KIM HIN JOO
MALAYSIA BERHAD



ANNUAL REPORT 2024

we know parenting

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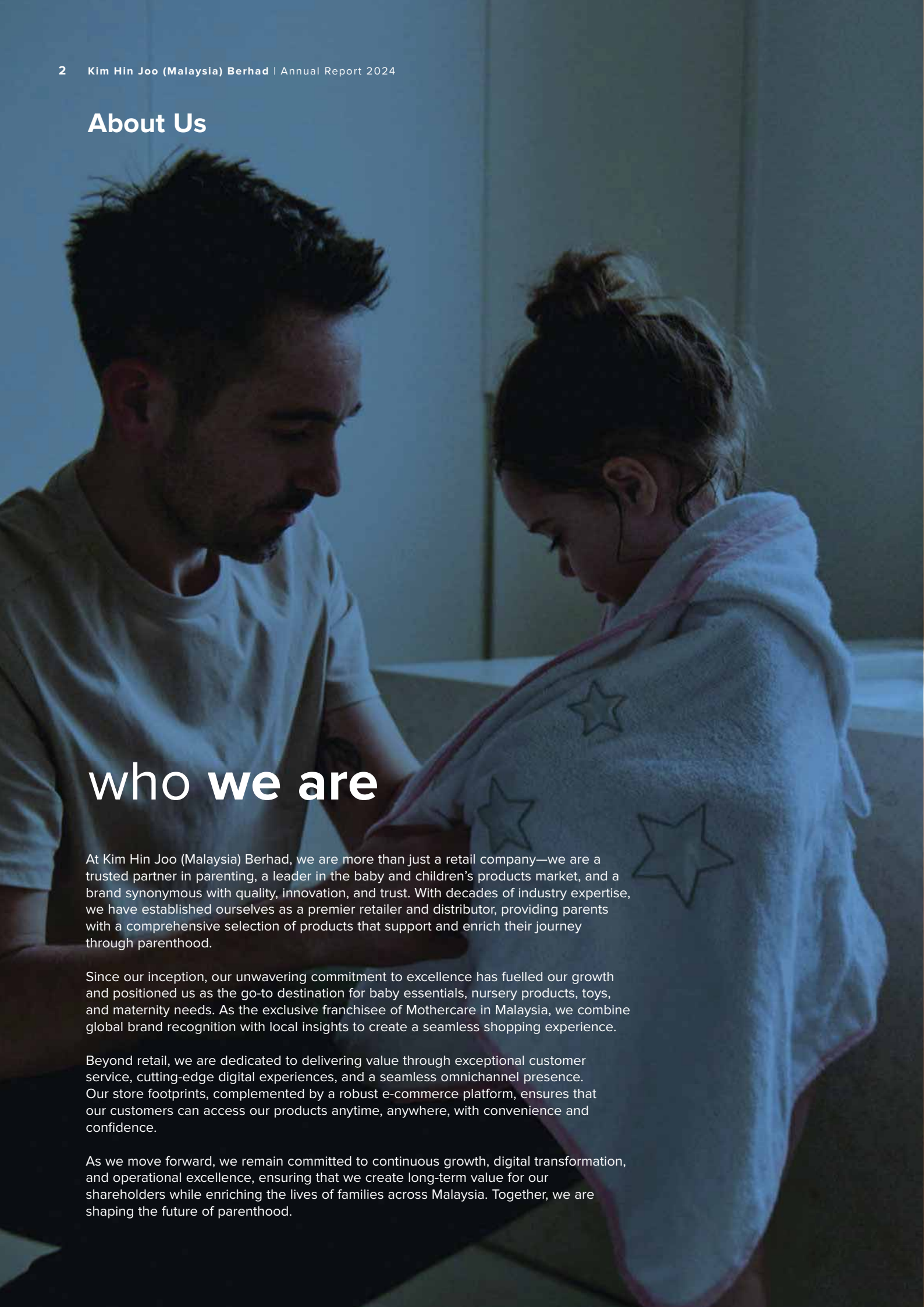
134 Notice of 44th Annual General Meeting

Proxy Form





About Us



who **we are**

At Kim Hin Joo (Malaysia) Berhad, we are more than just a retail company—we are a trusted partner in parenting, a leader in the baby and children's products market, and a brand synonymous with quality, innovation, and trust. With decades of industry expertise, we have established ourselves as a premier retailer and distributor, providing parents with a comprehensive selection of products that support and enrich their journey through parenthood.

Since our inception, our unwavering commitment to excellence has fuelled our growth and positioned us as the go-to destination for baby essentials, nursery products, toys, and maternity needs. As the exclusive franchisee of Mothercare in Malaysia, we combine global brand recognition with local insights to create a seamless shopping experience.

Beyond retail, we are dedicated to delivering value through exceptional customer service, cutting-edge digital experiences, and a seamless omnichannel presence. Our store footprints, complemented by a robust e-commerce platform, ensures that our customers can access our products anytime, anywhere, with convenience and confidence.

As we move forward, we remain committed to continuous growth, digital transformation, and operational excellence, ensuring that we create long-term value for our shareholders while enriching the lives of families across Malaysia. Together, we are shaping the future of parenthood.

vision

To be Malaysia's most trusted provider of mother, baby, and children's products—delivering quality, innovation, and expertise that support families through the early stages of parenthood.

mission

- To offer a comprehensive and thoughtfully curated range of mother, baby, and children's products that prioritize safety, comfort, and style.
- To deliver an exceptional shopping experience by seamlessly integrating retail and digital platforms, making parenting more convenient and enjoyable.
- To innovate continuously and enhance our product offerings to meet the evolving needs of modern families.
- To uphold the highest standards of customer service, building trust and lasting relationships with parents and caregivers.
- To expand our reach through a robust distribution network, ensuring quality products are accessible to families across the nation.
- To champion sustainability and responsible business practices, contributing meaningfully to our community and the environment.



Our Business Operation

Retail

Kim Hin Joo offers a diverse selection of baby, children, and maternity ("BCM") products through multiple sales channels, including Mothercare outlets, Early Learning Centre ("ELC") store-in-store ("SIS") concepts, The Entertainer outlets, the Mothercare online store, online marketplaces, and Baby Expos.

Our Mothercare outlets, located in major shopping malls, provide clothing, home and travel essentials such as strollers, car seats, baby carriers, and toys, sourced primarily from the United Kingdom to ensure high quality and safety.

The ELC SIS concept within Mothercare outlets features the UK's No.1 educational toys, designed to support early learning and development.

Meanwhile, The Entertainer outlets offer a wide range of UK-branded toys for toddlers and young children, ensuring an engaging playtime experience.

As of 31 December 2024, KHJ operated:

- 19 Mothercare outlets
- 12 Early Learning Centre ("ELC") outlets
- 6 The Entertainer stores across Malaysia.

Distribution

Beyond retail, our Group ensures quality parenting products reach families through an extensive distribution network. We supply home and travel products to specialty baby and toy stores, department stores, hypermarkets, online retailers, pharmacies, confinement centers, traditional Chinese medical halls and corporate partners.

Our distribution includes baby nursing products, toiletries, and essential travel and home items, such as strollers, travel cots, highchairs, baby seats, nursing pillows, toilet training mats, providing parents with convenient access to quality products

We reinforce our commitment to accessibility, ensuring families nationwide have convenient access to trusted, high-quality products.



Our Business Operation
cont'd



About Us

why consumers **choose us**

We Are Baby Experts

At Kim Hin Joo (Malaysia) Berhad, we specialize in providing parents with expertly designed and carefully curated collections for children aged 0-10 years. Our products are made for fun, comfort, ease, and longevity, aligning with the needs of modern parents and their children.

Convenience & Expert Guidance

We offer a seamless shopping experience, from first time parents to catering to families with multiple children through our friendly service, expert advice, and integrated shopping channels, both in-store and online. Our customer support reassures parents and helps build their confidence in selecting the best products for their little ones.

Additionally, our **Mothercare Nursery Advisor Program** provides parents with expert guidance on nursery essentials, helping them make informed decisions on everything from baby gear to home essentials. Our trained advisors offer personalized recommendations to ensure a smooth and stress-free shopping experience for new and expecting parents.

Our Products

Clothing, Footwear & Accessories

- We strive to be the first choice for expecting mothers by offering trusted quality, style, safety, and comfort.
- For parents of children under 3, we provide stylish and practical outfit choices, from sleepsuits to playwear, swimwear to party attire—ensuring they find the right clothing for every moment in their child's life.
- Made from materials that are gentle for sensitive skin, our clothing ensures the best for growing children
- For children aged 3-10, our diverse designs, fabrics, and silhouettes ensure that families continue to shop with us as their children grow.

Home Essentials, Travel & Toys

- Our curated selection supports the needs of new parents in essential categories such as nursery, bedding, bathing, feeding, and travel—primarily designed for children under 3.
- Our soft goods for bed and bath maintain the same high standards of design, quality, and value as our apparel, offering a coordinated aesthetic to complement nursery collections.
- Our carefully curated toy selection is designed to stimulate learning and development in children of all ages. We offer a variety of educational and developmental toys that encourage creativity, enhance motor skills, and support cognitive growth, all while adhering to the highest safety standards. From sensory toys for infants to interactive learning kits for toddlers and older children, our range inspires curiosity and engagement.



About Us

our **milestones**

1978
- Incorporation of Kim Hin Joo (Malaysia) Sdn Bhd

1986
- First Mothercare development agreement signed

1987
- First Mothercare outlet at KL Plaza

1997
- Second Mothercare development agreement signed

2022
- Opening of The Entertainer and Mothercare Experience store in Gurney Plaza
- Re-opening of Mothercare Experience Store and launch of The Entertainer at Suria KLCC
- IT infrastructure system implementation
- Refurbishment of Mothercare outlet in Setia City Mall and IOI City Mall

2023
- Won Best Milk Bottle through Tommee Tippee – theAsianparent Awards 2023
- Won Best Bottle Steriliser through Tommee Tippee – theAsianparent Awards 2023
- Won Best Anti Colic Bottle through Tommee Tippee – theAsianparent Awards 2023

2024
- Refurbishment of outlet in Mid Valley Megamall and The Curve

About Us
cont'd

2007
- Early Learning Centre development agreement signed

2008
- Established distribution business, Global Product Solution Sdn Bhd
- First sales secured from Tesco Stores (M) Sdn Bhd

2010
- Expanded our presence outside of the Klang Valley
- Opening of Mothercare outlet in Plaza Gurney

2011
- Third Mothercare development agreement signed
- Distribution business crossed over 100 distribution points
- Expanded Suria KLCC outlet to 9,554 sq ft and established first flagship store

2014
- Expanded our presence to East Malaysia
- Opening of Mothercare outlet and ELC SIS in Suria Sabah Mall

2016
- Mothercare online store launched

2018
- Reached 16 Mothercare outlets and 11 ELC SIS
- Distribution business crossed over 500 distribution points throughout Malaysia and overseas
- Expanded Suria KLCC outlet to 12,949 sq ft as the largest store
- Converted to a public company and adopted the present name of Kim Hin Joo (Malaysia) Berhad

2019
- Successfully listed on the ACE Market of Bursa Securities
- Reached a total of 19 Mothercare outlets and 12 ELC SIS
- Opening of Mothercare Johor flagship outlet in Mid Valley Southkey Johor Bahru

2020
- Opening of the first The Entertainer outlet in Sunway Pyramid Shopping Mall in June 2020

2021
- Launched Mothercare and The Entertainer Shopee Mall store
- Launched The Entertainer website powered by Shopify
- Opening of the 3rd The Entertainer store in Suria Sabah Mall
- Won Best Company for IR – Micro cap category by MIRA
- Listed Snapkis into Lotus's and Tommee Tippee into AA Pharmacy
- Won Best Baby Steriliser through Tommee Tippee – theAsianparent Awards 2021
- Opening of the first mega Mothercare Experience Store and the 4th The Entertainer store measuring 15,000 sq ft in Tropicana Gardens Mall

At A Glance

where **we are**

Our store locations



01. Gurney Plaza
Mothercare | TE
170-04-15 & 12B, 4th Floor,
Plaza Gurney, Persiaran Gurney,
10250 Penang

02. One Utama Shopping Centre Mothercare
Lot S135, 2nd Floor,
1 Utama Shopping Centre,
No. 1 Lebuh Bandar Utama,
Bandar Utama,
47800 Petaling Jaya, Selangor

03. The Curve
Mothercare | ELC
Lot 178 & 179, 1st Floor,
The Curve,
6 Jalan PJU 7/3,
Mutiara Damansara,
47810 Petaling Jaya, Selangor

04. Vivacity Megamall
Mothercare | ELC
L1-015 & L1-016, level 1,
Vivacity Megamall,
Jalan Wan Alwi,
93350 Kuching, Sarawak

05. Suria Sabah Shopping Mall
Mothercare | ELC | TE
Lot 3-4(TE) & 3-10 (MC)
1, Jalan Tun Fuad Stephens,
88000, Kota Kinabalu, Sabah

At A Glance
cont'd

06. Suria KLCC
Mothercare | ELC | TE
Lot LC204-207, 2nd Floor,
Suria KLCC
Kuala Lumpur City Centre,
50088 Kuala Lumpur, WP

07. Pavilion KL
Mothercare
Lot 5.43, Level 5,
Pavilion Kuala Lumpur,
168, Jalan Bukit Bintang,
55100 Kuala Lumpur, WP

08. Sunway Velocity
Mothercare
Lot 2-52, 2nd Floor,
Sunway Velocity Mall,
Lingkaran SV, Sunway Velocity,
55100 Kuala Lumpur, WP

09. Mid Valley Megamall
Mothercare | ELC | TE
Lot S-063A, 2nd Floor,
Mid Valley Megamall,
Lingkaran Syed Putra,
59200 Kuala Lumpur, WP

10. Bangsar Shopping Centre
Mothercare | ELC
Lot S2, 2nd Floor,
Bangsar Shopping Centre,
285 Jalan Maarof, Bukit Bandaraya,
59000 Kuala Lumpur, WP

11. Melawati Mall
Mothercare
Unit L2-38, Level 2, Melawati Mall,
355 Jalan Bandar Melawati,
Pusat Bandar Melawati,
53100 Kuala Lumpur, WP

12. East Coast Mall
Mothercare | ELC | TE
L1-03 (A) & (B), Level 1,
East Coast Mall,
Jalan Putra Square 6, Putra Square,
25200 Kuantan, Pahang

13. Alamanda Shopping Centre
Mothercare
G77-79, Ground Floor,
Alamanda Shopping Centre,
Jalan Alamanda, Precinct 1,
62000 Putrajaya, WP

14. IOI City Mall
Mothercare | ELC
L145-2, First Floor,
IOI City Mall, IOI Resort City,
62502 Putrajaya, WP

15. Setia City Mall
Mothercare | ELC
L1-50 & 51, Level 1, Setia City Mall
No. 7 Persiaran Setia Dagang,
Bandar Setia Alam, Seksyen U13,
40170 Shah Alam, Selangor

