



The Board of Directors of KIM HIN JOO (MALAYSIA) BERHAD is pleased to announce the following unaudited consolidated results for the fourth quarter and financial year ended (“FYE”) 31 December 2022.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FOURTH QUARTER AND FYE 31 DECEMBER 2022

	3 months ended		12 months ended	
	31.12.2022 RM'000	31.12.2021 RM'000	31.12.2022 RM'000	31.12.2021 RM'000 (Audited)
Revenue	29,084	29,834	104,635	82,883
Cost of sales	(16,062)	(15,590)	(54,450)	(43,764)
Gross profit	13,022	14,244	50,185	39,119
Other operating income	277	843	1,112	4,939
Selling and marketing costs	(955)	(810)	(2,813)	(1,910)
Administration and other operating expenses	(11,069)	(10,382)	(40,831)	(34,460)
Finance cost	(206)	(194)	(826)	(923)
Profit before tax	1,069	3,701	6,827	6,765
Tax expense	(534)	(1,393)	(1,982)	(2,172)
Profit and total comprehensive income for the period	535	2,308	4,845	4,593
Basic earnings per ordinary share (sen)	0.14	0.61	1.28	1.21

The unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial statements.



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022**

	As at 31.12.2022 RM'000	As at 31.12.2021 RM'000 (Audited)
ASSETS		
Non-Current Assets		
Plant and equipment	8,376	6,709
Right-of-use assets	20,087	20,560
Deferred tax assets	232	458
Refundable deposits	2,739	2,572
	31,434	30,299
Current Assets		
Inventories	61,455	50,684
Trade receivables	1,803	1,560
Other receivables, deposits and prepaid expenses	3,274	4,628
Amount due from other related company	-	5
Tax recoverable	367	8
Short-term investments	1,970	1,929
Fixed deposits with licensed banks	7,411	12,396
Cash and bank balances	11,666	12,825
	87,946	84,035
TOTAL ASSETS	119,380	114,334



Kim Hin Joo (Malaysia) Berhad

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	As at 31.12.2022 RM'000	As at 31.12.2021 RM'000 (Audited)
Equity attributable to owners of the Company		
Share capital	31,128	31,128
Retained earnings	48,219	47,174
TOTAL EQUITY	79,347	78,302
Non-Current Liabilities		
Lease liabilities	13,624	14,622
	13,624	14,622
Current Liabilities		
Trade payables	11,304	5,755
Other payables, accrued expenses and provision	8,014	8,682
Amount due to other related company	^	279
Lease liabilities	7,091	6,440
Tax liabilities	-	254
	26,409	21,410
TOTAL LIABILITIES	40,033	36,032
TOTAL EQUITY AND LIABILITIES	119,380	114,334
Net assets per ordinary share attributable to ordinary equity holders of the Company (sen)	20.88	20.61

The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial statements.



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FYE 31 DECEMBER 2022**

←—Attributable to owners of the Company—→

	Share Capital RM'000	Retained Earnings RM'000	Total RM'000
Balance as at 1 January 2021	31,128	46,381	77,509
Total comprehensive income for the year	-	4,593	4,593
Dividend (paid on 12 April 2021)	-	(3,800)	(3,800)
Balance as at 31 December 2021	31,128	47,174	78,302
Balance as at 1 January 2022	31,128	47,174	78,302
Total comprehensive income for the year	-	4,845	4,845
Dividend (paid on 12 April 2022)	-	(3,800)	(3,800)
Balance as at 31 December 2022	31,128	48,219	79,347

The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial statements.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FYE 31 DECEMBER 2022**

