Kim Hin Joo (Malaysia) Berhad 197801000642 (37655-U)
Wisma Pang Cheng Yean, Lot 5205C, Jalan Perindustrian Balakong Jaya 1/3, Kawasan Perindustrian Balakong Jaya, 43300 Seri Kembangan, Selangor, Malaysia. General Line +603 8940 6638

The Board of Directors of KIM HIN JOO (MALAYSIA) BERHAD hereby announce the following unaudited consolidated results for the first quarter and financial year ended ("**FPE**") 31 March 2026.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FIRST QUARTER AND FPE 31 MARCH 2026

	3 months ended		**3 months ended**	
	31.03.2026 RM'000	**31.03.2025 RM'000**	**31.03.2026 RM'000**	**31.03.2025 RM'000**
Revenue	16,600	21,250	16,600	21,250
Cost of sales	(9,166)	(11,995)	(9,166)	(11,995)
Gross profit	7,434	9,255	7,434	9,255
Other operating income	707	434	707	434
Selling and marketing costs	(710)	(725)	(710)	(725)
Administration and other operating expenses	(7,928)	(9,123)	(7,928)	(9,123)
Finance cost	(171)	(108)	(171)	(108)
Loss before tax	(668)	(267)	(668)	(267)
Tax credit/(expense)	12	(14)	12	(14)
Loss and total comprehensive loss for the period	(656)	(281)	(656)	(281)
Basic earnings per ordinary share (sen)	(0.17)	(0.07)	(0.17)	(0.07)

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 2025 and the accompanying explanatory notes attached to the interim financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2026

	As at 31.03.2026 RM'000	As at 31.12.2025 RM'000 (Audited)
ASSETS		
Non-Current Assets		
Plant and equipment	3,315	3,571
Right-of-use assets	13,387	14,723
Deferred tax assets	12	-
Refundable deposits	1,689	1,630
	18,403	19,924
Current Assets		
Inventories	23,111	23,703
Trade receivables	1,818	2,216
Other receivables, deposits and prepaid expenses	7,302	2,736
Amount due from other related company	93	^
Tax recoverable	557	866
Short-term investments	6,177	6,128
Fixed deposits with licensed banks	27,704	27,704
Cash and bank balances	6,926	8,396
	73,688	71,749
TOTAL ASSETS	**92,091**	**91,673**

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2026

	As at 31.03.2026 RM'000	As at 31.12.2025 RM'000 (Audited)
Equity attributable to owners of the parent		
Share capital	31,128	31,128
Retained earnings	36,239	36,895
TOTAL EQUITY	**67,367**	**68,023**
Non-Current Liability		
Lease liabilities	9,148	10,232
	9,148	10,232
Current Liabilities		
Trade payables	7,608	4,220
Other payables, accrued expenses and provision	3,484	4,500
Lease liabilities	4,393	4,440
Amount due to other related companies	91	258
	15,576	13,418
TOTAL LIABILITIES	**24,724**	**23,650**
TOTAL EQUITY AND LIABILITIES	**92,091**	**91,673**
Net assets per ordinary share attributable to ordinary equity holders of the Company (sen)	17.73	17.90

^ *Negligible*

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 2025 and the accompanying explanatory notes attached to the interim financial statements.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FPE 31 MARCH 2026

	← Attributable to owners of the Company →		
	Share Capital RM'000	**Retained Earnings RM'000**	**Total RM'000**
Balance as at 1 January 2025	31,128	41,714	**72,842**
Total comprehensive loss for the period	-	(281)	**(281)**
Balance as at 31 March 2025	31,128	41,433	**72,561**
Balance as at 1 January 2026	31,128	36,895	**68,023**
Total comprehensive loss for the period	-	(656)	**(656)**
Balance as at 31 March 2026	31,128	36,239	**67,367**

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 2025 and the accompanying explanatory notes attached to the interim financial statements.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FPE 31 MARCH 2026