16. NU Empire Shopping Gallery
Mothercare
Lot LG-13A & 15
Empire Shopping Gallery,
Jalan SS16/1,
47500 Subang Jaya, Selangor

17. Sunway Pyramid
Mothercare | ELC | TE
Lot LG 1-105 & 106,
Lower Ground 1, Sunway Pyramid
No 3, Jalan PJS11/15, Sunway City,
47500 Petaling Jaya, Selangor

18. AEON Tebrau City
Mothercare | ELC
Lot S135, 2nd Floor
AEON Tebrau City,
1 Jalan Desa Tebrau,
81100 Johor Bahru, Johor

19. Mid Valley Southkey
Mothercare | ELC
LG-060, The Mall, Mid Valley
Southkey,
1, Persiaran Southkey 1,
Southkey,
80150 Johor Bahru, Johor



About Us

corporate **information**

Board of Directors

Pang Kim Hin
Non-Independent
Non-Executive Chairman

Pang Fu Wei
Managing Director

Goh Poh Teng
Executive Director

Chew Soo Lin
Senior Independent
Non-Executive Director

Yen Se-Hua Stewart
Independent
Non-Executive Director
(Resigned on 1 July 2024)

Kor Yann Ning
Independent
Non-Executive Director

Hew Moh Yung
Independent
Non-Executive Director

Audit Committee

Kor Yann Ning *(Chairperson)*
Yen Se-Hua Stewart
(Resigned on 1 July 2024)
Chew Soo Lin
Hew Moh Yung

Remuneration Committee

Yen Se-Hua Stewart *(Chairman)*
(Resigned on 1 July 2024)
Chew Soo Lin *(Chairman)*
Kor Yann Ning
Hew Moh Yung

Nomination Committee

Chew Soo Lin *(Chairman)*
Yen Se-Hua Stewart
(Resigned on 1 July 2024)
Kor Yann Ning
Hew Moh Yung

Risk Management Committee

Hew Moh Yung *(Chairman)*
Pang Fu Wei
Goh Poh Teng
Chew Soo Lin
Yen Se-Hua Stewart
(Resigned on 1 July 2024)
Kor Yann Ning

Company Secretaries

Tai Yit Chan
(MAICSA No. 7009143)
(SSM Practicing Certificate
No 202008001023)

Tan Ai Ning
(MAICSA No. 7015852)
(SSM Practicing Certificate
No 202008000067)

Registered Office/
Principal Place Of Business

Wisma Pang Cheng Yean
Lot 5205C, Jalan Perindustrian
Balakong Jaya 1/3
Kawasan Perindustrian
Balakong Jaya
43300 Seri Kembangan
Selangor Darul Ehsan
Tel : +603-8940 6638
Fax : +603-8940 6637
Website : www.khj-my.com
Email : investor.relations@khj-my.com

Auditors

Deloitte PLT
(LLP0010145-LCA) (AF0080)
Level 16, Menara LGB
No. 1, Jalan Wan Kadir
Taman Tun Dr Ismail
60000 Kuala Lumpur
Tel : +603-7610 8888
Fax : +603-7726 8986

Principal Bankers

AmBank (M) Berhad
[196901000166 (8515-D)]
Hong Leong Bank Berhad
[193401000023 (97141-X)]
OCBC Bank (Malaysia) Berhad
[199401009721 (295400-W)]
Malayan Banking Berhad
[196001000142 (3813-K)]

Share Registrar

Boardroom Share Registrars Sdn Bhd
11th Floor, Menara Symphony
No. 5, Jalan Professor Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan
Tel : +603 7890 4700
Fax : +603 7890 4670
Email : bsr.helpdesk@boardroomlimited.com

Stock Exchange Listing

ACE Market of Bursa Malaysia
Securities Berhad

Listing Date : 8 July 2019
Stock Name : KHJB
Stock Code : 0210

About Us
cont'd



Corporate Structure



Corporate Structure
cont'd



The Group Structure of KHJ for the financial year ended 31 December ("FYE") 2024 was as follows:

KIM HIN JOO MALAYSIA BERHAD
197801000642 (37655-U)

- 100% **QUEEMAY TOYS (MALAYSIA) SDN BHD ("QTSB")**
- 100% **GLOBAL PRODUCT SOLUTIONS SDN BHD ("GPSSB")**
- 100% **GLOBAL RETAIL NETWORK SDN BHD ("GRNSB")**

Operations of Queemay Toys and Global Product have been consolidated into KHJ effective 1 January 2025. This initiative is in line with the Group's strategy to streamline operations and optimise existing resources. Queemay Toys and Global Product are dormant effective 1 January 2025 and 1 April 2025 respectively .

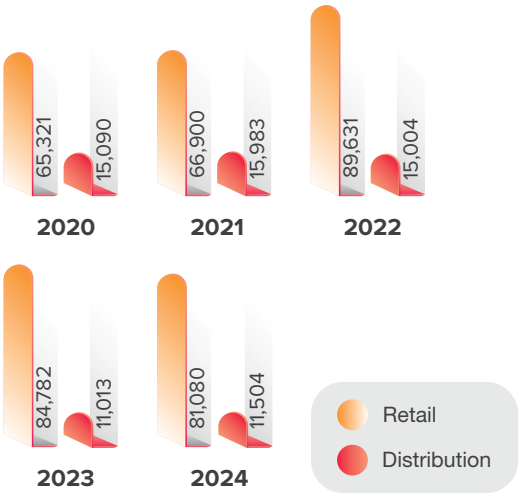


Financial Highlights

5 Years Financial Performance

Revenue by Business Segment

(RM'000)



Revenue by Product Categories

(RM'000)



	Financial Year Ended 31 December ("FYE")				
	2020 RM'000	2021 RM'000	2022 RM'000	2023 RM'000	2024 RM'000
STATEMENT OF PROFIT OR LOSS					
Revenue	80,411	82,883	104,635	95,795	**92,584**
Gross Profit	39,466	39,119	50,185	42,416	**39,000**
Profit/(Loss) before taxation ("PBT")/("LBT")	7,413	6,764	6,801	(730)	**(2,696)**
Profit/(Loss) attributable to owners of the Company ("PAT")/("LAT")	5,348	4,593	4,837	(786)	**(3,051)**
STATEMENT OF FINANCIAL POSITION					
Total equity attributable to owners of the Company	77,509	78,302	79,339	76,273	**72,842**
Total assets	110,101	114,334	119,661	103,818	**87,976**
Cash and bank balances, fixed deposits with licensed banks	31,796	25,221	19,077	19,508	**33,954**
Borrowings	-	-	-	-	**-**
FINANCIAL RATIOS					
GP Margin (%)	49.08	47.20	47.96	44.28	**42.12**
* Basic earnings/(Loss) per share ("EPS")/("LPS")(sen)	1.41	1.21	1.27	(0.21)	**(0.80)**
* Dividends per share (sen)	1.00	1.00	0.60	0.10	**0.10**
* Net assets per share (sen)	20.40	20.61	20.88	20.07	**19.17**

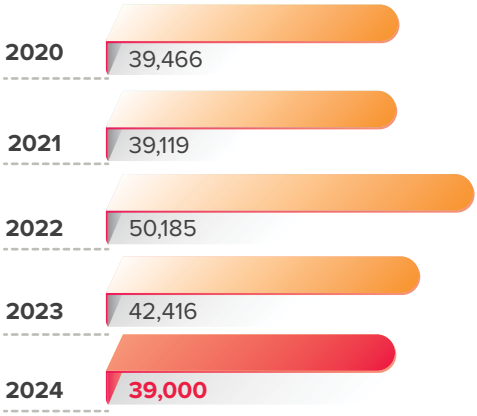
*Note : * computed based on 380,000,000 shares in KHJ Group*

Financial Highlights

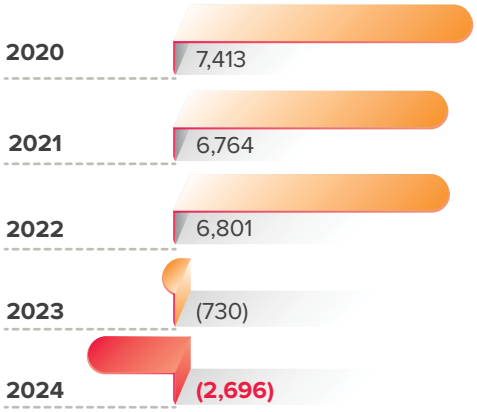
5 Years Financial Performance

cont'd

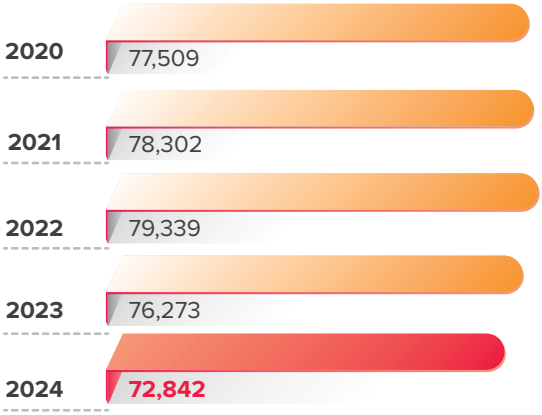
Gross Profit (RM'000)



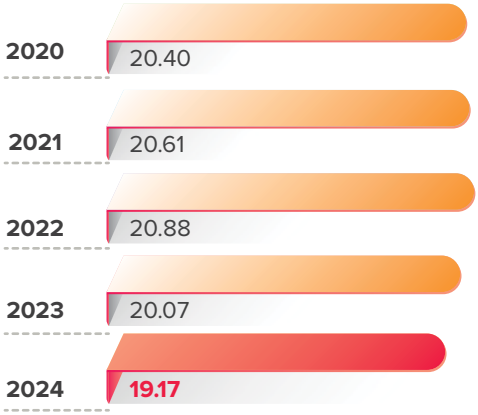
Profit/(Loss) Before Taxation ("PBT")/("LBT") (RM'000)



Net Assets (RM'000)



Net Assets per Share (Sen)





Profile of Directors



PANG KIM HIN

Non-Independent Non-Executive Chairman
Singaporean / aged 75 / Male

- **Date of Appointment as Director:**

  15 September 1986 (Re-designated as Non-Independent Non-Executive Chairman on 3 October 2018)

- **Length of Service as Director since Appointment:**

  38 years

- **Board Committee(s) Membership:**

  Chairman of Board of Directors

- **Academic/Professional Qualification(s):**

  Bachelor of Engineering – Mechanical from McGill University, Canada

- **Present Directorship(s) in other Public Companies and Listed Companies:**

  Mr Pang Kim Hin does not hold any directorship in other public companies and listed corporations.

- **Family Relationship with any Director and/or Major Shareholder of the Company:**

  Mr Pang Kim Hin is the father of Mr Pang Fu Wei, who is our Managing Director. Mr Pang Kim Hin is a major shareholder of KHJ and also a Director and major shareholder of Kim Hin International Pte Ltd ("KHI"), a major shareholder of KHJ.

- **Working Experience:**

  Mr Pang Kim Hin has over 44 years of working experience across a wide range of industries.

  An engineer by training, he started his career with Guthrie Engineering (S) Pte Ltd in Singapore before leaving the company in 1981 to join his family-owned investment holding business, Kim Hin Joo Pte Ltd. He was subsequently appointed as Director of Kim Hin Joo Pte Ltd in May 1987, where he still serves as a Board member.

  He founded Mothercare (S) Pte Ltd ("Mothercare SG") in March 1985, and opened the first Mothercare outlet in Singapore in The Centrepoint shopping mall that year.

  He was appointed as Director of Kim Hin Joo (Malaysia) Berhad ("KHJ") in September 1986, and opened the first Mothercare outlet in Malaysia in KL Plaza, Kuala Lumpur, in April 1987.

  In 2015, he relinquished all his roles in Mothercare SG to his son, Mr Pang Fu Wei, as well as his executive roles in KHJ to his daughter, Ms Pang Shu Ming. He has since maintained a non-executive role in KHJ. Subsequently, on 1 July 2020, Mr Pang Fu Wei took over the role of Managing Director of KHJ.

  Mr Pang Kim Hin continues to helm the overall operations of Mother and Child Ltd, the franchise holder of the Mothercare brand in Hong Kong, after taking over the company in March 1992.

  He founded Global Outsource Solutions Pte Ltd ("Global Outsourced") in 2003 to venture into the distribution business of baby, children, and maternity products in Singapore. He subsequently introduced the distribution business to Malaysia and Hong Kong by establishing Global Product Solutions Sdn Bhd in 2008 ("GPSSB") and Trade Solutions Ltd in 2017.

  Mr Pang Kim Hin previously served as a Board member of the National Trades Union Congress and Co-operative Commonwealth for Transport Ltd as well as the Public Utilities Board in Singapore. He also served as a Non-Executive Board member of Comfort Group Ltd, a company that was listed on the Singapore Exchange Limited from July 1993 until its delisting and and subsequent merger with DelGro Corporation Limited in April 2003.

- **Time Committed:**

  Mr Pang Kim Hin attended 5 out of 5 Board of Directors' Meetings held during the FY2024

Profile of Directors
cont'd



PANG FU WEI

Managing Director
Singaporean / aged 36 / Male

- **Date of Appointment as Director:**

  27 February 2020

- **Length of Service as Director since Appointment:**

  5 years

- **Board Committee(s) Membership:**

  Member of Risk Management Committee

- **Academic/Professional Qualification(s):**

  Bachelor's Degree in Science, Neuroscience & Behavioural Biology, Chinese Language & Culture from Emory University, Atlanta, Georgia, United States of America

- **Present Directorship(s) in other Public Companies and Listed Companies:**

  Mr Pang Fu Wei does not hold any directorship in other public companies and listed corporations but holds directorships in several private limited companies.

- **Family Relationship with any Director and/or Major Shareholder of the Company:**

  Mr Pang Fu Wei is the son of Mr Pang Kim Hin and also a Director of KHI, a major shareholder of KHJ.

- **Working Experience:**

  Mr Pang Fu Wei was appointed as the Managing Director of our Group on 1 July 2020, bringing with him over a decade of experience in mother & baby retail.

  Since his appointment, he has helped shaped the company's direction by emphasizing digital transformation and experiential retailing in Malaysia.

  Mr Pang began his journey in Mothercare SG in 2013 as a Business Development Manager. His early role involved managing the flagship store, where he notably implemented a pioneering e-commerce strategy and introduced a retail diagnostics framework. These initiatives not only enhanced operational efficiencies but also set new benchmarks for data-driven business decision-making within the business.

  In 2015, Mr Pang's was promoted to Executive Director, where he assumed the mantle of Head of Merchandising and Marketing. His tenure in this role was marked by significant achievements, including the expansion of the flagship store and the introduction of new brands into the Mothercare portfolio. Notably, his implementation of the a customer relationship management system that allowed for marketing automation at Mothercare.

  Mr Pang's was subsequently promoted to Managing Director of the Singapore group in 2017. Under his guidance, the company embarked on 'Retail 2.0', a transformative project that redefined the retail and distribution business through digitization, process redesign, and strategic brand repositioning.