	12 months ended 31.12.2022 RM'000	12 months ended 31.12.2021 RM'000 (Audited)
CASH FLOWS (USED IN)/FROM OPERATING ACTIVITIES		
Profit before tax	6,827	6,765
Adjustments:		
Amortisation of right-of-use asset	7,377	7,662
Depreciation for plant and equipment	3,815	3,233
Fair value gain on short-term investments	(42)	(34)
Finance costs:		
- Unwinding of interest expense of provision for restoration cost	14	14
- Lease interest expense	812	909
Gain on disposal of plant and equipment	(5)	-
Gain on termination / modification of MFRS 16	-	(171)
Interest income	(271)	(399)
Inventories		
- Write-down/(Reversal) of write-down (Net)	44	(87)
- Written off (Net)	323	222
Unwinding of interest income – refundable deposit	(119)	(136)
Unrealised gain on foreign exchange	(29)	(105)
Operating profit before changes in working capital	18,746	17,873
Changes in working capital:		
(Increase)/Decrease in		
Inventories	(11,138)	(11,729)
Trade receivables	(243)	(561)
Other receivables, deposits and prepaid expenses	1,305	(1,441)
Amount due from other related companies	5	(5)
Increase/(Decrease) in		
Trade payables	5,589	2,803
Other payables, accrued expenses and provision	(805)	3,420
Amount due to holding company	-	(16)
Amount due to other related companies	(279)	279
Cash generated from operations	13,180	10,623
Income tax paid	(2,368)	(1,789)
Net cash generated from operating activities	10,812	8,834
CASH FLOWS USED IN INVESTING ACTIVITIES		
Acquisition of plant and equipment	(5,482)	(3,574)
Decrease in fixed deposits pledged	-	51
Interest received	271	399
Proceed from disposal of plant and equipment	5	-
Net cash used in investing activities	(5,206)	(3,124)



	12 months ended 31.12.2022 RM'000	12 months ended 31.12.2021 RM'000 (Audited)
CASH FLOWS USED IN FINANCING ACTIVITIES		
Repayment of lease liabilities	(7,139)	(7,518)
Interest paid	(812)	(909)
Dividend paid	(3,800)	(3,800)
Net cash used in financing activities	(11,751)	(12,227)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(6,145)	(6,517)
Effect of exchange rate differences on the balance of cash held in foreign currencies	1	(7)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	24,533	31,057
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	18,389	24,533
Cash and cash equivalents comprise:		
Fixed deposits	7,411	12,396
Cash and bank balances	11,666	12,825
	19,077	25,221
Less: Fixed deposits pledged with licensed banks	(688)	(688)
	18,389	24,533

[^] *Negligible*

The unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial statements.



**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOURTH QUARTER ENDED 31 DECEMBER 2022**

A COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARDS (MFRS) 134: INTERIM FINANCIAL REPORTING AND THE ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (“BURSA SECURITIES”) (“LISTING REQUIREMENTS”)

A1 Basis of preparation

These condensed consolidated interim financial statements are unaudited and have been prepared in accordance with all the new Malaysian Financial Reporting Standards (“MFRS”) and Amendments to MFRSs issued by the Malaysian Accounting Standards Board (“MASB”) and Rule 9.22 and Appendix 9B of the Listing Requirements.

The unaudited condensed consolidated interim financial statements should be read in conjunction with audited financial statements for the financial year ended (“FYE”) 31 December 2021 and the accompanying explanatory notes therein. The explanatory notes attached to these unaudited condensed consolidated interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of Kim Hin Joo (Malaysia) Berhad and its subsidiaries (“Group”) since FYE 31 December 2021.

A2 Significant Accounting Policies

The accounting policies adopted by the Group in these condensed consolidated interim financial statements are consistent with those adopted in the audited financial statements for the FYE 31 December 2021, save for the adoption of the following amendments to MFRS, which became effective and relevant to the Group for financial period beginning 1 January 2022:

Amendments/Improvements to MFRS

Amendments to MFRS 3	<i>Reference to the Conceptual Framework</i>
Amendments to MFRS 116	<i>Property, Plant and Equipment - Proceeds before Intended Use</i>
Amendments to MFRS 137	<i>Onerous Contracts - Cost of Fulfilling a Contract</i>
Annual Improvements to MFRS 2018 - 2020 Cycle	

The adoption of the above amendments to MFRSs did not have any material impact on the amounts reported in the financial statements of the Group upon its initial application.



