



The Board of Directors of KIM HIN JOO (MALAYSIA) BERHAD is pleased to announce the following unaudited consolidated results for the second quarter and financial period ended (“FPE”) 30 June 2022.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME FOR THE SECOND QUARTER AND FPE
30 JUNE 2022**

	3 months ended		6 months ended	
	30.06.2022	30.06.2021	30.06.2022	30.06.2021
	RM'000	RM'000	RM'000	RM'000
Revenue	28,383	17,116	51,242	38,179
Cost of sales	(14,298)	(9,486)	(26,207)	(20,134)
Gross profit	14,085	7,630	25,035	18,045
Other operating income	285	1,164	561	2,217
Selling and marketing costs	(597)	(399)	(1,043)	(753)
Administration and other operating expenses	(10,426)	(7,963)	(19,710)	(16,525)
Finance cost	(210)	(247)	(415)	(522)
Profit before tax	3,137	185	4,428	2,462
Tax expense	(763)	(93)	(1,176)	(615)
Profit and total comprehensive income for the period	2,374	92	3,252	1,847
Basic earnings per ordinary share (sen)	0.62	0.02	0.86	0.49

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 30 JUNE 2022**

	As at 30.06.2022 RM'000	As at 31.12.2021 RM'000 (Audited)
ASSETS		
Non-Current Assets		
Plant and equipment	5,652	6,709
Right-of-use assets	19,157	20,560
Deferred tax assets	465	458
Refundable deposits	2,634	2,572
	27,908	30,299
Current Assets		
Inventories	55,779	50,684
Trade receivables	1,830	1,560
Other receivables, deposits and prepaid expenses	3,798	4,628
Amount due from other related company	2	5
Tax recoverable	-	8
Short-term investments	1,929	1,929
Fixed deposits with licensed banks	7,314	12,396
Cash and bank balances	10,668	12,825
	81,320	84,035
TOTAL ASSETS	109,228	114,334

**Kim Hin Joo (Malaysia) Berhad**

197801000642 (37655-U)

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	As at 30.06.2022 RM'000	As at 31.12.2021 RM'000 (Audited)
Equity attributable to owners of the parent		
Share capital	31,128	31,128
Retained earnings	46,626	47,174
TOTAL EQUITY	77,754	78,302
Non-Current Liabilities		
Lease liabilities	14,074	14,622
	14,074	14,622
Current Liabilities		
Trade payables	6,188	5,755
Other payables, accrued expenses and provision	4,842	8,682
Amount due to other related company	18	279
Lease liabilities	5,709	6,440
Tax liabilities	643	254
	17,400	21,410
TOTAL LIABILITIES	31,474	36,032
TOTAL EQUITY AND LIABILITIES	109,228	114,334
Net assets per ordinary share attributable to ordinary equity holders of the Company (sen)	20.46	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 FPE 30 JUNE 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 for the year	-	1,847	1,847
Dividend paid (12 April 2021)	-	(3,800)	(3,800)
Balance as at 30 June 2021	31,128	44,428	75,556
Balance as at 1 January 2022	31,128	47,174	78,302
Total comprehensive income for the year	-	3,252	3,252
Dividend paid (12 April 2022)	-	(3,800)	(3,800)
Balance as at 30 June 2022	31,128	46,626	77,754

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 FPE 30 JUNE 2022**

	6 months ended 30.06.2022 RM'000	6 months ended 30.06.2021 RM'000
CASH FLOWS (USED IN)/FROM OPERATING ACTIVITIES		
Profit before tax	4,428	2,462
Adjustments:		
Amortisation of right-of-use asset	3,708	4,043
Depreciation for plant and equipment	1,820	1,574
Fair value gain on short-term investments	-	(17)
Finance costs:		
- Unwinding of interest expense of provision for restoration cost	7	7
- Lease interest expense	408	515
Gain on disposal of plant and equipment	(5)	-
Interest income	(142)	(223)
Inventories		
- Write-down/(Reversal) of write-down	60	^
- Written off	90	35
Unwinding of interest income – refundable deposit	(72)	(93)
Unrealised loss/(gain) on foreign exchange	42	(50)
Operating profit before changes in working capital	10,344	8,253
Changes in working capital:		
(Increase)/Decrease in		
Inventories	(5,246)	(6,541)
Trade receivables	(270)	(215)
Other receivables, deposits and prepaid expenses	847	(167)
Amount due from other related company	3	-
Increase/(Decrease) in		
Trade payables	393	1,295
Other payables, accrued expenses and provision	(3,860)	(600)
Amount due to holding companies	-	33
Amount due to other related company	(262)	297
Cash generated from operations	1,949	2,355
Income tax paid	(785)	(827)
Net cash generated from operating activities	1,164	1,528
CASH FLOWS USED IN INVESTING ACTIVITIES		
Acquisition of plant and equipment	(763)	(518)
Interest received	142	223
Proceed from disposal of plant and equipment	5	-
Net cash used in investing activities	(616)	(295)