  In his current role at Kim Hin Joo Bhd, Mr Pang Fu Wei continues to demonstrate his hands-on and forward looking approach to the business. He has spearheaded the digitization of operations and introduced the innovative 'Mothercare Experience Store' concept in Malaysia, enhancing customer engagement and service.

- **Time Committed:**

  Mr Pang Fu Wei attended 5 out of 5 Board of Directors' Meetings held during the FY2024.

Profile of Directors
cont'd



GOH POH TENG

Executive Director
Malaysian / aged 64 / Female

Date of Appointment as Director:

26 June 2014 (Re-designated as Executive Director on 3 October 2018)

Length of Service as Director since Appointment:

11 years

Board Committee(s) Membership:

Member of Risk Management Committee

Academic/Professional Qualification(s):

Bachelor of Economics from the University of Malaya, Malaysia

Present Directorship(s) in other Public Companies and Listed Companies:

Ms Goh does not hold any directorship in other public companies and listed corporations.

Family Relationship with any Director and/or Major Shareholder of the Company:

None

Working Experience:

Ms Goh Poh Teng joined our Group as an Assistant Store Manager in February 1987, where she assisted Mr Pang Kim Hin in setting-up our first Mothercare outlet in KL Plaza.

Working her way up within our Group, she was promoted to Retail Manager in January 1997. She was responsible for overseeing the overall operations of all our Mothercare outlets, including financial, inventory management, human resource and merchandising. She was also tasked to set up new Mothercare outlets for our Group.

Ms Goh was promoted to General Manager in January 2012 and was subsequently appointed as our Director in June 2014. Besides being responsible for managing the overall day-to-day operations of our Group, she is also involved in driving the strategic business direction of our retail and distribution businesses, together with our Managing Director.

Time Committed:

Ms Goh Poh Teng attended 5 out of 5 Board of Directors' Meetings held during the FYE2024.

Profile of Directors
cont'd



CHEW SOO LIN

Senior Independent Non-Executive Director
Singaporean / aged 77 / Male

- **Date of Appointment as Director:**

  3 October 2018

- **Length of Service as Director since Appointment:**

  6 years

- **Board Committee(s) Membership:**

  - Chairman of Nomination Committee
  - Chairman of Remuneration Committee
  - Member of Audit Committee
  - Member of Risk Management Committee

- **Academic/Professional Qualification(s):**

  Institute of Chartered Accountants in England and Wales

- **Present Directorship(s) in other Public Companies and Listed Companies:**

  Mr. Chew is currently the Executive Chairman of Khong Guan Limited. He is also acting as an Independent Director for Duty Free International Limited, which is listed on the Singapore Exchange. He previously served as an Independent Director of MTQ Corporation Limited until his resignation on 30 July 2024 and of Asia-Pacific Strategic Investments Limited until his resignation on 30 October 2024.

- **Family Relationship with any Director and/or Major Shareholder of the Company:**

  None

- **Working Experience:**

  Mr Chew Soo Lin began his career in 1966 working in various audit firms in England. In 1971, he qualified as a UK Chartered Accountant and became a member of the Institute of Chartered Accountants in England and Wales until 1996.

  He joined Arthur Andersen & Co in Singapore in 1972, where he was subsequently promoted to Audit Manager in 1976.

  He joined the Khong Guan group of companies in 1978. In September 1998, he was appointed an Executive Director of Khong Guan Limited and was subsequently re-designated as its Executive Chairman in August 2007.

- **Time Committed:**

  Mr Chew Soo Lin attended 5 out of 5 Board of Directors' Meetings held during the FYE2024.

Profile of Directors
cont'd



KOR YANN NING

Independent Non-Executive Director
Malaysian/ aged 41 / Female

Date of Appointment as Director:

3 October 2018

Length of Service as Director since Appointment:

6 years

Board Committee(s) Membership:

- Chairperson of Audit Committee
- Member of Nomination Committee
- Member of Remuneration Committee
- Member of Risk Management Committee

Academic/Professional Qualification(s):

Bachelor of Commerce majoring in Accounting and Commercial Law from University of Sydney, Australia | Member of Malaysia Institute of Accountants and Certified Practicing Accountants Australia

Present Directorship(s) in other Public Companies and Listed Companies:

Ms Kor is currently an Independent Non-Executive Director of UMS Holdings Berhad, a company listed on the Main Market of Bursa Malaysia Securities Berhad.

Family Relationship with any Director and/or Major Shareholder of the Company:

None

Working Experience:

Ms Kor Yann Ning began her career in October 2005 with GJ Fong & Co, an accounting and law firm based in Sydney, Australia. In July 2010, she joined Fusion Partners Pty Ltd in Malaysia to set up its outsourced accounting function in Malaysia and to head a new service line specialising in taxation and audit.

She joined OSK Investment Bank Berhad ("OSK") in May 2012 as a Vice President and Financial Product Controller for its finance department, and was subsequently redesignated as Senior Manager in April 2013 under RHB Investment Bank Berhad following the bank's merger with OSK.

In December 2015, she joined S & F Construction Sdn Bhd as a Financial Controller, responsible for the overall finance, risk management and analysis, IT transformation, human resource, and audit operations of the company.

She was appointed as a Chief Financial Officer of S & F Capital Berhad (Formerly known as Leweko Resources Berhad) in November 2019, and left S & F Construction Sdn Bhd on 31 December 2019.

Time Committed:

Ms Kor attended 5 out of 5 Board of Directors' Meetings held during the FYE2024.

Profile of Directors
cont'd



HEW MOH YUNG

Independent Non-Executive Director
Singaporean / aged 69 / Male

- **Date of Appointment as Director:**

  26 August 2019

- **Length of Service as Director since Appointment:**

  5 years

- **Board Committee(s) Membership:**

  - Chairman of Risk Management Committee
  - Member of Remuneration Committee
  - Member of Nomination Committee
  - Member of Audit Committee

- **Academic/Professional Qualification(s):**

  Bachelor's degree from the National University of Singapore, majoring in Economics and Political Science

- **Present Directorship(s) in other Public Companies and Listed Companies:**

  Mr Hew is an Independent Director of Khong Guan Ltd, listed in Singapore.

- **Family Relationship with any Director and/or Major Shareholder of the Company:**

  None

- **Working Experience:**

  Mr Hew Moh Yung has over 40 years of work and Board member experience, having progressed through sales, marketing, and general management roles in multinational fast-moving consumer goods companies based in Singapore, Taiwan, Malaysia, Vietnam, and Hong Kong. Among these companies were the East Asiatic Company, Cold Storage, Asia Pacific Breweries Ltd and DKSH.

  He was appointed as a General Director of DKSH Vietnam Ltd in 2002 before being relocated to Hong Kong in 2005 as the Regional Vice President of FMCG Greater China and Head of Country Management Team of DKSH Hong Kong Ltd, as well as the Director of DKSH China Holdings Ltd, e-Sweets Shanghai and Hong Kong, and Chairman of Chiao Tai Logistics (Taiwan) Corporation.

  He was previously the Chairman of Eu Yan Sang (Hong Kong) Ltd and the Independent Commissioner of PT Wicaksana Overseas International Tbk.

- **Time Committed:**

  Mr Hew attended 5 out of 5 Board of Directors' Meeting held during the FYE2024.

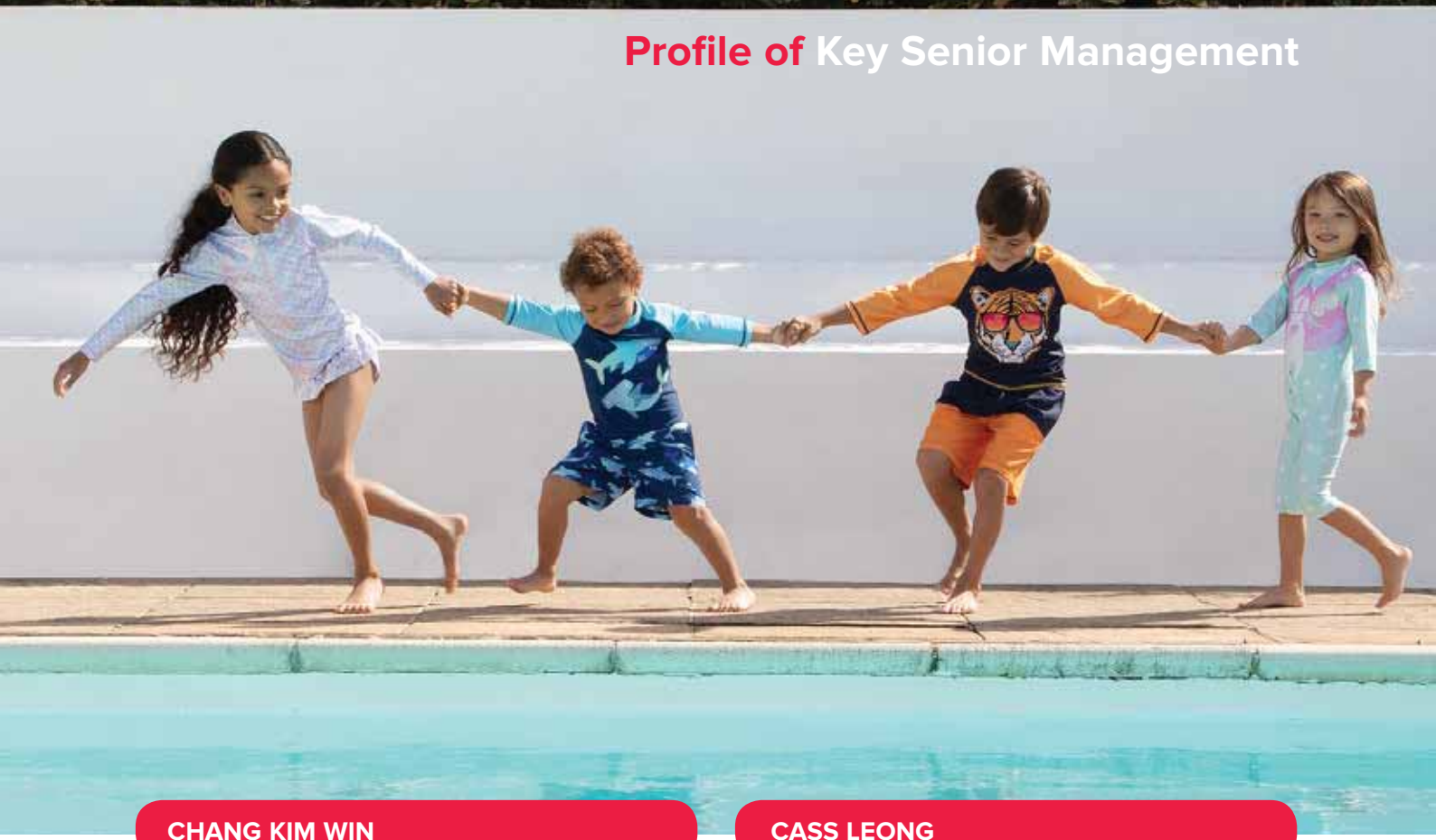
ADDITIONAL INFORMATION ON THE DIRECTORS

The details of the Directors' interest in the securities of the Company are set out on page 132 of this Annual Report.

Save as disclosed above, none of the Directors have:-

- any family relationship with any Director and/or major shareholder of the Company;
- any conflict of interests and potential conflict of interests, including interest in any competing business with the Company; and
- any conviction for offences other than traffic offences (if any) within the past 5 years nor any public sanction or penalty imposed by any relevant regulatory bodies during the financial year.

Profile of Key Senior Management



CHANG KIM WIN

Chief Financial Officer
Malaysian / Aged 54 / Female

Date First Appointed to the Key Senior Management Position:

15 October 2020

Academic/Professional Qualification(s):

Association of Chartered Certified Accountants | Malaysian Institute of Accountants

Working Experience:

Ms Chang Kim Win joined our Group as Chief Financial Officer in October 2020 to oversee our overall financial and operations management, as well as to ensure all matters are in compliance with the relevant regulatory authorities.

Prior to joining our Group, she had held several management roles in audit, accounting, finance, operation, risk management, internal audit and taxation with various companies in the fields of retail, jewellery, technology, finance, Islamic pawnbroking and leisure from 1994 to 2020.

CASS LEONG

Head of Buying and Merchandising
Malaysian / aged 49 / Female

Date First Appointed to the Key Senior Management Position:

4 July 2022

Academic/Professional Qualification(s):

Advance Diploma in Association of Business Executive

Working Experience:

Ms Cass Leong joined our Group as an Executive Assistant to the Managing Director and subsequently redesignated as Head of Distribution in our subsidiary, Global Product Solutions Sdn Bhd, to oversee the distribution business in Malaysia. Later, she transitioned to the Group as Head of Buying and Merchandising, responsible for overseeing the buying department.

Prior to joining the Group, she was the Regional Head of Buying for Singapore and Malaysia of a UK Fashion brand. She brought with her over 20 years of experience in buying and merchandising, which includes budget planning, trend forecasting and analysis, inventory optimization, team leadership and development.

Profile of Key Senior Management
cont'd



CHRISTINA KANG

Head of Distribution
Malaysian / Aged 47 / Female

Date First Appointed to the Key Senior Management Position:

22 January 2024

Academic/Professional Qualification(s):

Master of Business Administration, University of Nottingham, UK

Working Experience:

Ms Christina Kang joined our Group as Head of Distribution in January 2024 in charge of distribution to our trade partners, buying & merchandising, inventory management, marketing activities with our key customers as well as trade activities and events to improve brand awareness.

When she joined our Group, she brought with her over 20 years of experience in managing several global lifestyle and fashion brands, leading the team in all aspects of the brand, including brand direction, marketing, buying & merchandising, retail operations and trade sales.

