



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

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

	3 months ended		9 months ended	
	30.09.2022 RM'000	30.09.2021 RM'000	30.09.2022 RM'000	30.09.2021 RM'000
Revenue	24,310	14,871	75,552	53,049
Cost of sales	(12,181)	(8,040)	(38,388)	(28,174)
Gross profit	12,129	6,831	37,164	24,875
Other operating income	274	1,878	835	4,095
Selling and marketing costs	(814)	(348)	(1,858)	(1,100)
Administration and other operating expenses	(10,053)	(7,553)	(29,763)	(24,079)
Finance cost	(206)	(206)	(620)	(729)
<b>Profit before tax</b>	1,330	602	5,758	3,062
Tax expense	(272)	(164)	(1,448)	(779)
<b>Profit and total comprehensive income for the period</b>	1,058	438	4,310	2,283
<b>Basic earnings per ordinary share (sen)</b>	0.28	0.12	1.13	0.60

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 SEPTEMBER 2022**

	<b>As at 30.09.2022 RM'000</b>	<b>As at 31.12.2021 RM'000 (Audited)</b>
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Plant and equipment	7,803	6,709
Right-of-use assets	19,156	20,560
Deferred tax assets	471	458
Refundable deposits	2,707	2,572
	<b>30,137</b>	<b>30,299</b>
<b>Current Assets</b>		
Inventories	55,291	50,684
Trade receivables	1,896	1,560
Other receivables, deposits and prepaid expenses	2,962	4,628
Amount due from other related company	2	5
Tax recoverable	-	8
Short-term investments	1,954	1,929
Fixed deposits with licensed banks	7,375	12,396
Cash and bank balances	9,561	12,825
	<b>79,041</b>	<b>84,035</b>
<b>TOTAL ASSETS</b>	<b>109,178</b>	<b>114,334</b>



# Kim Hin Joo (Malaysia) Berhad

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	As at 30.09.2022 RM'000	As at 31.12.2021 RM'000 (Audited)
<b>Equity attributable to owners of the parent</b>		
Share capital	31,128	31,128
Retained earnings	47,684	47,174
<b>TOTAL EQUITY</b>	<b>78,812</b>	<b>78,302</b>
<b>Non-Current Liabilities</b>		
Lease liabilities	14,152	14,622
	14,152	14,622
<b>Current Liabilities</b>		
Trade payables	3,060	5,755
Other payables, accrued expenses and provision	7,200	8,682
Amount due to ultimate holding company	^	-
Amount due to other related company	6	279
Lease liabilities	5,652	6,440
Tax liabilities	296	254
	16,214	21,410
<b>TOTAL LIABILITIES</b>	<b>30,366</b>	<b>36,032</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>109,178</b>	<b>114,334</b>
Net assets per ordinary share attributable to ordinary equity holders of the Company (sen)	20.74	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 SEPTEMBER 2022**

←—Attributable to owners of the Company—→

	<b>Share Capital RM'000</b>	<b>Retained Earnings RM'000</b>	<b>Total RM'000</b>
<b>Balance as at 1 January 2021</b>	31,128	46,381	<b>77,509</b>
Total comprehensive for the year	-	2,283	<b>2,283</b>
Dividend paid (12 April 2021)	-	(3,800)	<b>(3,800)</b>
<b>Balance as at 30 September 2021</b>	<b>31,128</b>	<b>44,864</b>	<b>75,992</b>
<b>Balance as at 1 January 2022</b>	31,128	47,174	<b>78,302</b>
Total comprehensive income for the year	-	4,310	<b>4,310</b>
Dividend paid (12 April 2022)	-	(3,800)	<b>(3,800)</b>
<b>Balance as at 30 September 2022</b>	<b>31,128</b>	<b>47,684</b>	<b>78,812</b>

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 SEPTEMBER 2022**

	<b>9 months ended 30.09.2022 RM'000</b>	<b>9 months ended 30.09.2021 RM'000</b>
<b>CASH FLOWS (USED IN)/FROM OPERATING ACTIVITIES</b>		
Profit before tax	5,758	3,062
Adjustments:		
Amortisation of right-of-use asset	5,531	5,839
Depreciation for plant and equipment	2,748	2,392
Fair value gain on short-term investments	(26)	(17)
Finance costs:		
- Unwinding of interest expense of provision for restoration cost	8	11
- Lease interest expense	612	718
Gain on disposal of plant and equipment	(5)	-
Gain on termination / modification of MFRS 16	-	(171)
Interest income	(208)	(317)
Inventories		
- Write-down/(Reversal) of write-down	-	3
- Written off	65	45
Unwinding of interest income – refundable deposit	(104)	(127)
Unrealised loss/(gain) on foreign exchange	29	(15)
<b>Operating profit before changes in working capital</b>	<b>14,408</b>	<b>11,423</b>
Changes in working capital:		
(Increase)/Decrease in		
Inventories	(4,672)	(12,552)
Trade receivables	(336)	(225)
Other receivables, deposits and prepaid expenses	1,617	(1,159)
Amount due from other related company	3	-
Increase/(Decrease) in		
Trade payables	(2,716)	3,077
Other payables, accrued expenses and provision	(1,523)	1,934
Amount due to holding companies	^	84
Amount due to other related company	(273)	1,097
<b>Cash generated from operations</b>	<b>6,508</b>	<b>3,679</b>
Income tax paid	(1,411)	(1,194)
<b>Net cash generated from operating activities</b>	<b>5,097</b>	<b>2,485</b>
<b>CASH FLOWS USED IN INVESTING ACTIVITIES</b>		
Acquisition of plant and equipment	(3,842)	(900)
Interest received	208	317
Proceed from disposal of plant and equipment	5	-
<b>Net cash used in investing activities</b>	<b>(3,629)</b>	<b>(583)</b>



