

KIM HIN JOO (MALAYSIA) BERHAD
(“KHJ” or the “Company”)
Registration No. 197801000642 (37655-U)

MINUTES OF THE FORTY-FOURTH ANNUAL GENERAL MEETING OF KIM HIN JOO (MALAYSIA) BERHAD (“KHJB” OR “THE COMPANY”) CONDUCTED AT ROOM 3, 18TH FLOOR, TOWER 1, FABER TOWERS, JALAN DESA BAHAGIA, TAMAN DESA, 58100 KUALA LUMPUR ON WEDNESDAY, 28 MAY 2025 AT 10.00 A.M.

PRESENT:

DIRECTORS

Mr Pang Kim Hin	- Non-Independent Non-Executive Chairman (“the Chairman”)
Mr Pang Fu Wei	- Managing Director
Ms Goh Poh Teng	- Executive Director
Mr Chew Soo Lin	- Senior Independent Non-Executive Director
Mr Hew Moh Yung	- Independent Non-Executive Director
Ms Kor Yann Ning	- Independent Non-Executive Director

IN ATTENDANCE

Ms Chia Mei Thee	- Representing the Company Secretary
Ms Chang Kim Win	- Chief Financial Officer
Mr Eric Teoh Cheap Chee	- Auditors, Deloitte PLT

The list of shareholders, proxies and invitees who participated in the Forty-Fourth Annual General Meeting (“44th AGM” or “the Meeting”) of the Company are set out in the Attendance Sheets and shall form an integral part of these Minutes.

INTRODUCTION BY THE CHAIRMAN

The Chairman, Mr Pang Kim Hin called the Meeting to order at 10.00 a.m. and welcomed all shareholders, proxies and invitees to the 44th AGM of the Company.

QUORUM

Upon confirmation by the representative of the Company Secretary that the requisite quorum was present in accordance with Clause 65 of the Constitution of the Company, the Chairman called the Meeting to order at 10.00 a.m.

The Chairman then proceeded to introduce the Members of the Board and advisers to the shareholders.

NOTICE OF MEETING

With the consent of the members present, the Notice convening the Meeting having been circulated for the prescribed period was taken as read.

SUMMARY OF PROXIES RECEIVED

The Company had received in total 17 proxy forms from the shareholders for a total of 249,039,400 ordinary shares, representing 65.537 % of the total issued and paid-up share capital of the Company. Out of these, there were 2 shareholders who have appointed the Chairman of the Meeting as proxy to vote on their behalf and the shares so represented stood at 1,795,400 shares which represented 0.473 % of the total issued and paid-up share capital of the Company.

POLLING AND ADMINISTRATIVE DETAILS

In accordance with Rule 8.31A of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of Meeting would be voted by poll. The Chairman demanded for a poll to be taken on all resolutions set out in the Notice of Meeting pursuant to the Constitution of the Company.

The Chairman further informed that the polling process would be conducted after the deliberation of all items on the Agenda. To facilitate the polling process, the Company has appointed Messrs SKY Corporate Services Sdn Bhd as the Independent Scrutineers to verify the polling procedure and process as well as the eventual poll results.

PRESENTATION ON FINANCIAL YEAR 2024 SNAPSHOT

At the Chairman's invitation, Mr Pang Fu Wei, the Group's Managing Director, highlighted that financial year 2024 ("FY2024") was a challenging year as the Company operated under an environment shaped by macroeconomic uncertainties and cautious consumer sentiment. The Malaysia Consumer Price Index remained below the optimism threshold throughout most of FY2024. Inflationary pressures, elevated interest rates and ongoing global volatility weighed heavily on household spending, particularly in mid-tier discretionary categories such as clothing and toys. At the same time, structural shifts such as gradual decline of birth rate and rising living costs led to tighter family budget which was impacted by softer mall footfall, heightened price sensitivity and longer inventory holding cycles.

In response to the challenges, the Group had accelerated its strategy to optimise the operating model, including rightsizing its store network, de-emphasizing The Entertainer toy brand and focusing on curating a stronger brand portfolio with a more disciplined inventory management. Our priorities are to close underperforming stores, reduce aged and excess inventories, and protect cash flow to improve our financial resilience and ensure the Group remains well positioned in a changing market landscape.