STEPHANIE CHEW

Head of Marketing
Malaysian / Aged 40 / Female

Date First Appointed to the Key Senior Management Position:

06 September 2021

Academic/Professional Qualification(s):

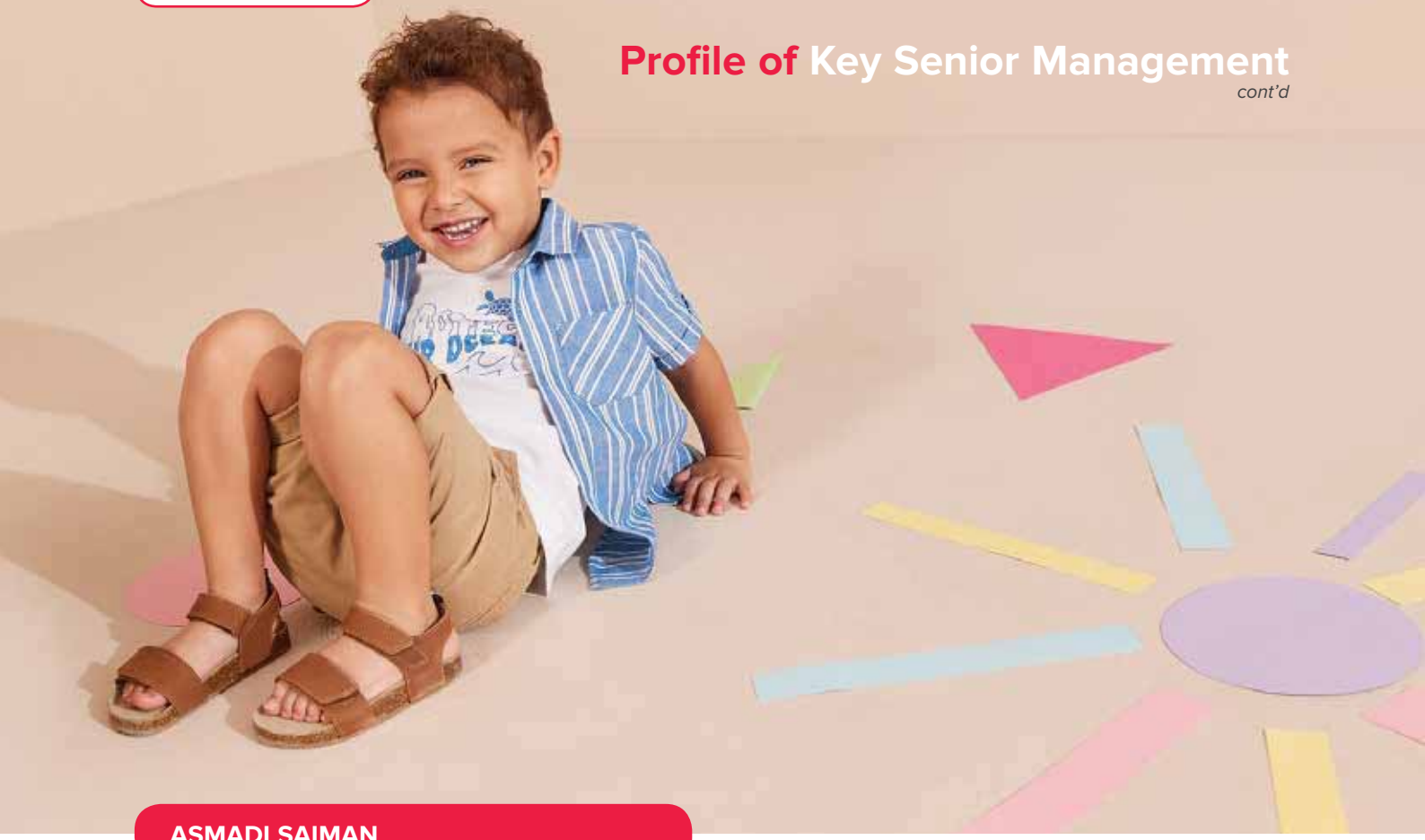
Bachelor's Degree in Mass Communications (Hons.) from Taylor's University

Working Experience:

Ms Stephanie Chew joined our Group as Head of Marketing in September 2021 to oversee the overall marketing strategy and activities of our Mothercare stores.

Prior to joining our Group, she had 15 years of experience working in different branding, marketing and advertising roles across the toy retail, fashion and cosmetics sectors. She is also well-versed with social media and e-commerce strategies.

Profile of Key Senior Management
cont'd



ASMADI SAIMAN

Warehouse Manager
Malaysian / Aged 48 / Male

Date First Appointed to the Key Senior Management Position:

21 October 2020

Academic/Professional Qualification(s):

Executive Diploma in Integrated Logistic and Supply Chain Operation, Malaysia University of Technology

Working Experience:

Encik Asmadi Saiman joined our Group as Warehouse Manager in October 2020 in charge of planning and supervising daily warehouse operations and distribution of products to outlets and distribution points.

When he joined our Group, he brought with him 26 years of experience in warehousing and distribution gained from working with different companies in the food, retail and fashion industries since 1995.

ADDITIONAL INFORMATION ON THE KEY SENIOR MANAGEMENT

Directorship in Public Companies and Listed Corporations:

None of the Key Senior Management have any directorships in public companies and/or listed corporations.

Family Relationship with any Director and/or Major Shareholder:

None of the Key Senior Management have family relationship with any Directors and/or major shareholders of the Company.

Conflicts of Interest:

The Key Senior Management do not have any conflicts of interest and potential conflict of interests, including interest in any competing business with the Company.

List of Convictions for offences within the past 5 years and Particulars of any Public Sanctions or Penalty imposed by the Relevant Regulatory Bodies during the financial year, if any

None of the Key Senior Management have any convictions for offences other than traffic offences (if any) within the past 5 years.

None of the Key Senior Management were penalised or sanctioned by any regulatory bodies during the financial year.



Chairman's Statement

Dear valued shareholders,

For Financial Year 2024, Kim Hin Joo (Malaysia) Berhad ("KHJ") remained focused on two priorities:

The first is to reduce the over-stock position that we had after Covid-19 pandemic. The other is to generate cash during the last financial year. On both tasks, we have delivered and reduced our stock holdings from RM52.4 million on 1st January 2024 to RM33.1 million on 31st December 2024. As for our cash position, we have increased from RM19.5 million on 1st January 2024 to RM33.9 million on 31st December 2024. This will put us on good footing as we embark on our new financial year.



PANG KIM HIN

Non-Independent
Non-Executive Chairman

Chairman's Statement
cont'd

CHALLLENGES AND OPPORTUNITIES

Despite Malaysia's gross domestic product ("GDP") growth improving from 3.6% in 2023 to 5.1% in 2024, macroeconomic headwinds persisted, driven by heightened geopolitical tensions, elevated cost pressures, currency volatility, and subdued consumer sentiment, all of which created hurdles for businesses across sectors.

For our Group, FYE2024 was marked by sluggish sales as we contended with weaker consumer demand. Against this backdrop, we remained focused on our key priorities, i.e., clearing old inventories and strengthening cash flow.

The overhang of suppressed demand during the COVID-19 pandemic had left us with significant stock, but through disciplined execution, we successfully reduced the bulk of these inventories by the end of FYE2024. This has not only strengthened our cash flow, but it has also freed up resources to focus on strategic initiatives, such as fresher product lines, and optimise our operations. This marks a critical step towards positioning the Group for future growth.

KHJ's ongoing optimisation plan, initiated in FYE2023, continued to yield tangible results throughout FYE2024.

By rationalising resources, streamlining manpower, and restructuring business operations and enhancing synergies between departments, we have emerged as a leaner, more efficient organisation.

The closure of underperforming stores, though a difficult decision, has enabled us to allocate resources more effectively to areas with stronger growth potential.

These measures have improved our operational agility and cost efficiency, allowing us to remain competitive despite the challenging environment. We are confident that this streamlined structure positions us well to navigate the evolving landscape and seize opportunities in the years ahead.

BETTER PROSPECTS

As we look ahead, there is reason for optimism.

Economic conditions are expected to improve, with Bank Negara Malaysia projecting GDP growth of 4.5% to 5.5% in 2025, driven by improving domestic and external factors. In addition, the Malaysian retail industry is projected to grow by 4.0% in 2025, a slight improvement from 3.9% in 2024, according to the Retail Group Malaysia.

Consumer sentiment is also expected to strengthen, supported by higher disposable income resulting from wage hikes in both the public and private sectors. These factors, along with an anticipated increase in tourist arrivals, point to a more conducive environment for consumer spending. Consequently, we anticipate better prospects in FYE2025.

However, we remain mindful of potential challenges, including the impact of subsidy rationalisation, electricity tariff hike and currency volatility which could affect overall consumer sentiment and our profit margins.

Headline inflation is anticipated to rise from an average of 1.8% in 2024 to between 2% and 3.5% in 2025. Despite this, the interest rate is expected to remain unchanged at 3%, which should help stabilise borrowing costs and support consumer activity.

Our proactive risk management measures ensure that foreign exchange risks remain manageable, and we are well-prepared to navigate these uncertainties.

CHANGING MARKET DYNAMICS

One of the more pressing challenges for our industry is the declining birth rate, which directly impacts demand for our family-oriented products. This demographic trend requires close monitoring and proactive adaptation.

That said, we believe that an improving economy and higher disposable income will help mitigate these effects by boosting overall consumer spending.



Chairman's Statement
cont'd



As we move forward, our focus remains on delivering high-quality, value-driven products that resonate with our customers.

Our strategic priorities include (i) strengthening our product offerings to meet evolving consumer preferences; (ii) enhancing operational efficiency through continued optimisation efforts; and (iii) exploring opportunities to expand our market presence and reach.

By leveraging our strong brand presence and deep market understanding, we are confident in our ability to adapt to changing consumer preferences and maintain our competitive edge.

REWARD TO SHAREHOLDERS

To reward our loyal shareholders, on behalf of our Board, I am pleased to recommend a dividend of 0.1 sen per share.

This reflects our confidence in the Group's financial resilience and future prospects, even in the face of a challenging environment.

ACKNOWLEDGEMENTS

As we reflect on the past year, we are deeply grateful for the support and dedication of our stakeholders that have enabled KHJ to navigate these trying times.

To our shareholders, thank you for your trust and confidence in our vision and strategy.

To our valued customers, your loyalty inspires us to continually improve and deliver products and services that meet your expectations.

To our vendors, business associates, and bankers, we appreciate your steadfast partnership and collaboration.

To my fellow Board members, your strategic insights and guidance have been invaluable in steering the Group through this dynamic landscape.

Chairman's Statement
cont'd



Finally, I extend my heartfelt thanks to our management team and colleagues, whose resilience, commitment, and innovation have been the driving forces behind our progress during these challenging times.

As we close the chapter on FYE2024, we do so with a sense of cautious optimism and renewed determination. The groundwork we have laid over the past two years has strengthened our foundation and positioned us to capture emerging opportunities.

Moving forward, we will remain focused on driving sustainable growth and enhancing value for all stakeholders. This includes investing in areas that align with our strategic priorities, further optimising our operations, and deepening our engagement with customers.

While challenges persist, we are confident in our ability to adapt, innovate, and thrive. With a clear vision, robust strategy, and the support of our stakeholders, we are well-positioned to deliver on our long-term objectives and contribute to the growth of KHJ.

I want to thank our stakeholders once again for your trust and support. Together, we will continue to navigate the path ahead and build a brighter future for our Group.

PANG KIM HIN
Non-Independent Non-Executive Chairman

Management Discussion and Analysis

OVERVIEW OF THE KHJ GROUP

Kim Hin Joo (Malaysia) Berhad ("KHJ") is a public company listed on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Securities"). We specialise in the retail of premium baby, children and maternity products, serving families across Malaysia.

Our journey began in 1986 when our founder, Mr Pang Kim Hin, introduced the UK-based Mothercare franchise to Malaysia, pioneering a dedicated retail space for baby, children and maternity essentials.

Over the years, KHJ has significantly expanded its offerings to encompass a wide range of brands, spanning clothing, home essentials, travel-related products, and toys. With an extensive selection of products and a well-established distribution network nationwide, our presence remains robust. We are constantly working to optimise our operations, including streamlining our retail footprint, in response to evolving market dynamics.

Our current operations comprise two core divisions: Retail and Distribution.

The Retail segment encompasses our brick-and-mortar outlets, online stores, and sales channels, complemented by participation in Baby Expos to reach a wider customer base. The Distribution segment supplies baby, children and maternity products to local retailers, as well as overseas retailers and distributors, ensuring a broad market reach.

OPERATIONAL REVIEW

(i) Retail

The Retail segment remained the largest revenue contributor to our Group.

We offer a wide range of baby, children, and maternity products through multiple sales channels, including Mothercare outlets, Early Learning Centre store-in-store ("ELC SIS"), The Entertainer outlets, the Mothercare online store, online marketplaces, and Baby Expos.

We primarily source our products from Mothercare UK, ELC UK, and The Entertainer UK. Our Mothercare, The Entertainer, and ELC SIS outlets operate under Development and Operational Agreements with their respective UK principals.

As of the financial year ended 31 December 2024 ("FYE2024"), KHJ operated 19 Mothercare outlets, along with 12 ELC SIS outlets and 6 The Entertainer outlets nationwide. Beyond Mothercare, ELC, and The Entertainer products, we also carry various third-party brands.

Our online presence continued to expand, with a substantial range of clothing, home essentials, travel products, and toys available on our e-commerce platform, the Mothercare online store. Additionally, our products are listed on leading online marketplaces such as Lazada and Shopee.

To further drive sales, we participated in 4 Baby Expos in FYE2024, compared to 5 in FYE2023.

For the year under review, the Retail segment recorded revenue of RM81.08 million, accounting for 87.57% of total income, representing a 4.37% decline from RM84.78 million in FYE2023.

(ii) Distribution

Under the Distribution segment, our Group partners with a diverse range of brands in home and travel products, supplying them to specialty baby and toy stores, departmental stores, hypermarkets, online platforms, pharmacies, confinement centres, traditional Chinese medical halls, and other corporate partners.

These outlets primarily sell baby nursing products and toiletries, strollers, travel cots, highchairs, travel bags, baby seats, nursing pillows, and toilet training mats directly to customers.

A small portion of the Group's sales comes from departmental stores, where our products are sold on a consignment basis.

In FYE2024, the Distribution segment recorded revenue of RM11.50 million, marking a marginal increase of 4.46% from RM11.01 million in FYE2023. This segment contributed 12.43% of our Group's total revenue for the year under review.

Management Discussion and Analysis
cont'd

KEY DEVELOPMENTS FOR FYE2024

Overall, FYE2024 was another challenging year, much like FYE2023, as macroeconomic headwinds persisted. Against this backdrop, our key priorities were to optimise inventory management and strengthen cash flow.

Our concerted efforts in reducing inventory holdings contributed to a RM14.4 million improvement in cash generation from RM19.5 million in FYE2023 to RM33.9 million in FYE2024, further reinforcing our financial position. By reducing inventory levels from RM52.4 million to RM33.1 million, we also enhanced working capital efficiency.

Concurrently, we undertook a restructuring exercise, consolidating subsidiary operations at the holding level to streamline business functions. This initiative was aimed at improving agility and optimising resources across the Group.

In line with our strategic focus on maximising store performance, we did not open new outlets but instead, closed non-profitable ones. We prioritised upgrading our existing high-performing stores to elevate the retail experience for customers.

In FYE2024, we successfully refurbished our Mid Valley Megamall and The Curve outlets, enhancing their appeal and functionality.

Meanwhile, our strengthened balance sheet positions us well to navigate uncertainties, maintain operational stability, and capitalise on new growth opportunities. We remain committed to investing in areas that enhance long-term value, including infrastructure upgrades and the acquisition of new brands.

In FYE2024, we expanded our distribution portfolio by securing the rights for premium baby brands such as Baby Björn, Jabadabado and Kids2 reinforcing our market presence.

Further, our e-commerce segment continued to gain momentum, supported by brand-building efforts across social media. The steady growth in online sales highlights our ability to adapt to the evolving retail landscape and the expanding digital marketplace in Malaysia.







Management Discussion and Analysis
cont'd

STRATEGIES FOR FYE2025

As we enter FYE2025, we anticipate a turning point for the Group. The past few years have been marked by challenges, but with most of our old inventory cleared and our optimisation efforts yielding results, we are well-positioned to drive growth and enhance long-term value for stakeholders.

