bankers' acceptances	65,850,603	2.18 - 10.42	65,850,603	65,850,603	-	-
Bank overdraft	9,605,466	1.80 - 9.07	9,605,466	9,605,466	-	-
Lease liabilities	1,376,848	2.34 - 5.30	1,396,199	1,235,376	113,523	47,300
	<u>144,899,206</u>		<u>144,918,557</u>	<u>144,757,734</u>	<u>113,523</u>	<u>47,300</u>

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025

(Cont'd)

31. FINANCIAL INSTRUMENTS (Cont'd)

b) Financial risk management (Cont'd)

ii) Liquidity risks (Cont'd)

Company	Carrying amounts RM	Contractual interest rate %	Contractual undiscounted cash flows RM	Under 1 year RM
2025				
<i>Non-derivative financial liabilities</i>				
Other payables and accruals	2,480,481	-	2,480,481	2,480,481
Amount due to directors	84,725	-	84,725	84,725
Amount due to subsidiary companies	10,681,213	-	10,681,213	10,681,213
Financial guarantee	75,456,069	-	75,456,069	75,456,069
	<u>88,702,488</u>	-	<u>88,702,488</u>	<u>88,702,488</u>
2024				
<i>Non-derivative financial liabilities</i>				
Other payables and accruals	2,623,729	-	2,623,729	2,623,729
Amount due to directors	315,604	-	315,604	315,604
Amount due to subsidiary companies	6,036,799	-	6,036,799	6,036,799
Financial guarantee	75,456,069	-	75,456,069	75,456,069
	<u>84,432,201</u>		<u>84,432,201</u>	<u>84,432,201</u>

iii) Market risk

Foreign currency risk

The Group is exposed to foreign currency risk on sales that are denominated in a currency other than the respective functional currency of Group entities. The currency giving rise to this risk were primarily Euro ("EURO"), Japanese Yen ("JPY"), Singapore Dollar ("SGD"), United States Dollar ("USD") and Hong Kong Dollar ("HKD").

Risk management objectives, policies and processes for managing the risk

The Group is closely monitoring the foreign currency risk on an ongoing basis to ensure that the net exposure is at acceptable level.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025

(Cont'd)

31. FINANCIAL INSTRUMENTS (Cont'd)

b) Financial risk management (Cont'd)

iii) Market risk (Cont'd)

Exposure to foreign currency risk

The Group's exposure to foreign currency (a currency which is other than the functional currency of the Group entities) risk, based on carrying amounts as at the end of the reporting period was : -

	2025 RM	2024 RM
Trade receivables (Note 9)		
- EURO	-	115,947
- Hong Kong Dollar	97,968	-
- Japanese Yen	290,694	-
- Singapore Dollar	178,130	137,543
- United States Dollar	435,350	307,027
Trade payables (Note 15)		
- Singapore Dollar	(94,884)	(99,723)
- United States Dollar	(29,593)	(33,119)
Cash and bank balances (Note 29)		
- EURO	5,922	5,276
- Hong Kong Dollar	217	78,438
- Japanese Yen	1,097	290,414
- United States Dollar	13,203	33,850

Currency risk sensitivity analysis

At 5% (2024 – 5%) strengthening of Ringgit Malaysia ("RM") against the following currencies at the end of the reporting period would have increased equity and post-tax profit or loss by the amount shown below. This analysis is based on foreign currency exchange rate variance that the Group considered to be reasonable possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remained constant.

	2025		2024	
	Equity RM	Profit or loss RM	Equity RM	Profit or loss RM
Increase	34,128	34,128	31,751	31,751

At 5% (2024 – 5%) of weakening of RM against the above foreign currencies at the end of the reporting period would have had equal but opposite effect on the above currencies to the amount shown above, on the basis that all other variables remained constant.

Interest rate risk

The Group's fixed rate borrowings are exposed to a risk of change in their fair value due to changes in interest rate. The Group's variable rate borrowings are exposed to a risk of change in cash flows due to changes interest rates. Short term receivables and payables are not significantly exposed to interest rate risk.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025

(Cont'd)

31. FINANCIAL INSTRUMENTS (Cont'd)

b) Financial risk management (Cont'd)

iii) Market risk (Cont'd)

Risk Management objectives, policies and processes for managing the risk

The Group's policy is to borrow principally on the floating rate basis but to retain a proportion of fixed rate debt. The objectives for the mix between fixed and floating rate borrowings are set to reduce the impact of an upward change in interest rates while enabling benefits to be enjoyed if interest rate fall.

Exposure to interest rate risk

The interest rate profile of the Group's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was : -

Group	2025		2024	
	RM	Interest rate %	RM	Interest rate %
<u>Fixed rate instruments</u>				
Lease liabilities	(1,096,514)	2.34-5.30	(1,376,848)	2.34-5.30
<u>Floating rate instruments</u>				
Bankers' acceptances	(65,850,603)	2.18-10.42	(65,850,603)	2.18-10.42
Bank overdraft	(9,605,466)	1.80-9.07	(9,605,466)	1.80-9.07

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change on interest rates at the end of the reporting period would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

At the reporting date, if interest rates had been 100 basis points lower/higher, with all other variables held constant, the Group's profit/(loss) net of tax would have been RM573,466 (2024 – RM573,466) higher /lower, arising mainly as a result of lower/higher interest expense on floating rate borrowings. The assumed movement in basis point for interest rate sensitivity analysis is based on the currently observable market environment.

iv) Operational risk

The operational risk arises from the daily activities of the Group which includes legal, credit reputation and financing risk and other risks associated to daily running of its business operations.

Such risks are mitigated through proper authority levels of approval limits, clear reporting structure, segregation of duties, policies and procedures implemented and periodic management meetings.

In dealing with its stewardship, the directors recognise that effective risk management is an integral part of good business practice.

The directors will pursue an ongoing process of identifying, assessing and managing key business areas, overall operational and financial risk faced by the business units as well as regularly reviewing and enhancing risk mitigating strategies with its appointed and key management personnel.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025

(Cont'd)

31. FINANCIAL INSTRUMENTS (Cont'd)

c) Fair value information

The carrying amount of cash and cash equivalents, trade and other receivables, inter-company balances, trade and other payables, amount due to directors, short term borrowings and current portion of lease payables approximate fair value due to the relatively short-term nature of these financial instruments.

32. CAPITAL MANAGEMENT

The overall capital management objective of the Group and the Company are to safeguard its ability to continue as a going concern so as to provide fair returns to owners and benefits to other stakeholders. In order to meet this objective, the Group and the Company always strive to maintain an optimal capital structure to reduce the cost of capital and sustain its business development.

The Group and the Company consider its total equity to be the key component of its capital structure and may, from time to time, adjust the dividend payouts, purchase own shares, issued new shares, redeem debts or sell assets, where necessary, to maintain an optimal capital structure. Management has not formulated any formal policies and processes for monitoring the Group and the Company's capital in view of its simple structure. Nevertheless, management will always strive to improve those policies and processes whenever the need arises.