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

	<b>9 months ended 30.09.2022 RM'000</b>	<b>9 months ended 30.09.2021 RM'000</b>
<b>CASH FLOWS USED IN FINANCING ACTIVITIES</b>		
Repayment of lease liabilities	(5,341)	(5,721)
Interest paid	(612)	(718)
Dividend paid	(3,800)	(3,800)
Net cash used in financing activities	<b>(9,753)</b>	<b>(10,239)</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(8,285)	(8,337)
Effect of exchange rate differences on the balance of cash held in foreign currencies	^	(7)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD</b>	24,533	31,057
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD</b>	<b>16,248</b>	<b>22,713</b>
<b>Cash and cash equivalents comprise:</b>		
Fixed deposits	7,375	12,346
Cash and bank balances	9,561	11,106
	16,936	23,452
Less: Fixed deposits pledged with licensed banks	(688)	(739)
	<b>16,248</b>	<b>22,713</b>

^ 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  
THIRD QUARTER ENDED 30 SEPTEMBER 2022**

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**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  
THIRD QUARTER ENDED 30 SEPTEMBER 2022**

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

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

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

<sup>3</sup> 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  
THIRD QUARTER ENDED 30 SEPTEMBER 2022**

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**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  
THIRD QUARTER ENDED 30 SEPTEMBER 2022**

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**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		9 months ended	
	30.09.2022	30.09.2021	30.09.2022	30.09.2021
	RM'000	RM'000	RM'000	RM'000
Retail	20,606	11,079	63,987	41,101
Distribution	3,704	3,792	11,565	11,948
<b>Total</b>	<b>24,310</b>	<b>14,871</b>	<b>75,552</b>	<b>53,049</b>

The major contributor to the revenue stream of the Group was from the retail segment, which constituted 84.69% of the Group's total revenue for FPE 30 September 2022, recording sales totalling RM63.99 million. This represents an increase of approximately 55.68% compared to RM41.10 million recorded in the previous FPE 30 September 2021. Our increase in revenue during this quarter was attributed to the sales contribution from the opening of one additional Mothercare outlet in Tropicana Gardens Mall and 3 additional The Entertainer outlet in Tropicana Gardens Mall, Suria KLCC and Gurney Plaza in FPE 30 September 2022 as compared to FPE 30 September 2021. Further, the lower revenue in the previous FPE 30 September 2021 was mainly due to the lockdown measures from 1 June 2021 until 2 September 2021 in FPE 30 September 2021 that led to a temporary closure of the retails outlets.

Meanwhile, the Distribution segment revenue of RM11.57 million in the FPE 30 September 2022 remained fairly consistent with the revenue achieved in the FPE 30 September 2021.

**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**  
**THIRD QUARTER ENDED 30 SEPTEMBER 2022**

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**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 September 2022:

	<b>9 months ended</b> <b>30.09.2022</b> <b>RM’000</b>	<b>9 months ended</b> <b>30.09.2021</b> <b>RM’000</b>
Purchases	2,605	2,061
Sales	15	152
Rental payable#	720	665
E-Commerce management fees payable	153	152
Corporate management fees payable	150	147

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

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

	Individual Period (3 <sup>rd</sup> Quarter)				Cumulative Period (9 Months)			
	Current Year Quarter 30 September 2022	Preceding Year Corresponding Quarter 30 September 2021	Variance		Current Year-to-date 30 September 2022	Preceding Year Corresponding Period 30 September 2021	Variance	
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	24,310	14,871	9,439	63.47	75,552	53,049	22,503	42.42
Gross Profit	12,129	6,831	5,298	77.56	37,164	24,875	12,289	49.40
Profit Before Tax	1,330	602	728	120.93	5,758	3,062	2,696	88.05

Current quarter (“Q3 2022) against preceding year corresponding quarter (“Q3 2021”)

The Group registered a revenue of RM24.31 million for the current quarter as compared to a revenue of RM14.87 million recorded in the previous year’s corresponding quarter. The increase in revenue was mainly attributable to the opening of new retail outlets for this quarter, namely two new The Entertainer outlet in Suria KLCC and Gurney Plaza. The lower sales recorded in the previous year’s corresponding quarter was mainly due to the lockdown measures from 1 June 2021 until 2 September 2021 that led to a temporary closure of the retail outlets.