**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOURTH QUARTER ENDED 31 DECEMBER 2022**

New Standards and amendments to MFRSs in issue but not yet effective

At the date of authorisation for issue of these financial statements, the new and amendments to MFRSs which were in issue but not yet effective and not early adopted by the Group are as listed below:

MFRS 17	<i>Insurance Contracts</i> ¹
Amendments to MFRS 4	<i>Extension of the Temporary Exemption from Applying MFRS 9</i> ²
Amendments to MFRS 10 and MFRS 128	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ³
Amendments to MFRS 101	<i>Classification of Liabilities as Current or Non-Current</i> ¹
Amendments to MFRS 112	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i> ¹
Amendments to MFRS 17	<i>Insurance Contracts</i> ¹
Amendments to MFRS 17	<i>Initial Application of MFRS 17 and MFRS 9 – Comparative Information</i> ¹
Amendments to MFRS 108	<i>Definition of Accounting Estimates</i> ¹
Amendments to MFRS 101	<i>Disclosure of Accounting Policies</i> ¹
Amendments to MFRS 16	<i>Lease Liability in a Sale and Leaseback</i> ⁴
Amendments to MFRS 101	<i>Non-current Liabilities with Covenants</i> ⁴

¹ Effective for annual periods beginning on or after 1 January 2023 with earlier application permitted.

² Effective immediately for annual periods beginning before 1 January 2023 with earlier application permitted.

³ Effective date deferred to a date to be determined and announced by MASB.

⁴ Effective for annual periods beginning on or after 1 January 2024, with earlier application permitted

The adoption of these amendments to MFRSs are not expected to have any material financial impact on the financial statements of the Group in the period of initial application.

A3 Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the preceding audited financial statements of the Group for the FYE 31 December 2021 was not subject to any qualification.

A4 Seasonality

The Group's business operations are generally dependent on the Malaysia's economy, consumer confidence and Government restrictions and policies on retail operations, as well as major festive seasons sales such as Chinese New Year, Hari Raya and Christmas celebrations.



**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOURTH QUARTER ENDED 31 DECEMBER 2022**

A5 Nature and amount of items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size or incidence

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the current financial quarter under review.

A6 Changes in Estimates

There were no changes in estimates that have had a material effect on the current quarter results.

A7 Changes in Debt and Equity Securities

There was no issuance, cancellations, repurchases, resale or repayments of debt and equity securities during the current financial quarter.

A8 Dividends Paid

There was no dividend paid for the current period.



**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOURTH QUARTER ENDED 31 DECEMBER 2022**

A9 Operating segments

The business segment of the Group comprises Retail and Distribution.

The segmental analysis of the Group's revenue by business segments are set out as follows:

	3 months ended		12 months ended	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	RM'000	RM'000	RM'000	RM'000
Retail	25,644	25,799	89,631	66,900
Distribution	3,440	4,035	15,004	15,983
Total	29,084	29,834	104,635	82,883

The major contributor to the revenue stream of the Group was from the retail segment, which constituted 85.66% of the Group's total revenue for FYE 31 December 2022, recording sales totalling RM89.63 million. This represents an increase of approximately 33.98% compared to RM66.90 million recorded in the previous FYE 31 December 2021. Our increase in revenue during this year was attributed to the sales contribution from the opening of 2 additional The Entainer outlet in Suria KLCC and Gurney Plaza in FYE 31 December 2022 as compared to FYE 31 December 2021.

Meanwhile, the Distribution segment revenue recorded a slight decrease of 6.1% in revenue from RM15.98 million in the FYE 31 December 2021 to RM15.00 million in the FYE 31 December 2022.

A10 Valuation of Plant and Equipment

There were no valuations of plant and equipment during the current quarter under review.

A11 Material Subsequent Event

There were no significant events since the end of this current quarter up to the date of this announcement.

A12 Changes in the Composition of the Group

There were no changes in the composition of the Group for the current quarter.



**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOURTH QUARTER ENDED 31 DECEMBER 2022**

A13 Contingent liabilities or contingent assets

There were no contingent liabilities or contingent assets as at the date of this interim financial report.