Under the requirement of Bursa Malaysia Note No. 17/2005, the Group and the Company are required to maintain a consolidated shareholders' equity equal or not less than 25% of the issued and paid-up capital and such shareholders' equity is not less than RM40 million. As disclosed in Note 2(a) to the financial statements, the Company has triggered the Prescribed Criteria of paragraph 2.1(b) of Practice Note 17 ("PN17") pursuant to paragraph 8.04(2) of the Main Market Listing Requirements of Bursa Malaysia.

33. CAPITAL COMMITMENT

Contracted capital expenditure not provided for in the audited financial statements is as follows : -

	Group	
	2025	2024
	RM	RM
Property, plant and equipment	518,980	-
Investment in subsidiaries	5,939,722	-
	6,458,702	-

As at 30 June 2025, the Group has capital commitments amounting to Chinese Yuan ¥10 million and Hong Kong Dollar HKD0.1 million in respect of equity contributions to its wholly-owned subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025

(Cont'd)

34. CONTINGENT ASSETS/(LIABILITIES)

	Group and Company	
	2025	2024
(a) Contingent assets		
Disputed sum taken by Former Interim Judicial Manager ("FIJM")	-	2,020,852
(b) Contingent liabilities		
Outstanding legal fees claimed by a third party	-	1,176,000

The disputed sum of RM2,020,852 is recovered and concluded on 24 July 2024, in which the details are disclosed in Note 37(iii) to the financial statements.

The outstanding legal fees claimed by a third party is not admitted and the case has been resolved with settlement of fee RM350,000. The details are disclosed in Note 37(iv) to the financial statements.

35. RELATED PARTIESIdentity of related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the parties are subject to common control or common significant influence. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include all the Directors of the Group.

Significant related party transactions

There is no related party transaction has been entered during the financial year. The related party balances are shown in Notes 11 and 17 to the financial statements.

Compensation of key management personnel

The remuneration paid by the Group and the Company to key management personnel during the financial year are disclosed in Note 26 in the financial statements.

36. SIGNIFICANT EVENTS

On 25 July 2025, the Company submitted Extension of Time ("EOT") for further extension to complete the implementation of the Regularisation Plan to Bursa Securities and obtained approval on 18 August 2025.

On 18 August 2025, M & A Securities Sdn. Bhd. has announced that Bursa Securities had resolved to grant the Group and the Company a further extension of time of 6 months up to 18 February 2026 to implement the Regularisation Plan.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025

(Cont'd)

37. MATERIAL LITIGATION

i) MAYBANK ISLAMIC BERHAD ("Plaintiff") -V- KHEE SAN BERHAD (KSB) AND KHEE SAN FOOD INDUSTRIES SDN BHD (KSFI) ("Defendants") (WA-22M-269-07/2020)

On 27 July 2020, the Company and KSFI received a sealed copy of Writ and Statement of Claim filed by Maybank Islamic Berhad ("MIB"). MIB's claim against KSFI and KSB are as follows : -

1. The sum of RM1,060,412.56 as at 30 June 2020;
2. Further profit on the utilised Facility Amount in the sum of RM1,000,000.00 at 1.75% per annum above the Plaintiff's Base Financing Rate calculated on daily basis from 1 July 2020 until full settlement or upon reaching maximum Plaintiff's Profit from the Plaintiff's Sale Price of RM1,542,500.00, whichever is earlier;
3. The sum of RM5,467,194.64 as at 30 June 2020;
4. Ta'widh (Compensation) at the prevailing daily overnight Islamic Interbank Money Market rate calculated on the sum of RM5,408,950.95 from 1 July 2020 until full settlement;
5. Costs on a solicitor-client basis; and
6. Such further and/or other relief as the Court deems fit.

The Court has allowed the Plaintiff's Summary Judgment Application and Striking Out the Defendants' counterclaim against the Plaintiff on 30 March 2021.

On 25 June 2021, MIB issued a notice pursuant to Section 466(1)(a) of the Companies Act 2016.

Further to the above disclosures, there is no further update as at 30 June 2025.

ii) STANDARD CHARTERED BANK MALAYSIA BERHAD ("Plaintiff") -V- KHEE SAN BERHAD AND KHEE SAN FOOD INDUSTRIES SDN BHD ("Defendants") (WA-22NCC-589-11/2020)

On 3 December 2020, the Company and KSFI received a sealed copy of Writ and Statement of Claim filed by Standard Chartered Bank Malaysia Berhad ("Plaintiff") with details as follows:

- a) the sum of RM8,268,669.88 as at 30 September 2020 with interest thereon at the rate of 6.7% per annum, calculated on daily basis, from 1 October 2020 until date of full payment;
- b) the sum of RM6,703.54 with interest thereon at 5% per annum from date hereof until date of full payment;
- c) cost on a solicitor-client and full indemnity basis; and
- d) such further and/or other relief as the Court deems fit.

On 21 August 2021, the parties have come to a consensus that the Plaintiff would stay the execution of the judgment as long as there is settlement negotiation between the parties.

Further to the above disclosures, there is no further update as at 30 June 2025.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025

(Cont'd)

37. MATERIAL LITIGATION (Cont'd)

iii) MAYBANK ISLAMIC BERHAD -V- KHEE SAN FOOD INDUSTRIES SDN BHD (WA-28JM-21-11/2021)

On 19 April 2023, the Company announced that this matter came up for Case Management for the Former Interim Judicial Manager's ("FIJM") Notice of Application to Vary the Court Order dated 20 March 2023 ("Enclosure 288") and the Court had directed as follows : -

1. Any parties who oppose Enclosure 288 to file Affidavit in Reply on or before 3 May 2023;
2. The Applicant of Enclosure 288 to file Affidavit in Reply on or before 17 May 2023; and
3. Then the filing of the affidavits will be exhausted.

The initial hearing of Enclosure 288 had been fixed on 19 May 2023.

On 23 May 2023, FIJM filed his affidavit in reply in relation to Enclosure 288 wherein FIJM had raised new allegations in his affidavit. Thus, the Company has requested the Court to allow the Company to reply to those allegations.

On 24 August 2023, the next hearing of Enclosure 288 was fixed on 29 November 2023.

On 29 November 2023, Khee San Food Industries Sdn Bhd's solicitors had attended the hearing for the Former Interim Judicial Manager's Notice of Application to Vary the Court Order dated 20 March 2023 ("Enclosure 288") and the Court had directed a further submission on Enclosure 288 based on the outcome of the appeal which has been scheduled for 6 December 2023.

The next hearing of Enclosure 288 was fixed on 9 January 2024.

On 28 February 2024, this matter came up for Case Management for the Former Interim Judicial Manager's Notice of Application to Vary the Court Order dated 20 March 2023 ("Enclosure 288") and the Court had directed all parties to provide their common dates via letter in order for the Court to fix the further hearing date of Enclosure 288.

On 11 March 2024, the hearing of the Former Interim Judicial Manager's Notice of Application to Vary the Court Order dated 20 March 2023 ("Enclosure 288") has been fixed on 13 May 2024.

On 13 May 2024, this matter came up for Hearing for the Former Interim Judicial Manager's Notice of Application to Vary the Court Order dated 20 March 2023 ("Enclosure 288").