Our key focus areas for FYE2025 include:



Strengthening business fundamentals

Our optimisation initiatives since FYE2023, including resource rationalisation, manpower efficiency improvements, and business restructuring, have enhanced operational synergies and cost efficiencies. With these measures in place, we are better equipped to manage costs, streamline operations, and improve profitability. Additionally, we are completing our corporate restructuring to consolidate GPSSB and QTSB into a single operating entity, further improving efficiency and operational effectiveness.



Market adaptability and risk management

While consumer sentiment is improving, we remain cautious about macroeconomic uncertainties such as subsidy rationalisation and currency volatility. Our prudent approach to balance sheet management ensures agility in navigating these risks while pursuing growth opportunities.

Management Discussion and Analysis
cont'd



Expanding our digital presence

As e-commerce continues to thrive, we are intensifying our efforts to strengthen our digital footprint. By leveraging online growth and refining our physical store portfolio, we aim to better meet evolving customer preferences while maximising sales opportunities. Enhanced digital marketing strategies and data-driven insights will further support our online expansion.



Monitoring demographic trends

Malaysia's declining birth rate is a concern, but we anticipate that an improving economy will lead to higher disposable income, supporting increased consumer spending on premium baby and maternity products.

Management Discussion and Analysis
cont'd



Optimising retail store performance

While we did not open new stores in FYE2024, our focus remains on enhancing the performance of existing outlets. We will continue to refurbish high-potential stores to revitalise the customer experience and maximise sales potential. Further optimising store layouts and leveraging data-driven insights will help improve foot traffic and conversion rates.



Leveraging IT and data analytics

Data-driven decision-making will play a crucial role in our growth strategy. We will utilise our IT systems to improve targeted marketing, refine product placements, and boost same-store sales. Strengthening our e-commerce presence and digital marketing efforts will remain a priority.

Management Discussion and Analysis
cont'd



Strengthening our distribution business

Our distribution segment remains a key growth driver, and we plan to expand it by acquiring new brands that reinforce our market position and diversify our product offerings. This strategic expansion will enable us to reach a broader customer base and strengthen our leadership in the baby and maternity products market.

With a clear focus on financial resilience, operational excellence, and digital expansion, we remain committed to supporting parents and parents-to-be while delivering sustainable returns for our shareholders. By focusing on these strategic areas, we are confident that FYE2025 will be a year of recovery, growth, and strengthened market positioning.

FINANCIAL PERFORMANCE REVIEW

During the year under review, KHJ recorded a revenue of RM92.58 million, representing a decrease of 3.35% from RM95.79 million in FYE2023.

The decrease in revenue was mainly attributable to lower sales volume in the Retail segment, primarily due to weak consumer sentiment amid the elevated cost of living, as well as the impact of store closures as part of our Group's strategic focus to enhance operational efficiency. Additionally, declining birth rates in Malaysia further contributed to the sales challenges.

In line with the lower revenue, KHJ posted a loss before tax of RM2.70 million and a loss after tax of RM3.05 million in FYE2024. This performance was also impacted by our ongoing restructuring efforts and broader macroeconomic pressures.

Financial Position

KHJ's balance sheet remains robust, supported by notable improvements in cash generation.

As at FYE2024, our Group's cash and bank balances, including fixed deposits with licensed banks, were valued at RM33.9 million, with zero borrowings. Our net current assets were valued at RM64.3 million.

Total equity attributable to owners was RM72.84 million as at FYE2024, while net assets per ordinary share attributable to owners stood at 19.17 sen.

Capital Expenditure

Our capital expenditure for FYE2024 amounted to RM1.594 million, primarily allocated towards store refurbishments and infrastructure improvements. These investments are expected to enhance customer experience and drive long-term value creation.

Capital Management

There was no change in the share capital of the Company during the financial year under review.

Sustainability Statement



OUR COMMITMENT TO BUSINESS SUSTAINABILITY

Our Group is pleased to present our sixth sustainability performance report, which is an integral part of our Group's annual reporting for the financial year ended 31 December 2024 ("FYE2024").

This report has been prepared in line with the Sustainability Reporting Standards of the Global Reporting Initiative ("GRI"). It details a range of sustainability measures, including programmes and Environmental, Social and Governance ("ESG")-related initiatives, implemented by Kim Hin Joo (Malaysia) Berhad ("KHJ") from 1 January 2024 to 31 December 2024.

This report also highlights key sustainability matters that may impact KHJ's direct and indirect stakeholders, including customers, employees, shareholders, investors, government authorities, the local community, and the general public. It reflects our Group's commitment to embedding sustainability practices throughout our operations to drive long-term value creation.

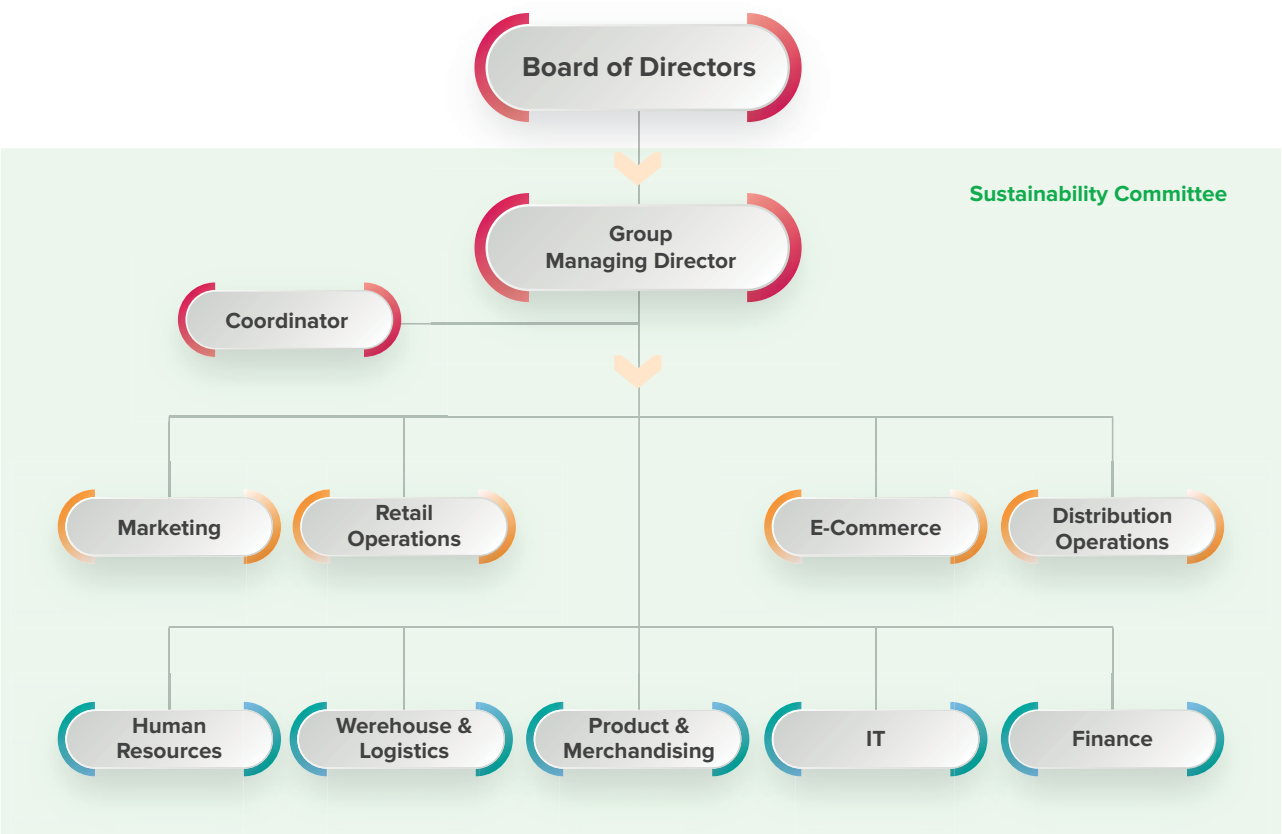
This report was presented to the Board of Directors of KHJ ("Board") on 16 April 2025. Following a thorough review, the Board endorsed it as a fair, balanced, and accurate reflection of our Group's ongoing ESG efforts.

Sustainability Statement
cont'd

OUR COMMITMENT TO BUSINESS SUSTAINABILITY *cont'd*

Sustainability Governance

The Board holds overall responsibility for overseeing and advancing sustainability initiatives within our organisation. It is supported by Management, which supervises the execution of our Group's sustainability strategies. Representatives from each business unit convene regularly to discuss material sustainability issues, ensuring these matters are prioritised and seamlessly integrated across the Group.



Material Sustainability Matters and Stakeholder Engagement

During the financial year under review, our Group identified 13 key sustainability matters that are critical to our stakeholders and business operations. These matters reflect our commitment to sustainable growth and responsible corporate practices.

The table below provides an overview of these material topics, categorised under the three core sustainability pillars—Economic, Environmental, and Social—aligned with the ESG framework.

Sustainability Statement
cont'd

OUR COMMITMENT TO BUSINESS SUSTAINABILITY *cont'd*

Material Sustainability Matters and Stakeholder Engagement *cont'd*

Pillar	Material Sustainability Matters
Economic	Local hiring Business Code of Conduct and Ethics Anti-Bribery and Anti-Corruption Policy Proactive pandemic preparedness
Environmental	Compliance with laws and regulations Carbon Footprint
Social	Diversity and equal opportunity Employee turnover and hires Training and development Maternity leave Occupational health and safety Employment diversity and equal opportunity Engaging the communities

We recognise stakeholders as essential partners in advancing our sustainability agenda. Therefore, we actively engage with both internal and external stakeholders, fostering constructive and meaningful dialogues to address sustainability matters across our economic, environmental, and social initiatives, ensuring alignment with our objectives.

We actively engage with stakeholders across our operational value chain to exchange ideas on key issues. This enables us to provide them with deeper insights into our Group's sustainability journey while offering stakeholders a platform to voice their concerns, share feedback, and contribute valuable suggestions to strengthen our strategy for sustainable growth.

The table below outlines our key stakeholders, their areas of concern, and the engagement methods we utilised in FYE2024.

Key Stakeholder Groups	Areas of Interest	Addressing Their Interests
Shareholders and Investors	• KHJ's business direction • Key corporate developments • Financial performance	• Announcements on Bursa Securities • Investor updates and briefings for fund analysts • Annual general meeting (AGM) • Annual reports • Corporate website
Customers	• Service satisfaction • Quality management • Customer appreciation • Online shopping	• Responsible product design • Marketing campaigns/promotions • Customer satisfaction survey • Customer feedback channel • Social media • Online purchase and delivery services

Sustainability Statement
cont'd

OUR COMMITMENT TO BUSINESS SUSTAINABILITY *cont'd*

Material Sustainability Matters and Stakeholder Engagement *cont'd*

Key Stakeholder Groups	Areas of Interest	Addressing Their Interests
Employees	• Career development • Competitive remuneration • Employee welfare • Value diversity and equal opportunity • Ensure occupational health and safety	• Employees appreciation awards/long service awards • Open communication • Teamwork • Events and functions • Provide skills development and training opportunities
Suppliers, Brand Owners and Mall Operators	• Fair procurement • Suppliers' development • Adherence to development agreement	• Group procurement policy and procurement system • Development agreement discussions • Lease negotiations
Government and Regulatory Authorities	• Regulatory compliance	• Attended dialogue/seminar organised by Bursa Securities Reporting
Local Communities and Public	• Transparent and quality products and services Community development and enrichment	• Community programmes • Donations and other philanthropic contributions

ECONOMIC CONTRIBUTION

At KHJ, our Business Code of Conduct and Ethics underpins our operations, reinforcing our commitment to inclusive and sustainable growth while ensuring strong financial performance. We strive to create value for local communities by prioritising employment and training opportunities for residents.

Local Hiring

A core pillar of our commitment to sustainable economic growth is the prioritisation of local hiring in the communities where we operate. By implementing proactive measures to understand local needs, we continuously enhance our contributions to the surrounding economy.

As of 31 December 2024, all employees at our head office, warehouse, and outlets are Malaysians, with the exception of our Managing Director and the Non-Executive members of our Board.

Code of Conduct and Ethics

KHJ's Business Code of Conduct and Ethics serves as a guiding framework, ensuring that all directors and employees uphold the highest standards of integrity in every aspect of our operations. The values embedded in the Code require all directors and employees to act in the best interests of shareholders at all times.

To strengthen governance, we revised and enhanced our Business Code of Conduct and Ethics, incorporating stricter anti-bribery and anti-corruption policies and procedures. These updates align with amendments to the Malaysian Anti-Corruption Commission Act 2009 (MACC Act 2009), which came into effect on 1 June 2020.

Sustainability Statement
cont'd

ECONOMIC CONTRIBUTION *cont'd*

Anti-Bribery and Anti-Corruption Policy

In line with the amendment to the Malaysian Anti-Corruption Commission Act 2009 ("MACC Act 2009"), particularly Section 17A, our Group adopted and implemented the Anti-Bribery and Anti-Corruption Policy ("ABAC Policy") in May 2020. This policy sets out comprehensive guidelines, internal standards, and procedures to reinforce the core principles outlined in our Business Code of Conduct and Ethics.

As part of our commitment to transparency and ethical business practices, the ABAC Policy is published on our website, and compliance is mandatory for all employees. This ensures that our operations remain economically, socially, and environmentally sustainable while maintaining the highest standards of integrity.

To uphold our zero-tolerance approach to bribery and corruption, our Group has established dedicated reporting channels for any violations of this policy. This is further supported by our Whistleblowing Policy, which provides a secure and confidential avenue for employees and stakeholders to report concerns or malpractices.

ENVIRONMENTAL SUSTAINABILITY

As a responsible organisation, KHJ acknowledges the environmental impact of our business activities and remains committed to enhancing environmental performance. Our efforts focus on protecting natural resources, preventing pollution, and supporting sustainability initiatives that promote greater environmental awareness.

To this end, we have implemented measures across all levels of our operations to minimise environmental impact while ensuring full compliance with relevant environmental laws and regulations.

Compliance with Laws and Regulations

KHJ upholds strict self-regulation to ensure our daily operations adhere to all environmental requirements and regulations.

In FYE2024, we maintained a zero-incidence record of non-compliance with environmental laws and regulations, incurring no fines or non-monetary sanctions.

Carbon Footprint Management

Our carbon footprint primarily stems from our retail outlets, where lighting and air-conditioning account for a significant portion of our energy consumption and greenhouse gas emissions. To mitigate this impact, we have continued to implement energy-efficient solutions, including the use of LED lighting across all outlets and headquarters, which consumes less energy and has a longer lifespan than conventional lighting.

In addition, we actively encourage sustainable retail practices by promoting the use of recyclable bags. Where alternatives are unavailable, we provide biodegradable plastic bags to reduce environmental harm.

Our commitment to environmental protection is further reinforced through our Business Code of Conduct and Ethics, which incorporates policies that encourage the efficient use of resources to minimise our ecological footprint.

