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Khee San slated to regain control of unit from judicial manager

Izzul Ikram / theedgemarkets.com

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KUALA LUMPUR (Sept 1): Practice Note 17 (PN17) company Khee San Bhd is set to regain the management and operations of its wholly owned subsidiary Khee San Food Industries Sdn Bhd (KSFI) on Thursday (Sept 1).

Maybank Islamic Bhd told the Kuala Lumpur High Court on Thursday it withdrew its originating summons to place the candy manufacturer's unit under judicial management.

High Court Commercial division judge Nadzarin Wok Nordin ordered interim judicial manager Datuk Adam Primus Varghese Abdullah to hand over the management and operations of KSFI to Khee San on Thursday, as well as Maybank Islamic to pay secured creditor Tunai Impian Enterprise Sdn Bhd RM20,000 in costs.

This was confirmed by Tunai Impian's counsels Datuk K Kirubakaran and Daljit Singh, as well as Khee San's counsel Datuk Seri Krishna Kumar when contacted by *The Edge* on Thursday.

Subsequent to this development, Khee San will file a scheme of arrangement next week to resolve the funds KSFI owes its creditors, according to Krishna.

He said the company owes a cumulative RM139 million to a series of creditors including Tunai Impian, Bank of China (Malaysia), HSBC Bank Malaysia, United Overseas Bank (Malaysia), OCBC Bank, OCBC Al-Amin Bank, Alliance Bank Malaysia, Maybank Islamic, Standard Chartered Bank Malaysia, and CIMB.

However, Khee San is not out of the woods yet, as before exiting the PN17 status, the group still has to have its scheme of arrangement approved by the creditors, as well as submit a regularisation plan to the bourse regulator — which is also dependent upon its shareholders' approval.

Bursa Securities has to approve the plan, and Khee San must implement it within a stipulated time frame.

If it fails to regularise its conditions within the time frame permitted by Bursa Securities, it risks a trading suspension or delisting from the local bourse.

In November last year, Khee San fell into the PN17 status after KSFI was placed under judicial management following an application by Maybank Islamic to place the unit under a court-supervised restructuring.

Khee San said that the assets of KSFI accounted for over half of the total assets employed of the company on a consolidated basis.

At noon break on Thursday, shares in Khee San were up one sen or 9.52% at 11.5 sen, giving the group a market capitalisation of RM15.07 million.

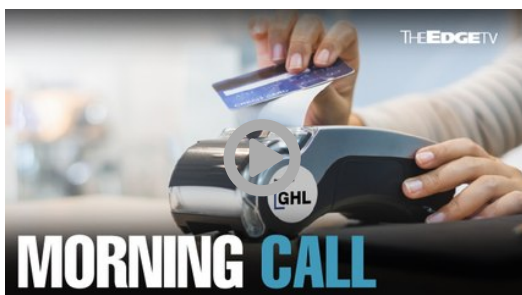
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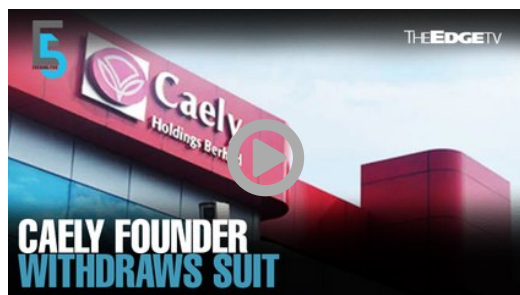
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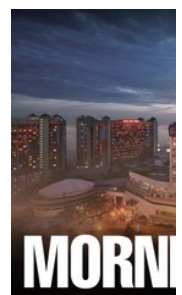
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