The Court had directed as follows : -

1. Khee San Food Industries Sdn Bhd and Khee San Berhad to file their further submissions in reply;
2. A case management has been fixed on 29 July 2024 to update the Court on the Leave Application to Appeal filed by the Former Interim Judicial Manager in the Federal Court; and
3. Decision for Enclosure 288 has been fixed for 29 August 2024.

On 29 July 2024, The parties updated the Court on the status of the Federal Court's Leave Motion filed by the Former Interim Judicial Manager ("**FIJM**") which was dismissed by the Federal Court on 24 July 2024. Subsequently, the FIJM's solicitor informed the Court that the FIJM is withdrawing Enclosure 288.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025
(Cont'd)

37. MATERIAL LITIGATION (Cont'd)

iii) MAYBANK ISLAMIC BERHAD -V- KHEE SAN FOOD INDUSTRIES SDN BHD (WA-28JM-21-11/2021) (Cont'd)

As a result, the Court struck off Enclosure 288 and ordered costs subject to allocator against the FIJM and the costs awarded are as follows : -

1. Khee San Food Industries Sdn Bhd - RM5,000;
2. Khee San Berhad - RM3,000;
3. HSBC Bank Malaysia Berhad - RM3,000; and
4. Alliance Bank Malaysia Berhad - RM3,000

Notice of Appeal (W-02(IM)(NCC)-475-03/2023)

On 21 March 2023, Notice of Appeal filed by FIJM under the capacity of Khee San Food Industries Sdn Bhd (Enclosure 1).

The hearing of Enclosure 1 has been fixed on 6 December 2023 and the Court's instructions are as follows : -

- a) all documents (including Common Core Bundle of Documents, Submissions, and Executive Summary be filed before 8 November 2023 and the Reply Submissions be filed before 21 November 2023); and
- b) Case Management to inform the status of the filing has been fixed on 22 November 2023.

On 22 November 2023, Khee San Food Industries Sdn Bhd's solicitors had attended the Case Management for the appeal filed by the former interim judicial manager ("FIJM") ("Enclosure 1") wherein the status of the filings of the respective written submissions and reply submissions has been informed to the Court.

The Hearing of Enclosure 1, which was initially fixed for 6 December 2023 has been adjourned by the Court due to voluminous list of hearing before the Court to 9 January 2024.

On 9 January 2024, Messrs Krish Maniam & Co. ("KMC"), representing Khee San Food Industries Sdn Bhd (the Appellant) and Khee San Berhad (Intervener), had attended the Hearing for the appeal filed by the former interim judicial manager ("FIJM") ("Enclosure 1").

During the hearing, KMC raised a preliminary objection with regard to the authority of the FIJM. As such, the Court unanimously allowed the preliminary objection raised by KMC and struck off Enclosure 1 with no order as to costs, and directed that the costs awarded by the High Court be paid in lieu thereof.

Federal Court Motion (08(I)-36-02/2024(W))

On 14 February 2024, the Company had received a sealed copy of Notice of Motion for Leave to Appeal to the Federal Court ("Motion") and a Court Notice dated 8 February 2024 ("Court Notice") filed by the Former Interim Judicial Manager, Dato' Adam Primus Varghese Bin Abdullah ("FIJM") via their solicitors, Messrs. Firoz Julian, to seek the following orders : -

1. that leave to appeal be granted to the Applicant against the decision of the Court of Appeal given on 9 January 2024, which dismissed the Applicant's appeal;
2. costs; and
3. any other or further reliefs which the Court deems fit and proper.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025

(Cont'd)

37. MATERIAL LITIGATION (Cont'd)

iii) MAYBANK ISLAMIC BERHAD -V- KHEE SAN FOOD INDUSTRIES SDN BHD (WA-28JM-21-11/2021) (Cont'd)

Federal Court Motion (08(l)-36-02/2024(W)) (Cont'd)

The Court had directed as follows : -

1. A copy of the Sealed Notice of Motion and the Affidavit in Support be served to the Respondent two (2) weeks from the date of the Court Notice;
2. Respondent to file their Affidavit in Reply two (2) weeks from the date of receipt of the sealed Notice of Motion; and
3. Applicant to file their Affidavit in Reply (if any) two (2) weeks from the date of receipt of the Respondent's Affidavit in Reply

A Case Management for the Motion has been fixed on 11 March 2024.

On 11 March 2024, this matter came up for Case Management for the Notice of Motion for Leave to Appeal to the Federal Court ("Motion") filed by the former interim judicial manager ("FIJM") ("Enclosure 1") and the Court had directed for the following : -

1. Parties to file the Common Bundle of Documents on or before 20 May 2024;
2. The Applicant and the Intervener are to file their respective written submission on or before 20 May 2024; and
3. The Applicant and the Intervener are to file their respective reply submission on or before 4 June 2024.

The next Case Management has been fixed on 5 June 2024 to check on the filing status of Enclosure 1 and the hearing of Enclosure 1 has been fixed on 19 June 2024.

On 5 June 2024, this matter came up for Case Management for the Notice of Motion for Leave to Appeal to the Federal Court ("Motion") filed by the former interim judicial manager ("FIJM") ("Enclosure 1") and the Parties confirmed that all-cause papers had been duly filed to the Court. The hearing of Enclosure 1 is scheduled for 19 June 2024.

On 20 June 2024, the former interim judicial manager's solicitor tested positive for COVID-19 and requested an adjournment of the hearing of the Notice of Motion for Leave to Appeal to the Federal Court ("Motion") filed by the former interim judicial manager of Khee San Food Industries Sdn Bhd ("FIJM") ("Enclosure 1"), which was initially fixed for 19 June 2024.

In light of the above, the Court vacated the hearing of Enclosure 1 and a case management conducted on 19 June 2024 wherein the hearing date of Enclosure 1 has been rescheduled for 24 July 2024.

The Court had directed that all parties to file their further written submission (if any) on or before 9 July 2024 and a case management has been fixed for 10 July 2024 to check on the filing status of Enclosure 1.

On 10 July 2024, this matter came up for Case Management for the Notice of Motion for Leave to Appeal to the Federal Court ("Motion") filed by the former interim judicial manager ("FIJM") ("Enclosure 1") and the Parties confirmed that all-cause papers had been duly filed to the Court. The hearing of Enclosure 1 shall remain on 24 July 2024.

On 24 July 2024, this matter came up for Hearing for the Notice of Motion for Leave to Appeal to the Federal Court ("Motion") filed by Dato' Adam Primus Varghese Bin Abdullah, the Former Interim Judicial Manager ("FIJM") ("Enclosure 1").

Following the submissions, the Court found that the FIJM failed to meet the requirements of Section 96(a) of the Court of Judicature Act 1964 and unanimously dismissed Enclosure 1 with costs of RM30,000 be paid by the FIJM to Khee San Food Industries Sdn Bhd.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025
(Cont'd)

37. MATERIAL LITIGATION (Cont'd)

iv) MESSRS DENNIS NIK & WONG -V- KHEE SAN BERHAD (WA-24NCvC-4185-09/2023)

On 21 September 2023, the Company received an Originating Summons dated 20 September 2023 filed by Messrs Dennis, Nik & Wong ("Plaintiff") for a sum of RM1,176,600 being the outstanding legal fees for professional services rendered.