Sustainability Statement
cont'd

SOCIAL EQUITY

In FYE2024, KHJ remains steadfast in championing the well-being of our employees and the communities where we operate. As part of our sustainability mission, we actively engage with stakeholders to understand their evolving needs, allowing us to implement targeted human capital development programmes. Our focus is on fostering a safe, inclusive, and dynamic workplace while contributing positively to society.

Diversity and Equal Opportunity

Diversity and equality are integral to our corporate culture, driving marketplace success and long-term business sustainability. A diverse workforce enhances creativity, innovation, and problem-solving, leading to stronger leadership and better decision-making across our organisation.

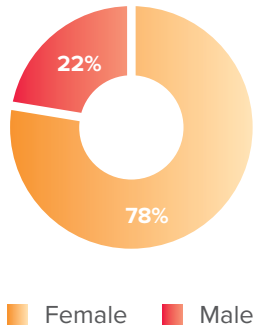
Our Group is committed to creating a conducive work environment, free from discrimination and harassment, where employees feel valued and empowered. By investing in talent development, we equip our people with the skills and knowledge needed to enhance performance and career growth.

Our Diversity Policy outlines our approach to ensuring equal opportunity and fairness based on merit. It provides a framework for:

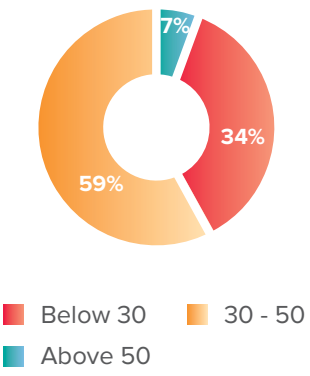
a. A diverse Board and skilled workforce, driving continuous improvement and corporate success;
b. An inclusive workplace culture, benefiting all stakeholders;
c. Enhanced employment and career development opportunities for women;
d. A work environment that values diverse backgrounds, experiences, and perspectives, fostering greater awareness and effective management of workforce diversity; and
e. Educating employees on their rights and responsibilities concerning fairness, equality, and respect for diversity.

As of 31 December 2024, KHJ's total workforce stood at 226, with gender, age, and ethnicity representation detailed in the following charts.

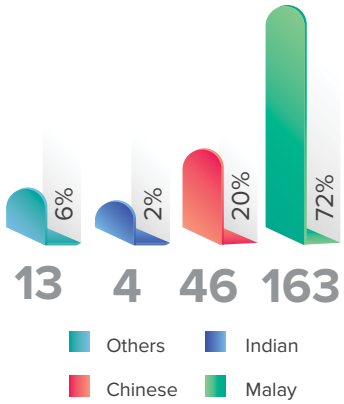
Gender



Age Group



Ethnicity



Employee Turnover and Hires

During the year under review, KHJ recorded 63 new hires and an employee turnover of 79, resulting in a turnover rate of 32.78%. We remain committed to attracting and retaining talent by fostering a supportive and growth-oriented work environment.

Sustainability Statement
cont'd

SOCIAL EQUITY *cont'd*

Training and Development

At KHJ, we recognise that our people are our greatest asset. To support their professional growth and enhance their skills, we offer regular training and development programmes designed to strengthen their capabilities and drive high performance.

In FYE2024, we continued to invest in career advancement opportunities, delivering targeted training sessions to equip employees with the necessary skills to excel in their roles. The key programmes conducted during the year included:

1. In House Product Training - Bathtime & Babycare
2. In House Product Training - Bedding & Nursery
3. In House Product Training - Carseat & Carrier
4. In House Product Training - Clothing
5. In House Product Training - Customer Service
6. In House Product Training - Feeding & Weaning
7. In House Product Training - Pushchair
8. Product Training (Baby Bjorn -Feeding & Weaning)
9. Product Training (Baby Brezza -Feeding & Weaning)
10. Product Training (Medela -Feeding & Weaning)
11. Product Training (Supermama -Feeding & Weaning)
12. Product Training (Mimosa -Pushchair)
13. Product Training (Doona -Pushchair & Carseat)
14. Product Training (Maxi Cosi -Pushchair & Carseat)
15. Career Development Program - Level 1
16. 2025 Budget Seminar
17. A Comprehensive Guide: Implementing E-Invoicing
18. Business English Communication @ Work - Speaking In English & Writing Effective Emails
19. Case Study - Based Webinar : ESG And Supply Chain Management
20. Colored Brain For Performance At The Workplace
21. Data Visualisation & Analytics With Power BI (Introduction)
22. Digital Marketing Masterclass - From Zero To Hero
23. E-Invoicing: Updates, Implementation, And Self-Billing
24. Employer S Tax Obligations And Administrative Compliance
25. Facebook & Instagram Marketing Masterclass
26. Handling Difficult Customers & Complaints Effectively
27. Integrating Environmental, Social And Governance (ESGg Into Organisational Financial Reporting Framework)
28. Mastering Payroll Administration
29. Microsoft Power BI Data Analyst
30. Microsoft Excel 365 Intermediate And Advanced Level
31. MRA Retail Conference 2024
32. OSH Coordinator Training
33. Speek & Write Your Way For Business Comunication
34. Strategic Human Resource Management
35. Effective Supervisory Development Skills
36. 1 Day Team Building Program
37. Pematuhan Undang-Undang dan Persediaan Pemeriksaan Audit di Bawah Akta Kerja 1955
38. Forklift Operator Training Program
39. MIA International Accountants Conference 2024
40. Employer's Tax Obligations And Administrative Compliance

Sustainability Statement
cont'd

SOCIAL EQUITY *cont'd*

Maternity leave

KHJ remained committed to supporting our employees' work-life balance and well-being. In compliance with Malaysia's Employment Act, we provide 98 days of maternity leave to help our female employees manage the demands of motherhood.

As a caring employer, we believe that ensuring employees' physical and emotional well-being contributes to their overall job satisfaction, productivity, and retention.

In FYE2024, 19 female employees took maternity leave, and all 15 returned to work, maintaining our 79% post-maternity retention rate.

As a token of appreciation, each returning mother received a new breast pump, reflecting our commitment to fostering a family-friendly workplace that supports working mothers.

Occupational health and safety

Our Group places the highest importance on ensuring a safe and healthy workplace for our employees. We are committed to fostering an environment that prioritises both physical and mental well-being, ensuring that all employees can perform their roles in a secure and supportive setting.

To uphold workplace safety, our 16-member Safety and Health Committee oversees all health and safety matters. The Committee is structured into three specialised subcommittees: Emergency Response, Firefighting, and Evacuation. These teams conduct regular assessments and recommend improvements to maintain compliance with safety regulations and industry best practices.

In FYE2024, KHJ recorded zero breaches of health or safety compliance, with no fatalities or major injuries leading to lost workdays.

As part of our post-pandemic precautions, we continue to provide masks, sanitisers, and test kits, while reinforcing good hygiene practices across our outlets and offices to safeguard employee well-being.

Engaging the communities

KHJ remains committed to strengthening our ties with local communities by creating employment opportunities that contribute to poverty alleviation and social inclusion.

As part of our commitment to community development, we continue to implement programmes that nurture young talent, equipping them with the skills needed for future corporate and community leadership roles.

As part of our holistic approach to community development, we actively implement programmes designed to nurture young talent. These initiatives equip individuals with the skills required for both corporate and community leadership roles, fostering the next generation of leaders who will drive positive change.

Our community engagement extends beyond talent development. We collaborate with local organisations and support charitable causes that align with our core values and mission. This approach ensures our contributions are not only meaningful but also aligned with broader societal needs.

Sustainability Statement
cont'd

Spreading Joy with Yayasan Sunbeams Home





During the year under review, we proudly embarked on a heartwarming Corporate Social Responsibility (CSR) initiative through our Mothercare brand, demonstrating our dedication to supporting underprivileged communities and spreading the joy of giving.



From 21 November to 15 December 2024, our flagship Mothercare store at Mid Valley Megamall hosted a unique charitable campaign aimed at bringing festive cheer to the children of Yayasan Sunbeams Home. Central to this initiative was a beautifully adorned Christmas tree, featuring baubles with the names of the 44 orphans, all under the age of 12, residing at the home. Customers were encouraged to select a bauble and purchase a gift for their chosen child, contributing to a meaningful act of generosity.

Our dedicated nursery advisors enhanced this experience by assisting in wrapping the heartfelt gifts, ensuring each present was thoughtfully prepared. Mothercare Malaysia also contributed directly by donating two sets of Mothercare fashion clothing to each child, demonstrating our commitment to going beyond material contributions by fostering a genuine sense of warmth and care during the festive season.



Sustainability Statement
cont'd

SOCIAL EQUITY *cont'd*

Engaging the communities *cont'd*

On 19 December 2024, the Mothercare team delivered the gifts in person to Yayasan Sunbeams Home, creating a day filled with joy and festivities. To make the occasion even more special, we arranged for a Santa Claus mascot and a balloon artist to entertain the children. The event featured engaging mini-games and a delightful lunch for both the children and the orphanage staff, ensuring a memorable and joyous experience for all involved.

These initiatives reflect KHJ's unwavering commitment to social responsibility. We believe in the transformative power of community support and the profound impact of small acts of kindness. By fostering meaningful engagements and contributing to the well-being of children in need, we continue to uphold our mission of making a positive impact that transcends our business operations.

This reinforces our dedication to building sustainable communities and contributing to a better society in Malaysia, strengthening community engagement and support for underprivileged children while demonstrating the company's commitment to making a positive societal impact.



Corporate Governance Overview Statement

The Board of KHJ is pleased to provide an overview of the Company's corporate governance practices during the FYE 2024 with reference to the three (3) key principles of good corporate governance as set out in the Malaysian Code on Corporate Governance 2021 ("MCCG"). The Company's application of each practice set out in the MCCG during the FYE 2024 is disclosed in the Company's Corporate Governance Report ("CG Report") which is available on the Company's website at www.khj-my.com and via the Company's announcement made to Bursa Securities.

This statement is prepared in compliance with Bursa Securities' ACE LR based on the prescribed format as outlined in Rule 15.25(2) of the ACE LR and it is to be read together with the CG Report. The Board recognises the importance of good corporate governance and is committed to ensuring that good corporate governance is practised throughout the Group in order to safeguard stakeholders' interests as well as enhance shareholders' value.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

1. BOARD RESPONSIBILITIES

(i) Roles and Responsibilities of the Board

The Group is headed by an experienced and effective Board. The Board assumes overall responsibility in leading the strategic direction, future expansion, corporate governance, risk management, human resource planning and overseeing the proper conduct of business of the Group.

The Board is guided by a Board Charter which sets out the respective roles of the Board, the Chairman of the Board, the Managing Director ("MD"), Executive Director ("ED"), Chief Financial Officer ("CFO"), Independent Directors ("IDs") and Senior ID.

(ii) Overseeing the Conduct of the Business

The Board is responsible for the performance and affairs of the Group as well as to provide leadership and guidance in setting the strategic direction of the Group.

The Board also ensures the Group is managed in compliance with relevant regulatory requirements, standards, policies and guidelines applicable to the Group.

The Board delegates the implementation of its strategies to the Management. However, the Board remains ultimately responsible for corporate governance and the affairs of the Company, in order to ensure resources are in place for the Company to meet its objectives, and that strategies are aligned to the interests of shareholders and stakeholders. The MD would present his updates on various material operational issues, if any, at every quarterly Board Meeting.

In the interest of tightening the internal control of the Group, the Company has in place Limits of Authority to provide the Management with a set of guidance and approval process for its day-to-day operations.

(iii) Separation of the Positions of the Chairman and Managing Director

The functions of the Chairman as well as those of the MD are clearly segregated to ensure that there is a balance of power and authority.

As Chairman, Mr Pang Kim Hin leads and manages the Board by focussing on strategy, governance and compliance.

Mr Pang Fu Wei, the MD, focuses on the business and day-to-day management of the Group, ensures the effective implementation of the Board's decisions, Group's business plans and policies established by the Board as well as manages the daily conduct of the business.

The Board is of the view that the distinct and separate roles of the Chairman and MD are held by different individuals, with a clear distinct roles and responsibilities, enable a balance of power and authority, such that no one individual has unfettered powers of decision-making, and are clearly defined in the Board Charter.

Corporate Governance Overview Statement
cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

1. BOARD RESPONSIBILITIES *cont'd*

(iv) Company Secretaries

The Board is supported by two (2) suitably qualified and competent Company Secretaries, namely Ms. Tai Yit Chan and Ms. Tan Ai Ning.

Both the Company Secretaries are members of the Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA") and are qualified to act as company secretary under Section 235(2) of the Companies Act 2016 ("the Act"). Details of the qualifications, experience and the roles and responsibilities of the Company Secretaries are set out in the Board Charter, available for viewing on the Company's website at www.khj-my.com.

Every Director has ready and unrestricted access to the advice and services of the Company Secretaries in ensuring the effective functioning of the Board. The Directors are regularly updated and advised by the Company Secretaries on new statutory and regulatory requirements issued by regulatory authorities and its implications to the Company and the Directors in relation to their duties and responsibilities. Moreover, the Company Secretaries ensure that the deliberations at the Board Meetings are well captured and minuted. The Company Secretaries also play a key role in facilitating communication between the Board and Management.

The Company Secretaries have and will continue to keep themselves abreast on matters concerning company law, capital market, corporate governance, and other pertinent matters, and with changes in the same regulatory environment, through continuous training and industry updates. They have also attended various relevant continuous professional development programmes as required by MAICSA and the Companies Commission of Malaysia.

(v) Supply of and Access to Information

The Notice of the Board Meeting is served at least seven (7) days prior to the Board Meeting. Relevant Board papers were disseminated to all Directors at least five (5) business days prior to the Board Meeting so as to accord sufficient time for the Directors to peruse the Board papers and to seek any clarification or further details that they may need from the Management or the Company, or to consult independent advisers, if deemed necessary.

As part of the integrated risk management initiatives, the Board also noted the decisions and salient issues deliberated by Board Committees through minutes of the Committees. Subsequent to the Board Meeting, the draft minutes will be circulated to the Board for confirmation to ensure that deliberations and decisions of the Board are accurately recorded. The Company Secretaries would ensure that a statement of declaration of interest or abstention from voting and deliberation is recorded in the minutes.

The Chairman of the Board and Board Committees signs the minutes as a correct record of the proceedings and thereafter, the said minutes of all proceedings are kept in the statutory book made available for inspection under the Act.

(vi) Board Charter

In compliance with Practice 2.1 of the MCCG, the Board has adopted a Board Charter, which provides guidance on how business is conducted in line with best practices and standards of good corporate governance as well as clarity for Directors and Management with regards to the role of the Board and its Board Committees.

Corporate Governance Overview Statement
cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

1. BOARD RESPONSIBILITIES *cont'd*

(vi) Board Charter *cont'd*

The Board reserves full decision-making powers on the following matters:

- Reviewing and approving the annual strategic business plan and financial budget;
- Assess performance of Board and Board Committees;
- Declaring and recommending all forms of dividend payment, out of which some dividend payment may be subject to the approval of shareholders in the AGM;
- Reviewing and approving financial statements encompassing annual audited financial statements and quarterly reports;
- Review corporate governance principles and policies as well as oversee implementation of corporate governance best practices;
- Conflict of interest issues relating to a substantial shareholder or a Director including approving related party transactions;
- Material acquisitions and disposition of assets not in the ordinary course of business including significant capital expenditures;
- Strategic investments, mergers and acquisitions and corporate exercises;
- Limits of authority;
- Treasury policies;
- Risk management policies; and
- Key human resource issues.