He then presented the FY2024 Snapshot, and the salient items were as follows:-

- i) For FY2024, the Group achieved RM92.58 million in revenue, a decrease of 3.4% from the previous year.
- ii) Gross profit decreased 8.1% to RM39.0 million.
- iii) Loss after tax was RM2.69 million and despite the loss, the Group generated a strong operating cash flow of RM20.69 million reflected the underlying business resilience and the disciplined execution.

Mr Pang Fu Wei took the opportunity to thank the dedicated team for their hard work and perseverance during this difficult period.

PRESENTATION ON FINANCIAL HIGHLIGHTS

Ms Chang Kim Win, the Chief Financial Officer of the Company, presented the financial highlights of the Group for FY2024, the salient items as set out below:

- 1) For FY2024, the Group recorded an overall revenue decrease of 3.4% as compared to FY2023.
- 2) The Group's revenue is derived from two main business segments, Retail & Distribution. In FY2024, the Retail segment remains the key contributor accounting to more than 80% of the Group's total revenue. Nevertheless, the Group experienced a drop in revenue from this segment, largely driven by soft consumer sentiment towards baby, children and maternity products and the

effects of store closures. On a positive note, the Distribution segment showed a modest improvement, with sales increasing from RM11.0 million to RM11.5 million.

- 3) There are 3 product categories i.e. Clothing, Home & Travel and Toys. The Clothing products experienced a decline, whereas the Home & Travel and Toys categories remained stable.
- 4) The Group recorded a gross profit of RM39.0 million, representing a decrease of 8.1% compared to RM42.4 million in the previous year primarily due to discounting and promotions, shift in sales mix and stock obsolescence and write-offs.
- 5) The Group recorded a loss before tax of RM2.7 million primarily due to lower sales volume, reduced profit margins, and higher operating costs.
- 6) The Group's balance sheet remains in a strong position with positive cash flow and zero borrowings. The cash position improves significantly from RM19.5 million as of 31 December 2023 to RM33.9 million as of 31 December 2024.

PRESENTATION ON OPERATING HIGHLIGHTS

Mr Pang Fu Wei, the Managing Director of the Company presented the Operating Highlights of the Group for FY2024.

In 2024, the Management embarked on the following strategies with the focus to clear off old inventories and generate positive cash flow:-

1) Inventory optimisation

We successfully reduced the total inventory from RM44.0 million to RM32.6 million and it is a significant achievement and a key step to strengthening our balance sheet and improving cash flow.

2) Store optimisation

We exited the stores in Atria Shopping Gallery, Tropicana Gardens Mall, Viva City Megamall, Sunway Pyramid and Bangsar Shopping Centre whereas the stores in Mid Valley Megamall and The Curve are right sized to align with their current performance levels. The store optimization program remains ongoing in 2025, and we will wait for the lease to end for the remaining stores which are performing badly.

The decisions to close the stores were made based on detailed reviews of profitability, footfall trends and long-term liability, return of capital and the costs to retain the stores.

3) Optimising operations

We undertook a corporate restructuring exercise by consolidating multiple legal entities into a single operating company. This newly streamlined structure allows us to better manage the business more efficiently by reducing manpower, administrative overheads, simplifying financial reporting and enabling more agile stock allocations across all our sales channels.

4) New opportunities

We will continue to seek new opportunities and new brands.

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We view the year 2025 as a year of recovery and not just on bouncing back but building forward towards greater clarity and focus. Our priorities remain the same, to restore gross margins, overall profitability, improve operational productivity and realign the business around categories and brands to the highest long-term potential.

As part of our reviewed focus of brand curation, we secured several partnerships in the past year including BabyBjörn and Jabadabado, both strong additions to our core offering. Recently, we also signed our strategic partnership with Jamie Kay Group and are very excited to bring in their fashion line and the Snuggle Bunnies collections which align closely with our strategies to alleviate our apparel segment, drive stronger in-store productivity and refresh our product and retail mix.

We expect to see the results of these efforts to materialise during the third or fourth quarter of 2025.

The key strategies for 2025 include the following:-

1) Enhance existing retail stores

We have geared up a capital expenditure of RM1.6 million and will revamp our existing high potential stores to better reflect modern consumers' expectations, focusing on layout improvements, staff training and localised product instalments.

2) Expand digital presence and leverage IT analytics

We will further our investments in E-Commerce, Customer Relationship Management and IT Analytics capabilities ensuring customers' meetings both online and offline and will also allocate more resources to digital marketing to drive the topline.