The Court had directed the Company to file its reply affidavit by 12 October 2023 and the Plaintiff to file its affidavit in response by 26 October 2023.

The abovementioned suit has been fixed for Case Management on 27 October 2023.

On 27 October 2023, this matter came up for Case Management and the Court had given the following directions : -

1. Parties to file and exchange written submissions and bundle of authorities by 26 December 2023;
2. Parties to file and exchange written reply submissions and bundles of authorities by 9 January 2024; and
3. The hearing for this matter is fixed on 23 January 2024

On 22 January 2024, this matter came up when they have received a notification from Court informing the parties that the hearing of this matter, initially fixed on 23 January 2024 is vacated due to the Judge presiding over this matter is on medical leave until April 2024.

In this regard, the hearing of this matter should take place sometime from April 2024 onwards.

On 7 May 2024, this matter came up when the parties were called up for a case management of this matter and the Court has fixed a hearing date for this matter on 22 July 2024.

On 20 May 2024, the Court has fixed a hearing date for this matter on 14 June 2024.

On 14 June 2024, the hearing which was scheduled on 14 June 2024 had been adjourned to 13 August 2024.

On 13 August 2024, the hearing which was scheduled on 13 August 2024 has been adjourned to 20 September 2024 pending both parties negotiation on settlement terms.

On 20 September 2024, the hearing which was scheduled on 20 September 2024 has been adjourned to 18 October 2024

On 18 October 2024, the Company and the Plaintiff had reached settlement, the Court ordered by consent of parties, amongst others, that, on a without admission to any liability basis, the Company has paid to the Plaintiff a sum of RM350,000 in 3 installments and there be no order as to costs.

v) DATO' ADAM PRIMUS VARGHESE BIN ABDULLAH (SUING IN HIS CAPACITY AS THE FORMER INTERIM JURIDICIAL MANAGER OF KHEE SAN FOOD INDUSTRIES SDN BHD)("PLAINTIFF") VS KHEE SAN FOOD INDUSTRIES SDN BHD ("DEFENDANT") (WA-24NCC-455-09/2024)

On 23 September 2024, the Company received a sealed copy of an Originating Summons dated 20 September 2024 filed by Dato' Adam Primus Varghese Bin Abdullah ("Plaintiff") for a sum of RM1,999,435.60 for 2,357.87 hours of work at a composite man hour rate of RM800 per hour. This amount represents the Plaintiff's remuneration for all works carried out as the Former Interim Judicial Manager of the Defendant.

On 21 January 2025, the Company's solicitors notified the Company that parties were called up for decision of an application filed by KSFI to convert the action into a writ action ("KSFI's Application") earlier today.

The Court dismissed KSFI's Application with costs of RM10,000.00.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025

(Cont'd)

37. MATERIAL LITIGATION (Cont'd)

- v) **DATO' ADAM PRIMUS VARGHESE BIN ABDULLAH (SUING IN HIS CAPACITY AS THE FORMER INTERIM JURIDICIAL MANAGER OF KHEE SAN FOOD INDUSTRIES SDN BHD) ("PLAINTIFF") VS KHEE SAN FOOD INDUSTRIES SDN BHD ("DEFENDANT") (WA-24NCC-455-09/2024) (Cont'd)**

The Court also fixed for this action, on 6 February 2025 to a case management.

On 14 February 2025, the Company received a Notice of Application filed by the FIJM ("FIJM's Application").

The FIJM is seeking for, amongst others, that KSFI deposit the following sum into the Company's solicitors stakeholder account as security:

- (a) RM1,999,435.60, pending the final determination of this Originating Summons; and
- (b) RM432,167.08, pending the final determination of Kuala Lumpur High Court Originating Summons No. WA-24NCC-490-10/2024.

On 19 February 2025, parties were called up for a case management for an application made by the FIJM of KSFI to essentially secure an order for RM2,431,602.68 to be deposited into KSFI's solicitors stakeholder account as security (RM1,999,435.60 pending the disposal of this proceeding and RM432,167.08 pending the disposal of Kuala Lumpur High Court Originating Summons No. WA-24NCC-490-10/2024) ("FIJM's Application").

On 19 February 2025, the Company filed an appeal against the Decision ("Appeal").

On 21 August 2025, the Company's solicitors notified the Company that parties were called up for decision of an application filed by KSFI to cross-examine the FIJM on the allegations and/or statements and/or contents of the affidavits which have been affirmed by the FIJM in support of the Originating Summons ("KSFI's Application").

The Court dismissed KSFI's Application with costs of RM10,000.00.

On 28 April 2025, a hearing was called up for an application made by the FIJM to secure an order for RM1,999,435.60 to be deposited into KSFI's solicitors stakeholder account as security (pending the disposal of this proceeding) ("FIJM's Application").

During the hearing, the FIJM's solicitors informed the Court that the FIJM is not pursuing an order for RM432,167.08 to be deposited into KSFI's solicitors stakeholder account as security, following the disposal of Kuala Lumpur High Court Originating Summons No. WA-24NCC-490-10/2024.

On 6 May 2025, The Court has given the following directions:

- (a) parties to file their written submissions by 13 October 2025; and
- (b) parties to file their reply submissions (if any) by 27 October 2025.

The next case management is scheduled on 3 November 2025 at 9.00am via e-Review, for parties to update the Court on compliance of filing directions.

The Court has also scheduled this Appeal for hearing on 10 November 2025, at 9.00am.

On 25 August 2025, KSFI filed an application to, amongst others, stay this Originating Summons pending the final determination and disposal of the following appeals ("Stay Application"):

1. Civil Appeal No. W-02(IM)(NCC)-278-02/2025;
2. the appeal lodged against the decision delivered on 21 August 2025 in relation to KSFI's Application to cross-examine the Plaintiff.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025

(Cont'd)

37. MATERIAL LITIGATION (Cont'd)

- v) **DATO' ADAM PRIMUS VARGHESE BIN ABDULLAH (SUING IN HIS CAPACITY AS THE FORMER INTERIM JURIDICIAL MANAGER OF KHEE SAN FOOD INDUSTRIES SDN BHD) ("PLANTIFF") VS KHEE SAN FOOD INDUSTRIES SDN BHD ("DEFENDANT") (WA-24NCC-455-09/2024) (Cont'd)**

The Company's solicitors notified the Company that on 8 September 2025, KSFI's Motion was called up for case management via e-review before the Court of Appeal.

The Court has fixed further case management dates on 17 September 2025 and 9 October 2025 to update on the status of the Consent Order.

In light of the Consent Order, the Court has scheduled this Appeal to be heard together with Appeal 278 on 10 November 2025. Parties are to comply with filing directions prior to the hearing.

- vi) **KHEE SAN BERHAD ("THE COMPANY" OR "KSB") COURT OF APPEAL CIVIL APPEAL NO. W-02(IM) (NCC)-1606-08/2025 KHEE SAN FOOD INDUSTRIES SDN BHD V DATO' ADAM PRIMUS VARGHESE BIN ABDULLAH**

In respect of the decision delivered by the Court ("Decision") dismissing the application filed by Khee San Food Industries Sdn Bhd ("KSFI") to cross-examine the Former Interim Judicial Manager of KSFI ("FIJM") on the allegations and/or statements and/or contents of the affidavits which have been affirmed by the FIJM in support of the Originating Summons in Kuala Lumpur High Court Civil Suit No. WA-24NCC-455-09/2024 in Note 37(v).