The Board Charter is to be regularly reviewed by the Board as and when required which is available on the Company's website at www.khj-my.com.

(vii) Code of Conduct and Ethics

The Board has put in place a Code to promote ethical behaviour within the Group. The basic principles of the Code have been observed and carried out by having appropriate regard to the interests of the Company's customers, shareholders, people, business partners and broader community in which the Company operates.

The Code can be found on the Company's website at www.khj-my.com.

(viii) Whistleblowing Policy and Procedures

The Whistleblowing Policy and Procedures facilitates the establishment of a formal confidential channel to enable employees to report in good faith, serious concerns of any improper conduct and/or wrongdoing that could adversely impact the Group, its employees, shareholders, investors, or the public at large without fear of being subject to detrimental action.

The Whistleblowing Policy and Procedures can be accessed via the Company's website at www.khj-my.com.

(ix) Related Party Transactions Policy and Procedures

The Related Party Transactions Policy and Procedures is to ensure that all related party transactions and recurring related party transactions in the course of business are made at arm's length and at normal commercial terms which are not more favourable to the related party(ies) than those available to the public and these terms are not detrimental to the other shareholders of the Company who are not part of the transactions. The policy also helps the staff to identify and provide a guide on the treatment of such related party transactions to ensure that the Group comply with the ACE LR of Bursa Securities and other applicable laws.

Corporate Governance Overview Statement
cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

1. BOARD RESPONSIBILITIES *cont'd*

(x) T.R.U.S.T Concept

- Adequate Procedures to Curb and Prevent Bribery and Corruption

The Board has adopted a T.R.U.S.T Concept as governed in the Anti-Bribery and Anti-Corruption ("ABAC") Policy which form the ethos and philosophy of the top management in respect of the Group's fight against bribery and corruption in all its business dealings, transactions and such other related activities. The T.R.U.S.T Concept was formulated to set out the guidelines on adequate procedures to curb and prevent bribery and corruption and the procedures are guided by the following five principles:-

Principle I : Top Level Commitment;
Principle II : Risk Management Assessment;
Principle III : Undertake Control Measures;
Principle IV : Systematic Review, Monitoring and Enforcement; and
Principle V : Training and Communication.

(Collectively known as T.R.U.S.T Concept)

The establishment of this T.R.U.S.T Concept demonstrates the Group's zero-tolerance approach against all forms of bribery and corruption in its daily operations and the Group takes a strong stance against such acts. The Group will take all reasonable and appropriate measures to ensure that all its directors and employees are committed to act professionally and with integrity in all their business dealings and not participate in any corrupt activities for its advantage or benefit.

The ABAC Policy can be accessed on the Company's website at www.khj-my.com.

(xi) Sustainability Strategies

The Board views the commitment to promote sustainability strategies in the environment, social and governance aspects as part of its broader responsibility to all its various stakeholders and the communities in which it operates.

The Group strives to achieve a sustainable long-term balance between meeting its business goals, preserving the environment to sustain the ecosystem and improving the welfare of its employees and the communities in which it operates.

The sustainability strategies implemented by the Group, amongst others, are as follows:-

- The Board together with Management takes responsibility for the governance of sustainability in the Company including setting the Company's sustainability strategies, priorities and targets.
- The Board takes into account sustainability considerations when exercising its duties including among others the development and implementation of Company strategies, business plans, major plans of action and risk management.
- The strategic management of material sustainability matters will be driven by Senior Management.
- The Board ensures that the Company's sustainability strategies, priorities and targets as well as performance against these targets are communicated to its internal and external stakeholders.
- The Board takes appropriate action to ensure they stay abreast with and understand the sustainability issues relevant to the Company and its business, including climate-related risks and opportunities.

Corporate Governance Overview Statement
cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

1. BOARD RESPONSIBILITIES *cont'd*

(xi) Sustainability Strategies *cont'd*

The sustainability strategies implemented by the Group, amongst others, are as follows:- *cont'd*

- Performance evaluations of the Board and Senior Management include a review of the performance of the Board and Senior Management in addressing the Company's material sustainability risks and opportunities.

- The Board identifies the General Manager to provide dedicated focus to deliver, execute and monitor sustainability strategies and goals including the integration of sustainability considerations in the operations of the Company.

The Group's efforts in this regard have been set out in the Sustainability Statement in this Annual Report.

(xii) Conflict of Interest Policy

The Board established the Conflict of Interest Policy to ensure the conflict of interest case is handled appropriately, promoting transparency, foster a culture of honesty and accountability, and good governance within the Company and its subsidiaries. This Policy applies to all Directors and Senior Management of KHJ Group. It covers conflict of interest and potential conflict of interest that may arise between their personal interests and the interests of KHJ or its subsidiaries.

The Conflict of Interest Policy is made available on the Company's website at www.khj-my.com.

2. BOARD COMPOSITION

(i) Board Composition

During the year under review, Mr Yen Se-Hua Stewart resigned as a Director and member of all the Board committees on 1 July 2024.

The Board currently has six (6) members comprising one (1) Non-Independent Non-Executive Chairman, one (1) MD, one (1) ED, one (1) Senior Independent Non-Executive Director and two (2) Independent Non-Executive Directors, for the FYE 2024 as follows:

Name	Designation
Pang Kim Hin	Non-Independent Non-Executive Chairman
Pang Fu Wei	Managing Director
Goh Poh Teng	Executive Director
Chew Soo Lin	Senior Independent Non-Executive Director
Yen Se-Hua Stewart*	Independent Non-Executive Director
Kor Yann Ning	Independent Non-Executive Director
Hew Moh Yung	Independent Non-Executive Director

* *Resigned on 1 July 2024*

The present Board composition with half of the Board comprising IDs complies with Rule 15.02 of the ACE LR which requires at least two (2) or one-third (1/3) of the Board of the Company, whichever is higher, are IDs. The Company also met the requirements of MCCG to have at least half of the Board comprises of Independent Directors to allow more effective oversight of management. The Board is of the view that all IDs of the Company are always within reach of the shareholders and issues are discussed openly at meetings.

Corporate Governance Overview Statement
cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

2. BOARD COMPOSITION *cont'd*

(i) Board Composition *cont'd*

The Board is chaired by a Non-Independent Non-Executive Chairman. The Independent Non-Executive Directors are independent of Management and have no relationships that could materially interfere with the exercise of their independent judgement. The IDs also provide the Board with professional judgement, experience and objectivity without being subordinated to operational considerations. Together, the Directors have a wide range of experience in logistics, general management, human resource, marketing, finance, corporate affairs, legal and technical areas.

The Board is of the opinion that the composition of the current Board has the required mix of skills and experience required to discharge the Board's duties and responsibilities. Collectively, the Directors combine their diverse commercial, regulatory, industry and financial experience to add value to the Board as a whole. Currently, the composition of the Board does not consist of any active politician who is a Member of Parliament, State Assemblyman or holds a position at the Supreme Council or division level in a political party.

The Board has established and is supported by the various sub-committees, namely Nomination Committee ("NC"), Remuneration Committee ("RC"), Audit Committee ("AC") and Risk Management Committee ("RMC") which consist of a majority of Independent Non-Executive Directors to provide independent oversights of management and to ensure that there are appropriate checks and balances in discharging its oversight functions as well as unhindered advice and services, when the need arises. The Chairman of the Board is not a member of the NC, RC, AC.

These Committees play a significant part in reviewing matters within each Committee's terms of reference ("TOR") and facilitate the Board's discharge of its duties and responsibilities and report to the Board with their recommendations. The Board may also form such other committees from time to time as dictated by business imperatives and/or to promote operational efficiency. Notwithstanding the above, the ultimate responsibility for decision making still lies with the Board.

The respective TOR of the said Board Committees are published on the Company's website at www.khj-my.com.

(ii) Tenure of IDs

The Board is mindful that the tenure of an ID should not exceed a cumulative term of nine (9) years.

Upon completion of nine (9) years, an ID may continue to serve on the Board as a Non-Independent Director. If the Board intends to retain an ID beyond nine (9) years, the Board should provide justification and seek annual shareholders' approval through a two-tier voting process. Upon completion of twelve (12) years, an ID shall resign or be re-designated as a Non-ID.

None of the IDs have exceeded the tenure of a cumulative term of nine (9) years in the Company as of 31 December 2024. The Company has yet to adopt a policy which limits the tenure of the IDs to 9 years without extension.

(iii) Appointment of the Board and Senior Management

The NC is responsible for assessing the suitability of potential Board candidates and ensuring the procedures are transparent and based on merit and is done in a manner that promotes diversity and in particular, gender diversity and the NC would consider the benefits of gender diversity. Currently, there are two (2) female Directors on board and in this manner, the NC would endeavour to ensure that the number of female Directors would not fall below the threshold of two (2) female Directors which is in line with the Diversity Policy of the Group.

Corporate Governance Overview Statement
cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

2. BOARD COMPOSITION *cont'd*

(iii) Appointment of the Board and Senior Management *cont'd*

The Board is of the view that the current composition of its Board of Directors provides an adequate mix of knowledge, skills and expertise to assist the Board in effectively discharging its stewardship and responsibilities. It also appropriately reflects the interests of its shareholders to provide effective leadership, strategic direction and necessary governance at the optimum level.

The Board delegates to the NC the responsibility of making recommendations on any potential candidate for appointment as a new Director or re-election of Directors who are scheduled for retirement by rotation. The Company's Constitution states that at least one-third (1/3) of the Directors are required to retire from office by rotation annually and subject to re-election at each AGM provided always that all Directors including the MD shall stand for re-election at least once in every 3 years.

During the financial year under review, the Board has adopted the Directors' Fit and Proper Policy, which serves as a guide to the Nomination Committee and Board in conducting the assessment on potential candidates to be appointed as Directors/existing Directors seeking for re-election and to ensure that all Directors possess the right blend of qualifications, expertise, track record, character and integrity, and time commitment to effectively discharge their roles and responsibilities as Directors of the Group.

The NC is also responsible for assessing the suitability of potential Board candidates as well as ensuring that the procedures for appointing new Directors are transparent and based on merit. The process for appointment of a new Director is summarised as follows:

- The potential candidate is proposed by any Director, Senior Management staff, shareholder and/or other consultant/adviser. The Board may also refer to independent sources such as Directors' registry, open advertisements or independent search firms for potential candidates;

- In evaluating the suitability of a candidate for recommendation to the Board, the NC will consider the competency, experience, commitment, contribution and integrity of the candidate;

- The NC deliberates on the suitability of the candidate and makes a recommendation to the Board, including a recommendation for the appointment as a member of the various Board Committees; and

- The Board then reviews and decides on the proposed new appointment, including the appointment to the various Board Committees.

Appointment of the Board and Senior Management are based on objective criteria and merit. Besides gender diversity, due regard is placed for diversity in skills, experience, age and cultural background. The Board pursues diversity in both the Board level and Senior Management and is mindful that a diverse Board is able to offer greater depth and breadth. Diversity at the Senior Management level will also provide constructive debates, which lead to better decisions.

If the selection of candidates was solely based on recommendations made by the existing Board members, Management or major shareholders, the NC will explain why other sources were not used which is in line with the TOR of NC.

(iv) Board Diversity

The Board is judicious of the gender diversity recommendation promoted by the MCCG in order to offer greater depth and breadth to board discussions and constructive debates. The Board is committed to ensure diversity (including diversity in skills, experience, age, cultural background and gender) in its composition.

Corporate Governance Overview Statement
cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

2. BOARD COMPOSITION *cont'd*

(iv) Board Diversity *cont'd*

In the selection of Board members and workforce, the Group recognises the importance of diversity and does not practice discrimination of any form, whether based on age, gender, race, ethnicity or religion, throughout the organisation. Candidates shall be given fair and square opportunity.

Currently, there are two (2) female Directors representing 33% on the Board while 75% of KHJ's Senior Management comprises women. The Board would endeavour to ensure that the number of female Directors would not fall below the threshold of two (2) female Directors which is in line with the Diversity Policy of the Group.

(v) Time Commitment

The Board would meet at least four (4) times a year, at quarterly intervals which are scheduled well in advanced before the end of the preceding financial year to facilitate the Directors in planning their meetings schedule for the year. The Board requires its members to devote sufficient time to effectively discharge their duties as Directors of the Company and to use their best endeavours to attend meetings, regardless of their principal place of residence.

The Board was satisfied with the level of commitments given by the Directors toward fulfilling their roles and responsibilities as Directors of the Company as all the Directors have attended whether in person or via video conferencing all the Board Meetings under the financial year under review. Additional meetings were convened when necessary to deal with urgent and important matters that require attention of the Board.

Details of the Board members' attendance at the Board and Board Committee meetings for FYE 2024 are as follows:

Director	Board	AC	NC	RC	RMC
Pang Kim Hin	5/5	-	-	-	-
Pang Fu Wei	5/5	-	-	-	2/2
Goh Poh Teng	5/5	-	-	-	2/2
Chew Soo Lin	5/5	5/5	1/1	1/1	2/2
Yen Se-Hua Stewart*	3/3	3/3	1/1	1/1	2/2
Kor Yann Ning	5/5	5/5	1/1	1/1	2/2
Hew Moh Yung	5/5	5/5	1/1	1/1	2/2

* *Resigned on 1 July 2024*

(vi) Protocol for Acceptance of New Directorships

The Board has formalised vide the Board Charter its expectations on time commitment for its members as well as the requirement to notify the Chairman prior to accepting any new directorships notwithstanding that the ACE LR allows a Director to sit on the Board of up to five (5) listed issuers. Such notification shall also include an indication of the time that will be spent on the new appointment.

(vii) Directors' Training

The Company is cognizant of the importance of continuous training for Directors to further enhance their knowledge and expertise and to keep abreast with latest developments in regulatory requirements and business practices

All members of the Board have attended the Mandatory Accreditation Programme prescribed by Bursa Securities. From time to time, all Directors are provided with reading materials and internal briefings pertaining to their roles and responsibilities by the Company Secretary.

Corporate Governance Overview Statement
cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

2. BOARD COMPOSITION *cont'd*

(vii) Directors' Training *cont'd*

The Board encourages its Directors to attend talks, seminars, workshops and conferences to update and enhance their skills and knowledge to enable them to carry out their roles effectively as Directors in discharging their responsibilities towards corporate governance, operational and regulatory issues.