	3 months ended 31.03.2026 RM'000	3 months ended 31.03.2025 RM'000
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES		
Loss before tax	(668)	(267)
Adjustments:		
Amortisation of right-of-use asset	1,200	1,090
Depreciation for plant and equipment	431	597
Fair value gain from short-term investment	(48)	-
Finance costs:		
- Unwinding of interest expense of provision for restoration cost	2	6
- Lease interest expense	169	102
Loss on termination of MFRS 16	-	5
Interest income	(267)	(255)
Inventories		
- Written down	-	11
- Written off	48	108
Plant and equipment written off	-	21
Unrealised loss on foreign exchange	50	14
Unwinding of interest income – refundable deposit	(10)	-
Operating profit before changes in working capital	**907**	**1,432**
Changes in working capital:		
(Increase)/Decrease in:		
Inventories	544	4,824
Trade receivables	398	(342)
Other receivables, deposits and prepaid expenses	(4,480)	(1,019)
Amount due from holding company	-	-
Amount due from other related company	(93)	(57)
Increase/(Decrease) in:		
Trade payables	3,340	(543)
Other payables, accrued expenses and provision	(1,019)	(603)
Amount due to other related company	(167)	-
Cash (used in)/generated from operations	(570)	3,692
Income tax paid	(27)	(47)
Income tax refunded	336	7
Net cash (used in)/from operating activities	**(261)**	**3,652**

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FPE 31 MARCH 2026

	3 months ended 31.03.2026 RM'000	3 months ended 31.03.2025 RM'000
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES		
Acquisition of plant and equipment	(176)	(350)
Interest received	267	255
Net cash from/(used in) investing activities	**91**	**(95)**
CASH FLOWS USED IN FINANCING ACTIVITIES		
Interest paid	(169)	(102)
Repayment of lease liabilities	(1,131)	(1,135)
Net cash used in financing activities	**(1,300)**	**(1,237)**
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(1,470)	2,320
Effect of exchange rate differences on the balance of cash held in foreign currencies	^	^
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	33,896	31,818
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	**32,426**	**34,138**
Cash and cash equivalents comprise:		
Fixed deposits	27,704	18,212
Cash and bank balances	6,926	18,062
	34,630	36,274
Less: Fixed deposits pledged with licensed banks	(2,204)	(2,136)
	32,426	**34,138**

^ *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 2025 and the accompanying explanatory notes attached to the interim financial statements.

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 2025 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 2025.

A2 Material Accounting Policy Information

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 2025, save for the adoption of the following amendments to MFRSs, which became effective and relevant to the Group for financial period beginning 1 January 2026:

Amendments to MFRS

Amendments to MFRS 9 and MFRS 7	*Classification and Measurement of Financial Instruments*
Amendments to MFRS 9 and MFRS 7	*Contracts Referencing Nature-dependent Electricity*
Amendments to MFRSs	*Annual Improvements to MFRS Standards - Volume 11*

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

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

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

Amendments to MFRS 10 and MFRS 128	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[1]
Amendments to MFRS 19	*Subsidiaries without Public Accountability: Disclosures*[2]
Amendments to MFRS 121	*Translation to a Hyperinflationary Presentation Currency*[2]
MFRS 18	*Presentation and Disclosure in Financial Statements*[2]
MFRS 19	*Subsidiaries Without Public Accountability: Disclosures*[2]

1 Effective date deferred to a date to be determined and announced by MASB.
2 Effective immediately for annual periods beginning before 1 January 2027 with earlier application permitted.

The adoption of these new MFRSs and 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 2025 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.

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 financial quarter.