Khee San Food Industries ("KSFI") filed an appeal against the Decision ("Appeal").

On 2 September 2025, KSFI filed a Notice of Motion with a Certificate of Urgency for this Appeal to be heard together with Civil Appeal No. W-02(IM)(NCC)-278-02/2025 ("Appeal 278"), both of which emanate from Kuala Lumpur High Court Originating Summons No. WA-24NCC-455-09/2024 ("KSFI's Motion").

Since there are no objections to KSFI's Motion, the Court has fixed for a Consent Order to be recorded in respect of KSFI's Motion on 29 September 2025.

In light of the Consent Order, the Court has scheduled this Appeal to be heard together with Appeal 278 on 10 November 2025. Parties are to comply with filing directions prior to the hearing.

- vii) **KHEE SAN BERHAD ("THE COMPANY" OR "KSB") COURT OF APPEAL CIVIL APPEAL NO. W-02(IM) (NCC)-278-02/2025 KHEE SAN FOOD INDUSTRIES SDN BHD V ADAM PRIMUS VARGHESE BIN ABDULLAH**

In respect of Khee San Food Industries Sdn Bhd ("KSFI")'s Appeal against the decision delivered by the Court ("Decision") dismissing the application filed by KSFI to convert Kuala Lumpur High Court Civil Suit No. WA-24NCC-455-09/2024 into a writ action.

The Court has given the following directions:

- (a) parties to file their written submissions by 13 October 2025; and
- (b) parties to file their reply submissions (if any) by 27 October 2025.

The Court has scheduled this Appeal to be heard together with Appeal 1606 in Note 37(vi) on 10 November 2025.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025

(Cont'd)

37. MATERIAL LITIGATION (Cont'd)

viii) **KHEE SAN BERHAD ("THE COMPANY" OR "KSB") ORIGINATING SUMMONS NO. WA-24NCC-490-10/2024 ("OS 490") KHEE SAN FOOD INDUSTRIES SDN BHD ("KSFI") V ADAM PRIMUS VARGHESE BIN ABDULLAH**

In respect of the Statutory Demand from Dato' Adam Primus Varghese Bin Abdullah, the Former Interim Judicial Manager ("FIJM") of KSFI, through his solicitors, Messrs. Firoz Julian, demanding for the payment of an alleged sum of RM432,167.08.

KSFI's solicitors notified the Company that OS 490 was called up for hearing on 6 March 2025.

Upon hearing parties, the Court allowed paragraph 1 of OS 490 in restraining the FIJM of KSFI, Dato' Adam Primus Varghese Bin Abdullah from presenting a winding-up petition against KSFI premised on the debts alleged to be due and owing to him or any part thereof as set out in a statutory notice dated 26 September 2024, and ordered costs of RM10,000.00 (subject to Allocatur) to be paid by the FIJM to KSFI.

ix) **KHEE SAN BERHAD ("THE COMPANY" OR "KSB") COURT OF APPEAL CIVIL APPEAL NO. W-02(NCC)(A)-444-03/2025 ADAM PRIMUS VARGHESE BIN ABDULLAH V. KHEE SAN FOOD INDUSTRIES SDN BHD**

In respect of the appeal lodged by the Former Interim Judicial Manager against the High Court's decision on 6 March 2025 in allowing paragraph 1 of the Kuala Lumpur High Court Originating Summons No. WA-24NCC-490-10/2024 with costs ("Appeal") in Note 37(viii).

The Court has given the following directions:

- (a) parties to file their written submissions by 20 July 2026; and
- (b) parties to file their reply submissions (if any) by 3 August 2026.

The next case management is scheduled on 4 August 2026 at 9am via e-Review, for parties to update the Court on compliance of filing directions.

The Court has also scheduled for this Appeal to be heard on 18 August 2026 at 9am.

x) **KHEE SAN BERHAD ("THE COMPANY" OR "KSB") COURT OF APPEAL CIVIL APPEAL NO. W-02(IM)(NCC)-234-02/2025 TUNAI IMPIAN ENTERPRISE SDN BHD V 1. KHEE SAN BERHAD 2. KHEE SAN FOOD INDUSTRIES SDN BHD 3. KHEE SAN MARKETING SDN BHD 4. MEGA GLOBAL CONFECTIONARY SDN BHD 5. HSBC BANK MALAYSIA BERHAD 6. ALLIANCE BANK MALAYSIA BERHAD 7. UNITED OVERSEAS BANK (MALAYSIA) BHD**

in respect of the appeal lodged by Tunai Impian Enterprise Sdn Bhd ("Tunai") against the High Court's decision on 20 January 2025 to dismiss Tunai's application ("Appeal").

The Court has given the following directions:

- (a) parties to file their written submissions by 31 December 2025; and
- (b) parties to file their reply submissions (if any) by 13 January 2026.

The next case management is scheduled on 14 January 2026 at 9.00am via e-Review, for parties to update the Court on compliance of filing directions.

The Court has also scheduled this Appeal for hearing on 28 January 2026, at 9.00am.

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, Yong Loong Chen and Edward Tan Juan Peng, being two of the directors of Khee San Berhad, do hereby state on behalf of the directors that in our opinion, the financial statements set out on pages 61 to 116 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2025 and of the financial performance and the cash flows of the Group and of the Company for the financial year ended on that date.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors

Yong Loong Chen

Edward Tan Juan Peng

Kuala Lumpur,
Date: 21 October 2025

STATUTORY DECLARATION

PURSUANT TO SECTION 251(1)(B) OF THE COMPANIES ACT 2016

I, Voo Lip Sang @ Philip, NRIC: 670703-12-5401, being the officer primarily responsible for the financial management of Khee San Berhad, do solemnly and sincerely declare that the financial statements set out on pages 61 to 116, to the best of my knowledge and belief, are correct.

And, I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared at Kuala Lumpur on 21 October 2025.

Voo Lip Sang @ Philip
(MIA CA15143)

Before me

Commissioner for Oaths

ADDITIONAL COMPLIANCE INFORMATION

1. SHARE BUY-BACK

There was no share buy-back of the Company's share during the financial year under review.

2. AUDIT AND NON-AUDIT FEES

During the financial year, the amount of audit and non-audit fees paid or payable to the External Auditors by the Company and the Group respectively were as follows:

	COMPANY (RM)	GROUP (RM)
Statutory audit fees	40,000	114,984
Non-audit fees	113,000	113,000

The non-audit services rendered comprised the review of Statement of Risk Management and Internal Control, the review of Annual Report, and the role of Reporting Accountants in relation to the Company's Regularisation Plan.

3. RECEIPT PROGRAMME

During the financial year under review, the Company did not sponsor any Depository Receipt Programme.

4. OPTIONS, WARRANT OR CONVERTIBLE SECURITIES

There were no options, warrants or convertible securities issued to any parties during the financial year under review.