3) Strengthening distribution business

We will strengthen distribution business and will continue to look out for new category winning brands and products to offer parents in Malaysia and moving forward, distribution business remains a strategic priority for us.

4) Continue optimisation efforts

We will continue our optimisation initiatives focusing on sustainable cost management, agile decision making and maintaining a prudent approach to balance sheet management.

In summary, Mr Pang Fu Wei informed that we reset our inventories, better position to growth, onboarded new exciting brands that complement our core offering, staying focus on our operational efficiency and quality over quantity especially out-store network and we are confident that these decisions pave the way to long-term profitability.

On behalf of the Board and the leadership team, Mr Pang Fu Wei then thanked the shareholders, partners and employees for their continuous trust and support to the Group. We are now shuffling in our strategy with a cleaner foundation and a renewed focus on delivering value to the customers and shareholders.

The Chairman thanked Mr Pang Fu Wei for his presentation and proceeded with business on the agenda as set out in the Notice of 44th AGM.

AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

The Chairman informed that the Audited Financial Statements of the Company for the financial year ended 31 December 2024 together with the Directors' and Auditors' Reports have been circulated to all shareholders within the prescribed period for discussion only as the provision of Section 340(1)(a) of the Act does not require a formal approval from the shareholders.

It was recorded that the Audited Financial Statements of the Company for the financial year ended 31 December 2024 together with the Directors' and Auditors' Report are hereby received by the shareholders.

After the Chairman went through each of the motions set out in the Notice of Meeting, the Chairman opened the floor for questions by the members.

VOTING SESSION

As there were no questions raised, the Chairman invited the representative from the Company's Shares Registrar to brief the floor on the polling procedures.

The Chairman informed that the outcome of the poll would be announced after a short break for the scrutineers to tabulate the results of the poll. The Meeting was then adjourned at 10.30 a.m.

The meeting resumed at 10.40 a.m. for the declaration of the results of the poll. The Chairman proceeded to announce the results of the poll as follows:-

POLL RESULTS

1. ORDINARY RESOLUTION 1

- PAYMENT OF A FINAL SINGLE-TIER DIVIDEND OF 0.1 SEN PER ORDINARY SHARE IN RESPECT OF THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

The Chairman announced the results of the poll as follows:-

Resolution	Votes in favour		Votes against		Results
Ordinary Resolution 1	No. of Shareholders:	28	No. of Shareholders:	-	Carried
	No. of Shares:	267,088,500	No. of Shares:	-	
	% of Voted Shares:	100.0000	% of Voted Shares:	0.0000	

It was RESOLVED:-

"THAT the payment of a Final Single-Tier Dividend of 0.1 sen per ordinary share in respect of the financial year ended 31 December 2024 be and is hereby approved".

2. ORDINARY RESOLUTION 2

- DIRECTORS' FEES PAYABLE TO DIRECTORS FROM THIS FORTHCOMING 44TH AGM UNTIL THE CONCLUSION OF THE NEXT ANNUAL GENERAL MEETING**

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The Chairman announced the results of the poll as follows:-

Resolution	Votes in favour		Votes against		Results
Ordinary Resolution 2	No. of Shareholders:	24	No. of Shareholders:	0	Carried
	No. of Shares:	18,407,800	No. of Shares:	0	
	% of Voted Shares:	100.0000	% of Voted Shares:	0.0000	

It was RESOLVED:-

“THAT the Directors’ Fees payable to the Directors of the Company on quarterly basis in arrears after each quarter of completed service of the Directors up to an aggregate amount of RM278,000.00 from this forthcoming 44th AGM until the conclusion of the next Annual General Meeting of the Company be and is hereby approved”.

3. **ORDINARY RESOLUTION 3**
- RE-ELECTION OF MR PANG KIM HIN

The Chairman announced the results of the poll as follows:-

Resolution	Votes in favour		Votes against		Results
Ordinary Resolution 3	No. of Shareholders:	27	No. of Shareholders:	-	Carried
	No. of Shares:	255,807,800	No. of Shares:	-	
	% of Voted Shares:	100.0000	% of Voted Shares:	0.0000	

It was RESOLVED:-

“THAT Mr Pang Kim Hin who retired pursuant to Clause 95 of the Company’s Constitution, be and is hereby re-elected as Director of the Company.”