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		3 months ended	
	31.03.2026 RM'000	31.03.2025 RM'000	31.03.2026 RM'000	31.03.2025 RM'000
Retail	14,745	18,752	14,745	18,752
Distribution	1,855	2,498	1,855	2,498
Total	**16,600**	**21,250**	**16,600**	**21,250**

The major contributor to the revenue stream of the Group was from the retail segment, which constituted 88.83% of the Group's total revenue for FPE 31 March 2026, recording sales totalling RM14.75 million. This represents a decrease of approximately 21.37% compared to RM18.75 million recorded in the previous FPE 31 March 2025. The decrease in retail revenue was mainly driven by lower sales performance and the closure of five stores in 2025, which contributed to the overall reduction in sales.

Meanwhile, the Distribution segment revenue recorded a decrease of 25.74% from RM2.50 million in the FPE 31 March 2025 to RM1.86 million in the FPE 31 March 2026.

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.

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 31 March 2026:

	3 months ended 31.03.2026 RM'000	**3 months ended 31.03.2025 RM'000**
Purchases	568	174
Sales	275	344
Rental payable	240	240
Corporate management fees payable	154	71
Corporate service fees	7	-

B COMPLIANCE WITH APPENDIX 9B OF THE LISTING REQUIREMENTS

B1 Review of Performance

	Individual Period (1st Quarter)				Cumulative Period (3 Months)			
	Current Year Quarter 31 March 2026	Preceding Year Corresponding Quarter 31 March 2025	Variance		Current Year Quarter 31 March 2026	Preceding Year Corresponding Quarter 31 March 2025	Variance	
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	16,600	21,250	(4,650)	(21.88)	16,600	21,250	(4,650)	(21.88)
Gross Profit	7,434	9,255	(1,821)	(19.68)	7,434	9,255	(1,821)	(19.68)
Loss Before Tax	(668)	(267)	(401)	(150.19)	(668)	(267)	(401)	(150.19)

The Group recorded a revenue of RM16.60 million for the current quarter, compared to RM21.25 million in the corresponding quarter of the previous year. The decline in revenue in this quarter was mainly attributable to lower sales volumes across both retail & distribution segments.

With the lower revenue, the Group reported an increased Loss Before Tax ("LBT") of RM0.67 million in Q1 2026, increased loss of RM0.40 million from the LBT of RM0.27 million in Q1 2025.

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

	Current Quarter 31 March 2026	Immediate Preceding Quarter 31 December 2025	Variance	
	RM'000	RM'000	RM'000	%
Revenue	16,600	18,876	(2,276)	(12.06)
Gross Profit	7,434	7,786	(352)	(4.52)
Gross Profit Margin	44.78%	41.25%		
Loss Before Tax	(668)	(1,708)	1,040	60.89

For the current quarter under review, the Group registered revenue of RM16.60 million and LBT of RM0.67 million as compared to the revenue of RM18.88 million and LBT of RM1.71 million reported in the preceding quarter.

B3 Prospects

Building on the strategic initiatives laid out in preceding quarters, our focus in 2026 centers on accelerating our core priorities to optimize operational efficiency and drive sustainable growth. In line with our ongoing portfolio optimization strategy, we expect to complete the closure of The Entertainer and other non-performing retail outlets by the end of 2026. Concurrently, disciplined inventory management remains a key priority as we diligently work toward achieving and maintaining an optimal stock position.

Looking ahead, we continue to strengthen our brand portfolio while scaling both our digital and distribution channels to expand our market reach. As part of our broader growth strategy, we are also actively exploring opportunities within our distribution framework to diversify into new consumer segments. Despite ongoing macroeconomic headwinds, we remain steadfast in our commitment to building a leaner, more resilient business structure that delivers long-term, sustainable value to our stakeholders.

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		3 months ended	
	31.03.2026	31.03.2025	31.03.2026	31.03.2025
	RM'000	RM'000	RM'000	RM'000
Current tax	-	-	-	-
Deferred tax	(12)	14	(12)	14
Total	**(12)**	**14**	**(12)**	**14**

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.