As a result, the Group recorded a profit before tax (“PBT”) of RM1.33 million in Q3 2022, representing an increase of RM0.73 million as compared to PBT of RM0.60 million in Q3 2021.

Current year to date ended 30 September 2022 (“Q3 2022) against preceding year corresponding period dated 30 September 2021 (“Q3 2021”)

For the FPE 30 September 2022, the Group registered a revenue of RM75.55 million as compared to a revenue of RM53.05 million recorded in FPE 30 September 2021, representing an increase of RM22.50 million or 42.42%. 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 Tropicana Gardens Mall and three new The Entertainer outlet in Tropicana Gardens Mall, Suria KLCC and Gurney Plaza also contributed to the increase in revenue. The Group recorded revenue contribution from a total of 27 retail outlets during the current FPE 30 September 2022 as compared to 23 retail outlets in the preceding corresponding FPE 30 September 2021.

In line with the increase in revenue, the Group recorded a profit before tax (“PBT”) of RM5.76 million recorded for the current FPE 30 September 2022, representing a 88.05% increase as compared to RM3.06 million in preceding year’s corresponding FPE 30 September 2021.



**NOTES TO THE INTERIM FINANCIAL STATEMENTS  
THIRD QUARTER ENDED 30 SEPTEMBER 2022**

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

	<b>Current Quarter 30 September 2022</b>	<b>Immediate Preceding Quarter 30 June 2022</b>	<b>Variance</b>	
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>%</b>
Revenue	24,310	28,383	(4,073)	(14.35%)
Gross Profit	12,129	14,085	(1,956)	(13.89%)
Gross Profit Margin	49.89%	49.63%		
Profit Before Tax	1,330	3,137	(1,807)	(57.60%)

For the current quarter under review, the Group registered revenue of RM24.31 million and PBT of RM1.33 million as compared to the revenue of RM28.38 million and PBT of RM3.14 million reported in the immediate preceding quarter. The decrease in revenue of 14.35% was due to the absence of festival seasons in the current quarter, in view of the low season, few Mothercare Outlets were closed for renovation and refurbishment.

The Group recorded a decrease in PBT of RM1.81 million, from RM3.14 million in the immediate preceding quarter to RM1.33 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  
THIRD QUARTER ENDED 30 SEPTEMBER 2022**

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**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		9 months ended	
	30.09.2022	30.09.2021	30.09.2022	30.09.2021
	RM'000	RM'000	RM'000	RM'000
Current tax	278	138	1,461	774
Deferred tax	(6)	26	(13)	5
Total	<b>272</b>	<b>164</b>	<b>1,448</b>	<b>779</b>

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  
THIRD QUARTER ENDED 30 SEPTEMBER 2022**

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**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”)**

	<b>3 months ended</b>		<b>9 months ended</b>	
	<b>30.09.2022</b>	<b>30.09.2021</b>	<b>30.09.2022</b>	<b>30.09.2021</b>
<b>BASIC EPS</b>				
Profit attributable to owners of the Company (RM'000)	1,058	438	4,310	2,283
Weighted average number of ordinary shares in issue ('000)	380,000	380,000	380,000	380,000
Basic EPS (sen)	0.28	0.12	1.13	0.60

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 September 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  
THIRD QUARTER ENDED 30 SEPTEMBER 2022****B12 Notes to the Statement of Comprehensive Income**

	3 months ended		9 months ended	
	30.09.2022	30.09.2021	30.09.2022	30.09.2021
	RM'000	RM'000	RM'000	RM'000
The following items have been charged / (credited) in arriving profit from operations:				
Auditors' remuneration	55	53	165	157
Amortisation of right-of-use assets	1,823	1,796	5,531	5,839
Depreciation for plant and equipment	928	818	2,748	2,392
Fair value gain on short-term investments	(26)	-	(26)	(17)
Finance costs:				
Unwinding of interest expense of provision for restoration cost	1	3	8	11
Lease interest expense	204	203	612	718
Gain on disposal of plant and equipment	-	-	(5)	-
Gain on modification / termination of MFRS 16	-	(171)	-	(171)
(Gain) / Loss on foreign exchange:				
- Realised	(26)	(425)	(45)	(419)
- Unrealised	(13)	35	29	(15)
Government grant on wage subsidy	(4)	(353)	(76)	(940)
Interest income	(66)	(94)	(208)	(317)
Inventories (write-back) / written-off	(25)	10	65	45
Rent concessions	(18)	(757)	(51)	(1,610)
Unwinding of interest income / (expense) – refundable deposit	(32)	34	(104)	(127)
(Reversal) / Write-down of inventories	(60)	3	-	3



**NOTES TO THE INTERIM FINANCIAL STATEMENTS  
THIRD QUARTER ENDED 30 SEPTEMBER 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	4,101	-	Within 48 months
c. Revamp and upgrade our back-end IT infrastructure system and e-commerce platform	3,000	1,816	-	Within 48 months
d. Expansion or relocation of our existing outlets	2,000	1,117	-	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	28,347	-	

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 1<sup>st</sup> 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 22 November 2022.