5. MATERIAL CONTRACTS

The Board is not aware of any material contracts entered into by the Company (not being contracts entered into in the ordinary course of business of the Company) involving the Directors and Major Shareholders for the financial year under review.

6. REVALUATION POLICY

The Group adopts a policy to revalue at a regular interval of at least once in every five (5) years for its landed properties with additional valuations in the intervening years where market conditions indicate that the carrying values of the revalued land and buildings materially differ from the market value. The last revaluation of the properties was made on 30 June 2025.

7. UTILISATION OF PROCEEDS

There were no proceeds raised from corporate proposals in the financial year under review.

8. RECURRENT RELATED PARTY TRANSACTIONS ("RRPT") OF REVENUE OR TRADING NATURE

There were no RRPT of a revenue nature between the Group and its related parties during the financial year under review.

9. EMPLOYEES' SHARE OPTION SCHEME ("ESOS")

There were no ESOS granted during the financial year ended 30 June 2025.

LIST OF PROPERTIES OF THE GROUP

AS AT 30 JUNE 2025

Year of Revaluation* (Acquisition)	Location	Postal Address	Tenure & Usage (Approx. age of buildings) (Years)	Land Area (sq.m)	Description	Net Book Value as at 30 June 2025 (RM)
KHEE SAN FOOD INDUSTRIES SDN BHD						
2025 (1982)	Lot Nos. 1819 to 1824 & 1832, Mukim & District of Petaling, Selangor Darul Ehsan	Lots 1819 to 1824 & 1832, Jalan Kolej, 43300 Seri Kembangan, Selangor Darul Ehsan	Freehold Own Use (39 to 58 years)	22,887.48	Factory and office	44,000,000
2025 (1993 - 1996)	HSM 31739, Lot PT 3311 Mukim & District of Petaling, Selangor Darul Ehsan	No CS-16A, Jalan Jinma 1, Taman Jinma, 43300 Seri Kembangan, Selangor Darul Ehsan	Freehold Workers' Hostel (48 to 53 years)	208.42	1 unit of intermediate single storey semi-detached house	360,000
2025 (1993 - 1996)	GM 904, Lot No. 30731, Mukim & District of Petaling, Selangor Darul Ehsan	No. CS-30A, Jalan Jinma 3, Taman Jinma, 43300 Seri Kembangan, Selangor Darul Ehsan	Freehold Workers' Hostel (48 to 53 years)	530.00	1 unit of intermediate single storey semi-detached house	480,000
2025 (1993 - 1996)	GM 449, Lot No. 14241 Mukim & District of Petaling, Selangor Darul Ehsan	No. CS-41A & 41B, Jalan Jinma 3, Taman Jinma, 43300 Seri Kembangan, Selangor Darul Ehsan	Freehold Workers' Hostel (48 to 53 years)	428.18	2 units of intermediate single storey semi-detached houses	780,000
2025 (1993 - 1996)	HSM 31741, Lot PT 3313 Mukim & District of Petaling, Selangor Darul Ehsan	No. CS-43A, Jalan Jinma 3, Taman Jinma, 43300 Seri Kembangan, Selangor Darul Ehsan	Freehold Workers' Hostel (47 to 52 years)	206.50	1 unit of intermediate single storey semi-detached house	369,951
TOTAL						45,989,951

Note:

Revalued by Independent Professional Valuer

* The last Revaluation of the Properties were performed on 30 June 2025

ANALYSIS OF SHAREHOLDINGS

AS AT 26 SEPTEMBER 2025

Number of Shares Issued : 137,280,000
 Voting rights : One vote for one ordinary share
 No. of Shareholders : 1,970

DISTRIBUTION OF SHAREHOLDINGS

CATEGORY	NO. OF HOLDERS	%	NO. OF SHARES	%
Less than 100	176	8.93	2,938	0.00
100 - 1,000 shares	337	17.11	151,020	0.11
1,001 - 10,000 shares	931	47.26	4,053,558	2.95
10,001 - 100,000 shares	426	21.62	14,538,784	10.59
100,001 to less than 5% of issued shares	98	4.98	81,199,600	59.15
5% and above of issued shares	2	0.10	37,334,100	27.20
TOTAL	1,970	100.00	137,280,000	100.00

THIRTY (30) LARGEST SHAREHOLDERS

NO	NAME OF SHAREHOLDER	NO. OF SHARES	%
1	M & A NOMINEE (TEMPATAN) SDN BHD BENEFICIARY: M & A DIGITAL SDN BHD FOR HERITAGE WINNERS SDN BHD	22,020,000	16.04
2	TA NOMINEES (TEMPATAN) SDN BHD BENEFICIARY: PLEDGED SECURITIES ACCOUNT FOR HERITAGE WINNERS SDN BHD	15,314,100	11.16
3	YONG SENG CHEN	6,732,700	4.90
4	LOW KOK YEW	6,290,400	4.58
5	KOH CHEE MENG	5,900,000	4.30
6	KOH LIAN JIE	4,490,100	3.27
7	PUBLIC NOMINEES (TEMPATAN) SDN BHD BENEFICIARY: PLEDGED SECURITIES ACCOUNT FOR TAN SOON HUI (E-SJA)	4,115,000	3.00
8	PENTA NONFERROUS METALS SDN BHD	3,603,300	2.62
9	SIOW YEOW HEW	2,670,000	1.94
10	LIANG CHIANG HENG	2,556,000	1.86
11	LIM SOK HUEY	2,434,200	1.77
12	TEE YEOW	2,337,200	1.70
13	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN BHD BENEFICIARY: PLEDGED SECURITIES ACCOUNT FOR LAU BENG WEI (MY4719)	2,000,000	1.46
14	LEW U SING	2,000,000	1.46
15	KENANGA NOMINEES (TEMPATAN) SDN BHD BENEFICIARY: RAKUTEN TRADE SDN BHD FOR BEH SUI LOON	1,940,200	1.41
16	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN BHD BENEFICIARY: PLEDGED SECURITIES ACCOUNT FOR PHANG CHET PING (MY0322)	1,750,900	1.28

ANALYSIS OF SHAREHOLDINGSAS AT 26 SEPTEMBER 2025
(Cont'd)**THIRTY (30) LARGEST SHAREHOLDERS (Cont'd)**

NO	NAME OF SHAREHOLDER	NO. OF SHARES	%
17	MAYBANK NOMINEES (TEMPATAN) SDN BHD BENEFICIARY: LIM KIEN HUAT	1,596,500	1.16
18	KEJAYA KAYA SDN BHD	1,417,100	1.03
19	KOH AH KUAN	1,340,600	0.98
20	LIEW SWEE MIO @ LIEW HOI FOO	1,300,700	0.95
21	LIM KIEN HUAT	1,000,000	0.73
22	SAHROI BIN LAARI	1,000,000	0.73
23	YEOH WEI CHIEH	971,100	0.71
24	TEM TEM SONG	931,200	0.68
25	KU SOO LIH	870,000	0.63
26	GAN THENG PUAT @ YEOW THENG PUAT	845,700	0.62
27	KENANGA NOMINEES (TEMPATAN) SDN BHD BENEFICIARY: RAKUTEN TRADE SDN BHD FOR KOK SWEELY	785,300	0.57
28	CHUNG BELLENE	732,100	0.53
29	NG HOCK CHUAN	700,000	0.51
30	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN BHD BENEFICIARY: PLEDGED SECURITIES ACCOUNT FOR LIEW YOU CHEONG	698,000	0.51
TOTAL		100,342,400	73.09