4. **ORDINARY RESOLUTION 4**
- RE-ELECTION OF MS KOR YANN NING

The Chairman announced the results of the poll as follows:-

Resolution	Votes in favour		Votes against		Results
Ordinary Resolution 4	No. of Shareholders:	27	No. of Shareholders:	-	Carried
	No. of Shares:	266,288,500	No. of Shares:	-	
	% of Voted Shares:	100.0000	% of Voted Shares:	0.0000	

It was RESOLVED:-

“THAT Ms Kor Yann Ning who retired pursuant to Clause 95 of the Company’s Constitution, be and is hereby re-elected as Director of the Company.”

5. ORDINARY RESOLUTION 5

- RE-APPOINTMENT OF MESSRS DELOITTE PLT AS AUDITORS

The Chairman announced the results of the poll as follows:-

Resolution	Votes in favour		Votes against		Results
Ordinary Resolution 5	No. of Shareholders:	28	No. of Shareholders:	-	Carried
	No. of Shares:	267,088,500	No. of Shares:	-	
	% of Voted Shares:	100.0000	% of Voted Shares:	0.0000	

It was RESOLVED:-

“THAT Messrs Deloitte PLT be and are hereby re-appointed as Auditors of the Company to hold office until the conclusion of the next AGM of the Company and that the Directors be authorised to fix their remuneration.”

6. ORDINARY RESOLUTION 6

- PROPOSED AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO SECTION 76 OF THE COMPANIES ACT, 2016

The Chairman announced the results of the poll as follows:-

Resolution	Votes in favour		Votes against		Results
Ordinary Resolution 6	No. of Shareholders:	28	No. of Shareholders:	0	Carried
	No. of Shares:	267,088,500	No. of Shares:	0	
	% of Voted Shares:	100.0000	% of Voted Shares:	0.0000	

It was RESOLVED:-

“THAT pursuant to Section 76 of the Act, the Directors be and are hereby authorised and empowered to allot and issue shares in the Company at any time until the conclusion of the next AGM and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being, subject always to the approval of all relevant regulatory bodies being obtained for such allotment and issuance.

THAT pursuant to Section 85 of the Act, read together with Clause 5 of the Constitution of the Company, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares ranking equally to the existing issued of the Company shares arising from issuance of new shares pursuant to this Mandate.

THAT the new shares to be issued shall, upon allotment and issuance, rank equally in all respects with the existing shares of the Company, save and except that they shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution that which may be declared, made or paid before the date of allotment of such new shares.”

7. ORDINARY RESOLUTION 7

- PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED SHAREHOLDERS' MANDATE")

The Chairman announced the results of the poll as follows:-

Resolution	Votes in favour		Votes against		Results
Ordinary Resolution 7	No. of Shareholders:	26	No. of Shareholders:	0	Carried
	No. of Shares:	20,207,800	No. of Shares:	0	
	% of Voted Shares:	100.0000	% of Voted Shares:	0.0000	

It was RESOLVED:-

"THAT subject to the provisions of the Constitution of the Company and the ACE Market Listing Requirements ("ACE LR") of Bursa Malaysia Securities Berhad ("Bursa Securities"), approval be and is hereby given to the Company and/or its subsidiaries to enter into and to give effect to the recurrent related party transactions ("RRPTs") of a revenue or trading nature with the related parties as stated in Section 2.4 of the Circular to Shareholders dated 29 April 2025 provided that:-

- the transactions are in the ordinary course of business and on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company; and
- the disclosure will be made in the Annual Report on the breakdown of the aggregate value of the RRPTs conducted pursuant to the Proposed Shareholders' Mandate during the financial year on the types of RRPTs made, the names of the related parties involved in each type of RRPTs and their relationships with the Company.

THAT the authority conferred shall continue to be in force until:-

- the conclusion of the next AGM of the Company following the forthcoming 44th AGM at which the Proposed Shareholders' Mandate is approved, at which time it will lapse, unless by a resolution passed at the AGM, the mandate is again renewed;
- the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- revoked or varied by resolution passed by the shareholders in general meeting,

whichever is the earlier.

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Proposed Shareholders' Mandate."

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CONCLUSION

The Chairman on behalf of his fellow Board members extended his appreciation to the stakeholders, shareholders and business partners for their continued support. There being no other business to be transacted, the Meeting concluded at 10.45 a.m. with a vote of thanks to the Chair.

SIGNED AS A CORRECT RECORD

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CHAIRMAN