A14 Recurrent Related Party Transactions (“RRPT”)

Save as disclosed below, there was no other RRPT for the FYE 31 December 2022:

	12 months ended 31.12.2022 RM’000	12 months ended 31.12.2021 RM’000
Purchases	3,296	2,790
Sales	133	174
Rental payable#	960	910
E-Commerce management fees payable	208	196
Corporate management fees payable	203	195

The Group had received a rent rebate for the period from 1 June 2021 to 30 June 2021

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOURTH QUARTER ENDED 31 DECEMBER 2022****B COMPLIANCE WITH APPENDIX 9B OF THE LISTING REQUIREMENTS****B1 Review of Performance**

	Individual Period (4 th Quarter)				Cumulative Period (12 Months)			
	Current Year Quarter 31 December 2022	Preceding Year Corresponding Quarter 31 December 2021	Variance	%	Current Year-to-date 31 December 2022	Preceding Year Corresponding Period 31 December 2021	Variance	%
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	29,084	29,834	(750)	(2.51)	104,635	82,883	21,752	26.24
Gross Profit	13,022	14,244	(1,222)	(8.58)	50,185	39,119	11,066	28.29
Profit Before Tax	1,069	3,701	(2,632)	(71.12)	6,827	6,765	62	0.92

Current quarter (“Q4 2022) against preceding year corresponding quarter (“Q4 2021”)

The Group registered a revenue of RM29.08 million for the current quarter as compared to a revenue of RM29.83 million recorded in the previous year’s corresponding quarter. The decrease in sales revenue and gross profit was mainly due to the decline in sales from the distribution segment in the FYE 31 December 2022.

As a result, the Group recorded a profit before tax (“PBT”) of RM1.07 million in Q4 2022 as compared to PBT of RM3.70 million in Q4 2021.

Current financial year ended 31 December 2022 (“FYE 2022) against preceding financial year ended 31 December 2021 (“FYE 2021”)

For the FYE 31 December 2022, the Group registered a revenue of RM104.64 million as compared to a revenue of RM82.88 million recorded in FYE 31 December 2021, representing an increase of RM21.75 million or 26.24%.

Business costs in current financial year have increased 18.49% due to higher salary, marketing, utilities and depreciation. The Group recorded a profit before tax (“PBT”) of RM6.83 million for the current FYE 31 December 2022, representing a 0.92% increase as compared to a PBT of RM6.77 million in the preceding year.



**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOURTH QUARTER ENDED 31 DECEMBER 2022**

B2 Comment on material change in profit before taxation for current quarter compared with the immediately preceding quarter

	Current Quarter 31 December 2022	Immediate Preceding Quarter 30 September 2022	Variance	
	RM'000	RM'000	RM'000	%
Revenue	29,084	24,310	4,774	19.64%
Gross Profit	13,022	12,129	893	7.36%
Gross Profit Margin	44.77%	49.89%		
Profit Before Tax	1,069	1,330	(261)	(19.62%)

For the current quarter under review, the Group registered a revenue of RM29.08 million and PBT of RM1.07 million as compared to the revenue of RM24.31 million and PBT of RM1.33 million reported in the preceding quarter. The increase in revenue of 19.64% was mainly contributed by festive season sales. The Group recorded a decrease in PBT due to lower gross profit margin.

B3 Prospects

The Group will focus on improving overall gross profit margin.

Our toy business, The Entertainer, has shown improvement over the previous year with the opening of our 6th outlet. We have achieved critical mass and we expect this business to contribute earnings in the coming financial year.



**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOURTH QUARTER ENDED 31 DECEMBER 2022**

B4 Variance between Actual Profit and Forecast Profit

The Group has not provided any profit forecast in any public documents and announcements.

B5 Taxation

	3 months ended		12 months ended	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	RM'000	RM'000	RM'000	RM'000
Current tax	294	1,176	1,755	1,950
Deferred tax	240	217	227	222
Total	534	1,393	1,982	2,172

Income tax is calculated at the Malaysian statutory tax rate of 24% of the estimated assessable profit before tax for the current quarter and current financial year.

B6 Unquoted investments and properties

There were no purchases or sales of unquoted investment or properties for the current quarter.

B7 Quoted securities

There were no acquisitions or disposals of quoted securities for the current quarter and the financial year to date.



**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOURTH QUARTER ENDED 31 DECEMBER 2022**

B8 Status of Corporate Proposals

There is no corporate proposal announced but pending completion as at the date of this report.