		INTEREST			
		DIRECT INTEREST	%	DEEMED INTEREST	%
1	HERITAGE WINNERS SDN BHD	37,334,100	-	-	27.20
2	DATO' SRI NGU TIENG UNG, JP	120,000	0.09	37,334,100 [#]	27.20
3	NGU CHIENN YING	-	-	37,454,100 [@]	27.29

		SHAREHOLDINGS			
		DIRECT INTEREST	%	DEEMED INTEREST	%
1	DATO' SRI NGU TIENG UNG, JP	120,000	0.09	37,334,100 [#]	27.20
2	YONG LOONG CHEN	598,500	0.44	-	-
3	EDWARD TAN JUAN PENG	-	-	-	-
4	NGU CHIENN YING	-	-	37,454,100 [@]	27.29
5	MOHANADAS A/L K.P.BALAN	-	-	-	-
6	ONG PHUI FATT	50,000	0.04	-	-
7	SUZANA MANJA BINTI IBRAHIM	-	-	-	-

[#] Deemed interested by virtue of his interest via Heritage Winners Sdn Bhd pursuant to Section 8 of the Companies Act 2016.

[@] Deemed interested via Dato' Sri Ngu Tieng Ung, JP (her father) and Heritage Winners Sdn Bhd pursuant to Section 8 of the Companies Act 2016.

NOTICE OF 30TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 30th Annual General Meeting (“AGM”) of KHEE SAN BERHAD (“the Company”) will be held at Perdana Room I & II, Royal Lake Club Kuala Lumpur, Taman Tasek Perdana, Jalan Cenderamulia, Off Jalan Parlimen, 50480 Kuala Lumpur on Friday, 21 November 2025 at 10:00 a.m. for the following purposes:

AGENDA

AS ORDINARY BUSINESS

- | | | |
|----|--|---|
| 1. | To receive the Audited Financial Statements for the financial year ended 30 June 2025 together with the Reports of the Directors and Auditors thereon. | (Please refer to Explanatory Note A) |
| 2. | To approve the payment of Directors’ fees and benefits payable up to an amount of RM400,000 for the period from the date of this 30 th AGM until the next AGM of the Company in 2026. | Ordinary Resolution 1 |
| 3. | To re-elect the following Directors who retire by rotation pursuant to Article 120 of the Company’s Constitution and being eligible, have offered themselves for re-election: | |
| | (i) Mr. Edward Tan Juan Peng | Ordinary Resolution 2 |
| | (ii) Mr. Ong Phui Fatt | Ordinary Resolution 3 |
| 4. | To re-appoint Messrs Kreston John & Gan (AF 0113) as Auditors of the Company and to authorise the Directors to fix their remuneration. | Ordinary Resolution 4 |

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following Resolution:

- | | | |
|----|---|------------------------------|
| 5. | AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016 | Ordinary Resolution 5 |
|----|---|------------------------------|

“THAT subject always to the Companies Act 2016 (“the Act”), the Constitution of the Company and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) and approval of any other relevant governmental and/or regulatory authorities (if required), the Directors of the Company be and are hereby empowered pursuant to Sections 75 and 76 of the Act, to allot and issue new shares in the Company from time to time at such price and upon such terms and conditions, for such purposes and to such person or persons whomsoever the Directors of the Company may in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed ten percent (10%) of the total number of issued shares of the Company for the time being.

AND THAT the Directors of the Company be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities.

AND FURTHER THAT such authority shall commence immediately upon the passing of this resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company or the expiration of the period within which the next Annual General Meeting is required by law to be held or revoked/varied by resolution passed by the shareholders in general meeting, whichever is the earlier.”

NOTICE OF 30TH ANNUAL GENERAL MEETING

(Cont'd)

6. To transact any other business for which due notice shall have been given.

BY ORDER OF THE BOARD

KHOO MING SIANG (MAICSA 7034037) (SSM PC NO. 202208000150)

Company Secretary

Petaling Jaya

Date: 23 October 2025

Notes:

1. For the purpose of determining a member who shall be entitled to attend, speak and vote at the 30th AGM, the Company shall be requesting the Record of Depositors as at 14 November 2025. Only a depositor whose name appears on the Record of Depositors as at 14 November 2025 shall be entitled to attend the said meeting or appoint proxies to attend, speak and vote on his/her behalf.
2. A member may appoint up to two (2) proxies who need not be members of the Company to attend, speak and vote at the same meeting. Where a member appoints two (2) proxies, the appointment shall be invalid unless he/she specifies the proportion of his/her holdings to be represented by each proxy.
3. Where a member is an authorised nominee as defined under the Central Depositories Act 1991, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
4. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorized nominee may appoint in respect of each omnibus account it holds.
5. The instrument appointing a proxy, in the case of an individual, shall be signed by the appointer or by his/her attorney duly authorised in writing, and in the case of a corporation, shall be executed under its Common Seal or under the hand of an officer or attorney of the corporation duly authorised.
6. The duly completed and executed Proxy Form must be deposited with the Share Registrar of the Company at Lot 10, The Highway Centre, Jalan 51/205, 46050 Petaling Jaya, Selangor Darul Ehsan not less than forty-eight (48) hours before the time set for holding the meeting or any adjournment thereof.
7. The Personal Data Protection Act 2010, which regulates the processing of personal data in commercial transactions, applies to the Company. By providing to us your personal data, which may include your name and mailing address, you hereby consent, agree, and authorise the processing and/or disclosure of any personal data of or relating to you for the purposes of issuing the notice of this Meeting and convening the Meeting, including but not limited to preparation and compilation of documents and other matters, whether or not supplied by you. You further confirm to have obtained the consent, agreement, and authorisation of all persons whose personal data you have disclosed and/or processed in connection with the foregoing.

EXPLANATORY NOTES

A. Audited Financial Statements for the financial year ended 30 June 2025

This Agenda item is meant for discussion only as under the provisions of Section 340(1)(a) of the Companies Act 2016, the audited financial statements do not require the approval of the shareholders. As such, this matter will not be put forward for voting.

B. Ordinary Resolution No. 1

Pursuant to Section 230(1) of the Companies Act 2016, the shareholders' approval is sought for the proposed payment of Directors' Fees and Benefits to the Directors for the period from 21 November 2025 until the conclusion of the next AGM of the Company to be held in 2026. The calculation of the benefits which include meeting allowance is based on the estimated number of scheduled and/or special Board and Board Committees' meetings and on the assumption that the number of Directors in office until the next AGM remains the same.

NOTICE OF 30TH ANNUAL GENERAL MEETING

(Cont'd)

C. Ordinary Resolutions No. 2 and 3

Article 120 of the Company's Constitution provides that an election of Directors shall take place each year at the annual general meeting of the Company where one third (1/3) of the Directors for the time being, or, if their number is not three (3) or a multiple of three (3), then the number nearest to one third (1/3) shall retire from office and be eligible for re-election. PROVIDED ALWAYS THAT all Directors shall retire from office once at least in each three (3) years but shall be eligible for re-election. The retiring Directors, Mr. Edward Tan Juan Peng and Mr. Ong Phui Fatt are standing for re-election as Directors and being eligible, have offered themselves for re-election.