B8 Status of Corporate Proposals

Save as disclosed below, there is no corporate proposal announced but pending completion as at the date of this report:-

On 10 October 2025, UOB Kay Hian (M) Sdn Bhd (formerly known as UOB Kay Hian Securities (M) Sdn Bhd), had on behalf of the Board, announced that the Company had entered into a conditional scheme agreement with Arvex Berhad ("**Arvex**"), a newly incorporated company established to serve as the holding company of KHJ, to facilitate the implementation of the proposed internal reorganisation by way of a members' scheme of arrangement under Section 366 of the Companies Act 2016 ("**Act**") comprising the following:-

(i) proposed shares exchange of 380,000,000 ordinary shares in KHJ ("**KHJ Share(s)**"), representing the entire issued share capital of KHJ with 380,000,000 new ordinary shares in Arvex (including treasury shares, if any) ("**Arvex Share(s)**") on the basis of 1 new Arvex Share for every 1 existing KHJ Share held on an entitlement date to be determined later; and

(ii) proposed assumption of the listing status of KHJ by Arvex as well as the admission of Arvex to and withdrawal of KHJ from the Official List of Bursa Securities with the listing of and quotation for all Arvex Shares on the ACE Market of Bursa Securities.

(Collectively referred to as "**Proposed Internal Reorganisation**")

The Proposed Internal Reorganisation aligns with KHJ's long-term objectives to establish a more flexible corporate structure that enables the Group to pursue growth initiatives and business expansion in a more efficient and scalable manner. The establishment of Arvex as the new holding company will provide an adaptable platform to support future corporate exercises and expansion plans. It will also enhance resource allocation, risk management, and strategic focus.

Bursa Securities has vide its letter dated 11 February 2026 resolved to approve the admission to the Official List of Bursa Securities and the listing of and quotation for the entire enlarged issued share capital of Arvex of 380,000,002 Arvex Shares on the "Consumer Products & Services" sector of the ACE Market of Bursa Securities, in place of KHJ Shares which shall be delisted.

On 16 April 2026, the resolutions pertaining to the Proposed Internal Reorganisation were duly passed by the shareholders of KHJ at the extraordinary general meeting / court convene meeting held on even date.

On 6 May 2026, the relevant court papers had been filed to the High Court of Malaya to obtain the requisite order pursuant to Section 366 of the Act to approve the Proposed Internal Reorganisation.

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		**3 months ended**	
	31.03.2026	**31.03.2025**	**31.03.2026**	**31.03.2025**
BASIC EPS				
Loss attributable to owners of the Company (RM'000)	(656)	(281)	(656)	(281)
Weighted average number of ordinary shares in issue ('000)	380,000	380,000	380,000	380,000
Basic EPS (sen)	(0.17)	(0.07)	(0.17)	(0.07)

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 March 2026.

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.

B12 Notes to the Statement of Comprehensive Income

	3 months ended		3 months ended	
	31.03.2026 RM'000	31.03.2025 RM'000	31.03.2026 RM'000	31.03.2025 RM'000
The following items have been charged / (credited) in arriving profit from operations:				
Auditors' remuneration	44	45	44	45
Amortisation of right-of-use assets	1,200	1,090	1,200	1,090
Depreciation for plant and equipment	431	597	431	597
Fair value gain from short-term investment	(48)	-	(48)	-
Finance costs:				
Unwinding of interest expense of provision for restoration cost	2	6	2	6
Lease interest expense	169	102	169	102
Loss on termination of MFRS 16	-	5	-	5
(Gain)/Loss on foreign exchange:				
- Realised	(12)	18	(12)	18
- Unrealised	50	14	50	14
Interest income	(267)	(255)	(267)	(255)
Inventories:				
- Written down	-	11	-	11
- Written off	48	108	48	108
Plant and equipment written off	-	21	-	21
Unwinding of interest income – refundable deposit	(10)	-	(10)	-

B13 Authorisation for issue

The interim financial report was authorised for issue by the Board in accordance with a resolution of the Board dated 26 May 2026.