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FPE 30 JUNE 2022**

	6 months ended 30.06.2022 RM'000	6 months ended 30.06.2021 RM'000
CASH FLOWS USED IN FINANCING ACTIVITIES		
Repayment of lease liabilities	(3,579)	(3,808)
Interest paid	(408)	(515)
Dividend paid	(3,800)	(3,800)
Net cash used in financing activities	(7,787)	(8,123)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(7,239)	(6,890)
Effect of exchange rate differences on the balance of cash held in foreign currencies	[^]	(7)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	24,533	31,057
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	17,294	24,160
Cash and cash equivalents comprise:		
Fixed deposits	7,314	17,481
Cash and bank balances	10,668	7,418
	17,982	24,899
Less: Fixed deposits pledged with licensed banks	(688)	(739)
	17,294	24,160

[^] 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
SECOND QUARTER ENDED 30 JUNE 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 ²	

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 SECOND QUARTER ENDED 30 JUNE 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> ²
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 MFRS9 and MFRS 17 – 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

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.

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
SECONDT QUARTER ENDED 30 JUNE 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

The Board of Directors of the Company (“**Board**”) had previously on 25 February 2022 declared a first interim single tier tax-exempt dividend in respect of the financial year ended 31 December 2021 of 1.0 sen per ordinary share amounting to RM3,800,000 which was paid on 12 April 2022.



NOTES TO THE INTERIM FINANCIAL STATEMENTS
SECONDT QUARTER ENDED 30 JUNE 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		6 months ended	
	30.06.2022	30.06.2021	30.06.2022	30.06.2021
	RM'000	RM'000	RM'000	RM'000
Retail	24,074	12,347	43,381	30,023
Distribution	4,309	4,769	7,861	8,156
Total	28,383	17,116	51,242	38,179

The major contributor to the revenue stream of the Group was from the retail segment, which constituted 84.66% of the Group's total revenue for FPE 30 June 2022, recording sales totalling RM43.38 million. This represents an increase of approximately 44.49% compared to RM30.02 million recorded in the previous FPE 30 June 2021. The rebound in revenue for our retail segment this quarter was driven by the lifting of COVID-19 movement restrictions following the country's "Transition to Endemic" phase which began on 1 April 2022, resulting in increased foot traffic in shopping malls where our retail outlets are located. In addition, our retail operations were also positively impacted by higher consumer spending levels due to the Hari Raya festive season during this period, as well as the reopening of Malaysia's border to overseas tourists.

Our increase in revenue during this quarter was also attributed to the sales contribution from the opening of one additional Mothercare outlet and one additional The Entertainer outlet in Tropicana Gardens Mall in FPE 30 June 2022 as compared to FPE 30 June 2021.

Meanwhile, the Distribution segment revenue recorded a slight decrease of 3.62% in revenue from RM8.16 million in the FPE 30 June 2021 to RM7.86 million in the FPE 30 June 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
SECONDT QUARTER ENDED 30 JUNE 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 FPE 30 June 2022:

	6 months ended 30.06.2022 RM’000	6 months ended 30.06.2021 RM’000
Purchases	1,718	1,358
Sales	-	152
Rental payable#	480	550
E-Commerce management fees payable	98	107
Corporate management fees payable	99	98

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

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
SECOND QUARTER ENDED 30 JUNE 2022****B COMPLIANCE WITH APPENDIX 9B OF THE LISTING REQUIREMENTS****B1 Review of Performance**

	Individual Period (2 nd Quarter)				Cumulative Period (6 Months)			
	Current Year Quarter 30 June 2022	Preceding Year Corresponding Quarter 30 June 2021	Variance		Current Year-to- date 30 June 2022	Preceding Year Corresponding Period 30 June 2021	Variance	
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	28,383	17,116	11,267	65.83	51,242	38,179	13,063	34.22
Gross Profit	14,085	7,630	6,455	84.60	25,035	18,045	6,990	38.74
Profit Before Tax	3,137	185	2,952	1,595.68	4,428	2,462	1,966	79.85

Current quarter ("Q2 2022") against preceding year corresponding quarter ("Q2 2021")

The Group registered a revenue of RM28.38 million for the current quarter as compared to a revenue of RM17.12 million recorded in the previous year's corresponding quarter. The increase in revenue was mainly due to the lifting of COVID-19 movement restrictions following the country's "Transition to Endemic" phase which began on 1 April 2022, resulting in increased foot traffic in shopping malls where our retail outlets are located. In comparison, during the Q2 2021, Movement Control Order ("MCO") 3.0 was implemented, which resulted in the temporary closure of all our retail outlets starting from 1 June 2021.

As a result, the Group recorded a profit before tax ("PBT") of RM3.14 million in Q2 2022, representing an increase of RM2.95 million as compared to PBT of RM0.19 million in Q2 2021.

Current year to date ended 30 June 2022 ("Q2 2022") against preceding year corresponding period dated 30 June 2021 ("Q2 2021")

For the FPE 30 June 2022, the Group registered a revenue of RM51.24 million as compared to a revenue of RM38.18 million recorded in FPE 30 June 2021, representing an increase of RM13.06 million or 34.22%. The increase in revenue was contributed by our retail segment, which recorded increase in sales primarily attributed to the increased foot traffic in shopping malls where our retail outlets are located subsequent to the country's "Transition to Endemic" phase. In addition, our retail operations were also positively impacted by higher consumer spending levels due to the Hari Raya festive season during this period, as well as the reopening of Malaysia's border to overseas tourists.

