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FOR IMMEDIATE RELEASE

Khee San Berhad Achieves Significant Financial Turnaround Following the Completion of Regularisation Plan

KUALA LUMPUR, MALAYSIA – 25 May 2026 – Khee San Berhad ("**KSB**" or "**the Company**"), a confectionery manufacturer listed on the Main Market of Bursa Malaysia, today announced its financial results for the 3rd quarter ended 31 March 2026. The 9-month cumulative results reflect a significant turnaround in profitability and a fundamentally strengthened balance sheet following the successful completion of its Regularisation Plan.

Financial Highlights for the Q3 FY2026

For the cumulative 9M FY 2026, the Group recorded revenue of RM44.92 million, representing an increase of 3.4% as compared to RM43.42 million recorded in the corresponding cumulative 9M FY2025**.** Cumulatively, the Group recorded a profit of RM53.72 million, representing a substantial improvement from RM1.61 million in 9M FY2025, driven by the gain from the waiver of debts owing to creditors amounting to RM67.88 million under the Scheme of Arrangement, as well as improved gross margins.

Gross profit for 9M FY2026 rose by 12.7% to RM13.45 million, up from RM11.93 million in the 9M FY2025. The gross profit margin improved to 29.9%, compared to 27.5% in 9M FY2025, reflecting the Company's effective cost management initiatives. Basic earnings per share for the 9-month period stood at 11.58 sen, compared to 1.17 sen in the prior year.

The Company wishes to highlight that the Q3 FY2026 results include one-off expenses totalling approximately RM14.44 million, comprising the vesting of shares under the Employee Share Grant Scheme. These are non-recurring in nature and are not expected to recur in subsequent quarters.

Balance Sheet Transformation: Regularisation Plan Completion

A significant milestone for the Group in the current financial period was the successful completion of its Regularisation Plan on 17 March 2026. This achievement has substantially strengthened the Company's financial position and balance sheet structure, notably

- Total equity turned positive at RM90.75 million, a recovery from negative equity of RM73.97 million as at 30 June 2025.
- The Group has fully settled RM75.46 million in loans and borrowings, resulting in a significantly strengthened balance sheet with no outstanding borrowings.
- The Group’s current ratio improved significantly to 19.81 times from 0.16 times as at 30 June 2025, driven by higher current assets and a substantial reduction in current liabilities following the settlement of outstanding obligations.
- Cash reserves (being cash, bank balance and short-term deposit with licensed banks) strengthened to RM28.72 million from RM6.11 million as at 30 June 2025.

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The Regularisation Plan was completed following the implementation of the Rights Issue with Warrants, Scheme of Arrangement, Share Capital Reduction, and the Employee Share Scheme.

Prospects

The Group anticipates a challenging operating environment ahead, as geopolitical instability continues to fuel cost pressures. A recent Federation of Malaysian Manufacturers (FMM) survey in May 2026 noted that 72% of manufacturers report continued deterioration in operations, with 87% facing cost increases. To navigate these headwinds, the Group is intensifying its focus on strict cost discipline and operational efficiency to safeguard margins.

Accordingly, the Board remains confident of delivering positive operating results for the financial year ending 30 June 2026.

Management Commentary

Mr. Yong Loong Chen, Managing Director of Khee San Berhad, commented: "The completion of our Regularisation Plan marks a new chapter for Khee San Berhad. We have successfully resolved all outstanding liabilities, achieved zero gearing and a substantially improved balance sheet. This enables us to fully focus on expanding our core confectionery business. While the operating environment remains challenging, our improved cost structure and strengthened financial position provide a solid foundation to deliver sustainable results."

ABOUT KHEE SAN BERHAD

Khee San Berhad is a manufacturer of confectionery products in Malaysia, listed on the Main Market of Bursa Malaysia Securities Berhad. The Company produces a diverse range of sweets and candies, and is committed to operational excellence and creating value for all stakeholders.

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