B9 Off Balance Sheet Financial Instruments

The Group does not have any financial instruments with off balance sheet risk as at the end of current quarter to the date of the interim financial report.

B10 Material Litigation

As at the date of this report, there is no litigation against the Group which has a material effect on the financial position of the Group and the Board is not aware of any material litigation or any proceedings pending or threatened or of any fact likely to give rise to any proceedings.

B11 Earnings Per Share (“EPS”)

	3 months ended		12 months ended	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
BASIC EPS				
Profit attributable to owners of the Company (RM'000)	535	2,308	4,845	4,593
Weighted average number of ordinary shares in issue ('000)	380,000	380,000	380,000	380,000
Basic EPS (sen)	0.14	0.61	1.28	1.21

Notes:

The basic earnings per share is computed based on profit after tax attributable to the owners of the Company and divided by the weighted average number of shares in issue as at 31 December 2022.

There was no dilution in the earning per share as there was no potential diluted ordinary share outstanding as at the end of the current period under review.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOURTH QUARTER ENDED 31 DECEMBER 2022****B12 Notes to the Statement of Comprehensive Income**

	3 months ended		12 months ended	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	RM'000	RM'000	RM'000	RM'000
The following items have been charged / (credited) in arriving profit from operations:				
Auditors' remuneration	70	13	235	170
Amortisation of right-of-use assets	1,846	1,823	7,377	7,662
Depreciation for plant and equipment	1,067	841	3,815	3,233
Fair value gain on short-term investments	(16)	(17)	(42)	(34)
Finance costs:				
Unwinding of interest expense of provision for restoration cost	6	3	14	14
Lease interest expense	200	191	812	909
Gain on disposal of plant and equipment	-	-	(5)	-
Gain on modification / termination of MFRS 16	-	-	-	(171)
(Gain) / Loss on foreign exchange:				
- Realised	(7)	(2)	(52)	(417)
- Unrealised	(58)	(90)	(29)	(105)
Government grant on wage subsidy	-	(262)	(76)	(1,202)
Interest income	(63)	(82)	(271)	(399)
Inventories written-off	258	177	323	222
Rent concessions	(18)	(186)	(69)	(1,796)
Unwinding of interest (expense) – refundable deposit	(15)	(9)	(119)	(136)
(Reversal) / Write-down of inventories	44	(90)	44	(87)

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOURTH QUARTER ENDED 31 DECEMBER 2022****B13 Utilisation of Proceeds Raised from Public Issue**

The gross proceeds arising from the Public Issue amounting to RM32.68 million is intended to be utilised in the following manner:

Details of use of proceeds	Proposed Utilisation (after the Proposed Variation)	Actual Utilisation	Deviation	Estimated Timeframe for Utilisation
	RM'000	RM'000	RM'000	
1. Business expansion and capital expenditure				
a. Expansion of the Group's retail network	7,000	7,000	-	Within 48 months
b. Expansion of the Group's toys range by opening and operating The Entertainer toy outlets	5,000	5,000	-	Within 48 months
c. Revamp and upgrade our back-end IT infrastructure system and e-commerce platform	3,000	1,866	-	Within 48 months
d. Expansion or relocation of our existing outlets	2,000	2,000	-	Within 48 months
2. Working capital				
a. To support the day-to-day operation cost, including inventory and operational overheads, maintenance and upkeep, expansion of workforce and advertisement and promotional activities	7,880	7,880	-	Within 24 months
b. Expansion of product range offered under distribution segment	4,000	4,000	-	Within 24 months
3. Estimated listing expenses	3,800	3,800	-	Within 3 months
	32,680	31,546	-	

The utilisation of the proceeds as disclosed above should be read in conjunction with the Prospectus of the Company dated 19 June 2019, as well as the Proposed Variation of the proceeds arising from Public Issue which was approved by the Board of Directors and announced on 1st October 2021 and the Extension of Time for utilisation of the proceeds which was announced on 20 June 2022.

B14 Authorisation for issue

The interim financial report was authorised for issue by the Board in accordance with a resolution of the Board dated 27 February 2023.