The profiles of the Directors standing for re-election are set out in the Annual Report 2025.

D. Ordinary Resolution No. 4

The Board had on 21 October 2025 approved the recommendation by the Audit Committee on the re-appointment of Messrs Kreston John & Gan as Auditors of the Company. Messrs Kreston John & Gan had met the criteria prescribed under the Paragraph 15.21 of the Main Market Listing Requirements of Bursa Securities and indicated their willingness to continue their services for the next financial year.

E. Ordinary Resolution No. 5

The proposed Ordinary Resolution 5 is intended to renew the authority granted to the Directors of the Company at the 29th AGM of the Company held on 28 November 2024 to allot and issue shares at any time to such persons in their absolute discretion without convening a general meeting provided that the aggregate number of the shares issued does not exceed ten percent (10%) of the total number of issued shares of the Company for the time being ("General Mandate").

The authority to issue shares granted by the members at the 29th AGM of the Company had not been utilised and hence, no proceeds were raised therefrom. The approval of this General Mandate will provide flexibility to the Company for any possible fundraising activities, including but not limited to further placing of shares, to facilitate business expansion or strategic merger and acquisition opportunities involving equity deals or part equity or to fund future investment project(s) or to finance the day-to-day operational expenses, working capital requirements, repayment of borrowings or debt settlement/repayment and to avoid delay and cost in convening general meetings to approve such issue of shares.

At this juncture, there is no decision to issue new shares. If there should be a decision to issue new shares after the General Mandate is obtained, the Company will make an announcement in respect thereof.

STATEMENT ACCOMPANYING NOTICE OF 30TH ANNUAL GENERAL MEETING

(Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

1. **Details of individual who are standing for election as Directors (excluding Directors standing for re-election)**

No individual is seeking election as a Director at the 30th AGM of the Company.

2. **General mandate for issue of securities in accordance with Paragraph 6.03 of the Main Market Listing Requirements ("MMLR") of Bursa Securities**

The Company will seek the shareholders' approval on the general mandate for issuance of securities in accordance with Paragraph 6.03(3) of the MMLR of Bursa Securities. Please refer to the proposed Ordinary Resolution 5 as stated in the Notice of the 30th AGM of the Company for details.



KHEE SAN BERHAD

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

FORM OF PROXY

(Before completing this form
please refer to the notes below)

No. of shares held :	
CDS Account No. :	

I/We * _____ NRIC/Passport/Registration No.* _____
(Full name in block letters)

of _____
(Address)

with email address _____ Contact No. _____

being a member/members* of **KHEE SAN BERHAD** ("the Company") hereby appoint(s):-

PROXY 1

Full name (in block letters)	NRIC No./Passport No.	Contact No./Email Address
Full Address		Proportion of Shareholdings
		No. of shares
		%

AND/OR failing him/her,

PROXY 2

Full name (in block letters)	NRIC No./Passport No.	Contact No./Email Address
Full Address		Proportion of Shareholdings
		No. of shares
		%

or failing *him/her, the Chairman of the Meeting as *my/our proxy/proxies to vote for *me/us and on *my/our behalf at the 30th Annual General Meeting ("AGM") of the Company to be held at Perdana Room I & II, Royal Lake Club Kuala Lumpur, Taman Tasek Perdana, Jalan Cenderamulia, Off Jalan Parlimen, 50480 Kuala Lumpur on Friday, 21 November 2025 at 10:00 a.m. and, at every adjournment thereof.

Please indicate with an "X" or "√" in the appropriate spaces how you wish your votes to be cast. If no specific direction as to vote is given, the proxy will vote or abstain from voting at his/her discretion.

ORDINARY RESOLUTIONS		PROXY 1		PROXY 2	
		FOR	AGAINST	FOR	AGAINST
1.	To approve the payment of Directors' fees and benefits payable up to an amount of RM400,000 for the period from the date of this 30th AGM until the next AGM of the Company in 2026.				
2.	To re-elect Mr. Edward Tan Juan Peng who retires pursuant to Article 120 of the Company's Constitution.				
3.	To re-elect Mr. Ong Phui Fatt who retires pursuant to Article 120 of the Company's Constitution.				
4.	To re-appoint Messrs Kreston John & Gan (AF 0113) as Auditors and to authorise the Directors to fix their remuneration.				
5.	Authority to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016.				

* delete whichever is not applicable.

Dated this _____ day of _____ 2025

Signature of Member(s)/Common Seal

Fold This Flap For Sealing

Notes:-

1. For the purpose of determining a member who shall be entitled to attend, speak and vote at the 30th AGM, the Company shall be requesting the Record of Depositors as at 14 November 2025. Only a depositor whose name appears on the Record of Depositors as at 14 November 2025 shall be entitled to attend the said meeting or appoint proxies to attend, speak and vote on his/her behalf.
2. A member may appoint up to two (2) proxies who need not be members of the Company to attend, speak and vote at the same meeting. Where a member appoints two (2) proxies, the appointment shall be invalid unless he/she specifies the proportion of his/her holdings to be represented by each proxy.
3. Where a member is an authorised nominee as defined under the Central Depositories Act 1991, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
4. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorized nominee may appoint in respect of each omnibus account it holds.
5. The instrument appointing a proxy, in the case of an individual, shall be signed by the appointer or by his/her attorney duly authorised in writing, and in the case of a corporation, shall be executed under its Common Seal or under the hand of an officer or attorney of the corporation duly authorised.
6. The duly completed and executed Proxy Form must be deposited with the Share Registrar of the Company at Lot 10, The Highway Centre, Jalan 51/205, 46050 Petaling Jaya, Selangor Darul Ehsan not less than forty-eight (48) hours before the time set for holding the meeting or any adjournment thereof.
7. The Personal Data Protection Act 2010, which regulates the processing of personal data in commercial transactions, applies to the Company. By providing to us your personal data, which may include your name and mailing address, you hereby consent, agree, and authorise the processing and/or disclosure of any personal data of or relating to you for the purposes of issuing the notice of this Meeting and convening the Meeting, including but not limited to preparation and compilation of documents and other matters, whether or not supplied by you. You further confirm to have obtained the consent, agreement, and authorisation of all persons whose personal data you have disclosed and/or processed in connection with the foregoing.

Then Fold Here

"30TH ANNUAL GENERAL MEETING"

AFFIX
STAMP


The Share Registrar
KHEE SAN BERHAD
Registration No. 199401018697 (304376-A)
Lot 10, The Highway Centre
Jalan 51/205
46050 Petaling Jaya
Selangor Darul Ehsan


1st Fold Here




KHEE SAN BERHAD

Reg no. 199401018697 (304376-A)

 Lot 1819-1824 & 1832,
Jalan Kolej,
43300 Seri Kembangan,
Selangor Darul Ehsan, Malaysia.

 +603-8943 1390

 info@kheesanbhd.com

 +603-8943 1351

 www.kheesanbhd.com



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COMILK