The opening of new retail outlets during this period, namely one new Mothercare outlet in and one new The Entertainer outlet in Tropicana Gardens Mall, also contributed to the increase in revenue. The Group recorded revenue contribution from a total of 25 retail outlets during the current FPE 30 June 2022 as compared to 23 retail outlets in the preceding corresponding FPE 30 June 2021.

In line with the increase in revenue, the Group recorded a profit before tax ("PBT") of RM4.43 million recorded for the current FPE 30 June 2022, representing a 79.85% increase as compared to RM2.46 million in preceding year's corresponding FPE 30 June 2021.



**NOTES TO THE INTERIM FINANCIAL STATEMENTS
SECOND QUARTER ENDED 30 JUNE 2022**

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

	Current Quarter 30 June 2022	Immediate Preceding Quarter 31 March 2022	Variance	
	RM'000	RM'000	RM'000	%
Revenue	28,383	22,859	5,524	24.17%
Gross Profit	14,085	10,950	3,135	28.63%
Gross Profit Margin	49.63%	47.90%		
Profit Before Tax	3,137	1,291	1,847	143.07%

For the current quarter under review, the Group registered revenue of RM28.38 million and PBT of RM3.14 million as compared to the revenue of RM22.86 million and PBT of RM1.29 million reported in the immediate preceding quarter. The increase in revenue of 24.17% was mainly due to increased foot traffic in shopping malls where our retail outlets are located, as well as higher consumer spending levels due to the Hari Raya festive season during the current quarter.

In line with the increase in revenue in the current quarter, the Group recorded an increase in PBT of RM1.85 million, from RM1.29 million in the immediate preceding quarter to RM3.14 million in the current quarter.

B3 Prospects

With the reopening of the economy and the lifting of movement restrictions following the country's "Transition to Endemic" phase which began on 1 April 2022, we have seen an improvement in foot traffic and consumer spending habits. As the Covid-19 situation improves, the Group expects to resume our normal growth plans and prospects.

We remain prudent in view of rising cost and interest rates but will continue to seize on good opportunities as they arise. Our strategies are focused on improving customer experience and growing The Entertainer toy business.



NOTES TO THE INTERIM FINANCIAL STATEMENTS
SECOND QUARTER ENDED 30 JUNE 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		6 months ended	
	30.06.2022	30.06.2021	30.06.2022	30.06.2021
	RM'000	RM'000	RM'000	RM'000
Current tax	768	102	1,183	636
Deferred tax	(5)	(9)	(7)	(21)
Total	763	93	1,176	615

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 period.

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 period to date.



**NOTES TO THE INTERIM FINANCIAL STATEMENTS
SECOND QUARTER ENDED 30 JUNE 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		6 months ended	
	30.06.2022	30.06.2021	30.06.2022	30.06.2021
BASIC EPS				
Profit attributable to owners of the Company (RM'000)	2,374	92	3,252	1,847
Weighted average number of ordinary shares in issue ('000)	380,000	380,000	380,000	380,000
Basic EPS (sen)	0.62	0.02	0.86	0.49

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 30 June 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
SECOND QUARTER ENDED 30 JUNE 2022**

B12 Notes to the Statement of Comprehensive Income

	3 months ended		6 months ended	
	30.06.2022	30.06.2021	30.06.2022	30.06.2021
	RM'000	RM'000	RM'000	RM'000
The following items have been charged / (credited) in arriving profit from operations:				
Auditors' remuneration	55	52	110	104
Amortisation of right-of-use assets	1,852	2,008	3,708	4,043
Depreciation for plant and equipment	886	795	1,820	1,574
Fair value gain on short-term investments	-	(17)	-	(17)
Finance costs:				
Unwinding of interest expense of provision for restoration cost	4	4	7	7
Lease interest expense	206	243	408	515
Gain on disposal of plant and equipment	-	-	(5)	-
(Gain) / Loss on foreign exchange:				
- Realised	(12)	8	(20)	6
- Unrealised	(1)	70	42	(50)
Government grant on wage subsidy	(25)	(208)	(72)	(587)
Interest income	(68)	(104)	(142)	(223)
Inventories written-off	55	18	90	35
Rent concessions	(22)	(537)	(33)	(853)
Unwinding of interest income – refundable deposit	(32)	(45)	(72)	(93)
Write-down of inventories	60	^	60	^

^ Negligible



**NOTES TO THE INTERIM FINANCIAL STATEMENTS
SECOND QUARTER ENDED 30 JUNE 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	5,633	-	Within 48 months
b. Expansion of the Group's toys range by opening and operating The Entertainer toy outlets	5,000	4,059	-	Within 48 months
c. Revamp and upgrade our back-end IT infrastructure system and e-commerce platform	3,000	1,240	-	Within 48 months
d. Expansion or relocation of our existing outlets	2,000	675	-	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	27,287	-	

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 26 August 2022.