The Directors have participated in the following training programmes for FYE 2024:

Directors	Training programmes	Date
Pang Kim Hin	Liability and Responsibilities of Company Directors	18 November 2024
Pang Fu Wei	Liability and Responsibilities of Company Directors	18 November 2024
Goh Poh Teng	MRA Retail Conference 2024 -Retail Paradox	3 & 4 July 2024
	Case Study - Based Webinar: ESG and Supply Chain Management	25 September 2024
Chew Soo Lin	Reputational Risk Management for Sustainable Organisations	25 September 2024
Yen Se-Hua Stewart*		
Kor Yann Ning	MIA Accounting&Financial Technology Showcase	15 May 2024
	Navigating the Updates on International Valuation Standards	20 June 2024
	Carbon Accounting for CFOs and Finance Professionals	9 September 2024
	Transfer Pricing Conference2024	24 September 2024
Hew Moh Yung	Reputational Risk Management for Sustainable Organisations	17 December 2024

* *Resigned on 1 July 2024*

3. NOMINATION COMMITTEE

The NC is responsible for ensuring that the Board has the appropriate balance composition, diversity and size and is also responsible for considering and recommending the appointment of new Directors to the Board. Diversity objectives including gender diversity are adopted in the Board recruitment and succession planning process in determining the required skills mix, experience, and other core competencies. The final decision on the appointment of a candidate recommended by the NC rests with the Board.

The composition of the NC for the FYE 2024 was as follows:

Name	Designation	Directorship
Chew Soo Lin	Chairman	Senior Independent Non-Executive Director
Yen Se-Hua Stewart*	Member	Independent Non-Executive Director
Kor Yann Ning	Member	Independent Non-Executive Director
Hew Moh Yung	Member	Independent Non-Executive Director

* *Resigned on 1 July 2024*

Corporate Governance Overview Statement
cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

3. NOMINATION COMMITTEE *cont'd*

The Board is of the view that the Board currently reflects a good mix of skills with different professional backgrounds, knowledge, financial and business expertise, experiences and qualifications to enable the Board to provide clear and effective leadership to the Group.

In addition, taking into consideration of the Profile of Directors and Profile of key Senior Management as set out in this Annual Report, the Group is of the view that each of its Directors and key Senior Management have the required character, experience, integrity, competency and time to effectively discharge on their respective roles.

The NC is entrusted to develop the policies and procedures in formalising the approach in the recruitment process and annual assessment of Directors, which serve as guides for the NC in discharging its duties in the aspects of nomination, evaluation, selection and appointment process of new Directors. The NC shall, prior to the appointment by the Board, evaluate the balance and composition including mix of skills, independence, experience and diversity (including diversity in gender, ethnicity and age) of the Board.

The NC undertakes an annual assessment of IDs to assess whether they continue to bring independent and objective judgement to Board deliberations. The Board would undertake peer and self-assessment to determine the effectiveness of the Board, Board Committees and each individual Director. The results, in particular the key strengths and weaknesses identified from the assessment, will be shared with the Board to allow improvements to be undertaken.

The NC undertook an annual review of the performance of each Director through self-assessment exercise and upon completion of the review and assessment, the NC submits its comments and recommendations to the Board for consideration. The NC had also taken into the consideration the outcome of the Directors' self-assessment before making recommendations to the Board for Directors who would be seeking for re-election at the 44th AGM and assessed whether the Directors are 'fit and proper' under the Fit and Proper Policy.

The following Directors are subject to retirement pursuant to the Company's Constitution at the forthcoming 44th AGM:-

i) Mr Pang Kim Hin
ii) Ms Kor Yann Ning

The aforesaid retiring Directors have expressed their intention to seek re-election at the forthcoming 44th AGM.

Each of the Directors standing for re-election had undergone performance evaluation and provided his/her annual declaration on his/her fitness and probity to continue acting as Directors in accordance with the Directors' Fit and Proper Policy of the Company, as well as confirmation of their independence.

The NC had reviewed the results of the fitness and propriety assessments of the aforesaid retiring Directors. The Board, on the recommendation of the NC, supports the re-election of the aforesaid retiring Directors.

The composition, authority as well as the duties and responsibilities of the NC are set out in its TOR which is available on the Company's website at www.khj-my.com.

Corporate Governance Overview Statement

cont'd

4. REMUNERATION COMMITTEE

The RC of the Company recommends to the Board the remuneration of ED and key Senior Management, which would enable the Company to attract and retain its Executive Directors and key Senior Management and motivate them to run the Group successfully. The RC's approach is in line with the Company's overall philosophy that all employees should be appropriately rewarded.

The composition of the RC for the FYE 2024 was as follows:

Name	Designation	Directorship
Yen Se-Hua Stewart*	Chairman	Independent Non-Executive Director
Chew Soo Lin	Chairman	Senior Independent Non-Executive Director
Kor Yann Ning	Member	Independent Non-Executive Director
Hew Moh Yung	Member	Independent Non-Executive Director

* *Resigned on 1 July 2024*

During the FYE 2024, the RC reviewed and recommended to the Board for approval on the remuneration packages of the ED and Senior Management and the Directors' fees payable to the Directors of the Company.

(i) Details of Director's Remuneration for the FYE 2024

The aggregate of remuneration received by the Directors of the Company and the Group for the FYE 2024 are as follows:

Company

Directors	Directors' Fees RM'000	Salaries, Bonus and Allowances RM'000	Other Benefits RM'000	Total RM'000
Executive Directors:				
Pang Fu Wei	32	318	-	350
Goh Poh Teng	32	300	8	340
Non-Executive Directors:				
Pang Kim Hin	60	-	-	60
Chew Soo Lin	45	-	-	45
Yen Se-Hua Stewart*	21	-	-	21
Kor Yann Ning	42	-	-	42
Hew Moh Yung	42	-	-	42
Total	**274**	**618**	**8**	**900**

Corporate Governance Overview Statement
cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

4. REMUNERATION COMMITTEE *cont'd*

(i) Details of Director's Remuneration for the FYE 2024 *cont'd*

Group

Directors	Directors' Fees RM'000	Salaries, Bonus and Allowances RM'000	Other Benefits RM'000	Total RM'000
Executive Directors:				
Pang Fu Wei	32	318	-	350
Goh Poh Teng	32	300	8	340
Non-Executive Directors:				
Pang Kim Hin	60	-	-	60
Chew Soo Lin	45	-	-	45
Yen Se-Hua Stewart*	21	-	-	21
Kor Yann Ning	42	-	-	42
Hew Moh Yung	42	-	-	42
Total	**274**	**618**	**8**	**900**

* *Resigned on 1 July 2024*

Note: Salary includes bonus and EPF

(ii) Details of Top Five (5) Key Senior Management's Remuneration for the FYE 2024

The remuneration received by the top five (5) Key Senior Management, other than the Directors of the Group in bands of RM50,000 are as follows:

Total Amount of Remuneration	Number of Senior Management
Below RM50,000	-
RM50,001 to RM100,000	-
RM100,001 to RM150,000	-
RM150,001 to RM200,000	-
RM200,001 to RM250,000	3
RM250,001 to RM300,000	-
RM300,001 to RM350,000	2
Total	**5**

The composition, authority as well as the duties and responsibilities of the RC are set out in its TOR which is available on the Company's website at www.khj-my.com.

Corporate Governance Overview Statement
cont'd

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

1. AUDIT COMMITTEE

In compliance with Guidance 1.4 of the MCCG on the separation of the positions of the chair of the AC and the Board, the AC is chaired by Ms Kor Yann Ning, whilst Mr Pang Kim Hin is the Chairman of the Board.

The AC comprises solely of Independent Directors and its composition for the FYE 2024 was as follows:

Name	Designation	Directorship
Kor Yann Ning	Chairperson	Independent Non-Executive Director
Chew Soo Lin	Member	Senior Independent Non-Executive Director
Hew Moh Yung	Member	Independent Non-Executive Director
Yen Se-Hua Stewart*	Member	Independent Non-Executive Director

* *Resigned on 1 July 2024*

The AC members possess the right mix of skills, experience and are financially literate. Their profiles are set out in the Profile of Directors Section of this Annual Report.

During the FYE 2024 and presently, none of the AC members is a former key audit partner of the Group. The AC's TOR, in compliance with Practice 9.2 of the MCCG, requires a former key audit partner to observe a cooling-off period of at least three (3) years before being appointed as a member of the AC.

Through the AC, the Board maintains a transparent and professional relationship with its External Auditors. In the course of the audit of the Group's financial statements for FYE 2024, the External Auditors have highlighted to the AC and Board, on matters that require the Board's attention. The External Auditors also attended AC meetings to present their audit plan and report as well as their comments on audited financial statements.

The AC has in place the External Auditors' Assessment Policy ("**EA Policy**") which states the policies and procedures to assess the suitability, objectivity and independence of its External Auditors.

For the FYE 2024, the declaration of the External Auditors' independence in accordance with relevant professional and regulatory requirements is contained in their annual audit plan presented to the AC.

The composition, authority as well as the duties and responsibilities of the AC are set out in its TOR which is available on the Company's website at www.khj-my.com.

2. INTERNAL AUDIT FUNCTION

The Directors acknowledged their responsibilities in maintaining a reasonable sound system of internal controls covering financial, operational, compliance and risk management. This system is designed to manage, rather than eliminate, the risk of failure to achieve the Group's corporate objectives, as well as to safeguard shareholders' investments and the Group's assets. The Board seeks regular assurance on the continuity and effectiveness of the internal control system through independent review by the Internal and External Auditors.

The internal audit function is independent of the operations of the Group and provides reasonable assurance that the Group's system of internal control is satisfactory and operating effectively. The Internal Auditors adopt a risk-based approach towards the planning and conduct of audits, which are consistent with the Group's framework in designing, implementing and monitoring its internal control system. An Internal Audit Planning Memorandum, setting out the internal audit work expected to be carried out, is tabled to the AC.

For FYE 2024, Sterling Business Alignment Consulting Sdn Bhd ("Sterling"), the outsourced Internal Auditors, have successfully completed their audit visits and reporting as per the approved Internal Audit Plan.

Corporate Governance Overview Statement
cont'd

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT *cont'd*

2. INTERNAL AUDIT FUNCTION *cont'd*

The purpose of the internal audit function is to provide the Board, through the AC, reasonable assurance of the effectiveness of the system of internal control in the Group. The internal audit function is independent, with the head of internal audit reporting directly to the AC and performing audit assignments with impartiality, proficiency and due professional care.

The profile of Sterling is set out as follows:

Date of Appointment:	26 August 2019
Principal Engagement Director:	So Hsien Ying
Qualifications:	• Certified Internal Control Professional (US); • Master in Business Administration (Finance); • BSc Economics (Hons) (London); • Permanent Member of the Internal Control Institute US; • Member of the Malaysian Alliance of Corporate Directors; and • Associate Member of the Institute of Internal Auditors Malaysia
Experiences:	30 years of professional experience in business process improvement, internal control review, internal audit and risk management
Number of Resources:	Sterling deployed 2 to 3 personnel per audit review depending on areas of audit

3. RISK MANAGEMENT COMMITTEE

The composition of the RMC for the FYE 2024 was as follows:

Name	Designation	Directorship
Hew Moh Yung	Chairman	Independent Non-Executive Director
Pang Fu Wei	Member	Managing Director
Goh Poh Teng	Member	Executive Director
Chew Soo Lin	Member	Senior Independent Non-Executive Director
Kor Yann Ning	Member	Independent Non-Executive Director
Yen Se-Hua Stewart*	Member	Independent Non-Executive Director

* *Resigned on 1 July 2024*

Effective Risk Management and Internal Control Framework

The Board recognises the importance of maintaining a sound system of internal control and risk management and has in place an effective risk management and internal control framework.

The risk management and internal control are ongoing processes and the Company will continuously enhance the existing system of risk management and internal control by taking into consideration the changing business environment.

The review and assessment of the Company's internal control and risk management framework are conducted as and when required.

The key elements of internal control and risk management of the Group are set out in the Statement of Risk Management and Internal Control of this Annual Report.

The composition, authority as well as the duties and responsibilities of the RMC are set out in its TOR which is available on the Company's website at www.khj-my.com.

Corporate Governance Overview Statement

cont'd

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

1. Communication with Stakeholders

(i) Corporate Disclosures/Investor Relations

The Board recognises the importance of maintaining transparency and accountability to its stakeholders (including its shareholders and investors) and to timely disseminate material information of the Group's performance and any significant developments affecting the Group via Bursa LINK in a timely manner.

The Board has developed a Corporate Disclosure Policy to ensure communications to the investing public regarding the business, operations and financial performance of the Group are accurate, timely, factual, informative, consistent, broadly disseminated and where necessary, information filed with regulators is in accordance with applicable legal and regulatory requirements.

The Group's corporate proposals, quarterly and annual financial results and other required announcements are made on Bursa Securities on a timely basis and are available for public access on the Company's website at www.khj-my.com.

(ii) Corporate Website

KHJ's website at www.khj-my.com also serves as a vital communication channel for investors, shareholders, business partners and clients to access corporate information, news and events related to the Group. The website is updated periodically to reflect the developments within the Group.

2. Conduct of General Meetings

(i) General Meetings

The AGM serves as a principal forum for a two-way dialogue with public shareholders and the Management of the Group. Shareholders may enquire about the resolutions being proposed at the meeting and the financial performance and business operations in general during the open question and answer session. The Chairman and the other members of the Board, together with the Management and the Company's external auditors, would be available to respond to queries from shareholders.

The Notice of AGM is circulated at least twenty-eight (28) days before the date of the meeting to be in line with the MCCG to enable shareholders to vet through the Annual Report and papers supporting the resolutions proposed. This has also met the requirements under Section 316(2) of the Companies Act 2016 and Rule 7.15 of ACE LR which call for at least 21-days' notice period for public companies or listed issuers respectively.

In addition to being dispatched individually to shareholders, the Notice of AGM is also circulated in a nationally circulated newspaper alongside an announcement on the website of Bursa Securities. This allows shareholders to have immediate access of the notice of AGM and make the necessary preparations for the AGM.

The Chairman of the Board ensures that general meetings support meaningful engagement between the Board, Senior Management and shareholders. The engagement is interactive and include robust discussions on amongst others the Company's financial and non-financial performance as well as the Company's long-term strategies. Shareholders are also provided with sufficient opportunities to pose questions during the general meetings and all the questions received meaningful responses.

(ii) Poll Voting

All the resolutions set out in the Notice of Forty-Third AGM ("43rd AGM") were put to vote by poll voting and duly passed. The shareholders were informed of their rights to demand for a poll. The outcome of the 43rd AGM was announced to Bursa Securities on the same meeting day. The Company had appointed a scrutineer to verify the poll results.

Minutes of the 43rd AGM has been published on the Company's website within 30 business days after the 43rd AGM upon being reviewed by the Board members and approved by the Chairman.

Corporate Governance Overview Statement
cont'd

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS *cont'd*

2. Conduct of General Meetings *cont'd*

(iii) Leverage Technology for Remote Participation and Voting by Shareholders

Moving forward, the Company may consider leveraging on the use of technology to facilitate voting in absentia and/or remote shareholders participation at general meetings, taking into consideration the number of shareholders, applicable laws and regulations and the cost and resources required vis-à-vis benefits.

All Directors as well as members of Senior Management will endeavour to attend the forthcoming 44th AGM to respond to any enquiries from the shareholders.

(iv) Shareholders' Enquiries

Shareholders and investors may at any time request the Company's public information. The Company provides a designated email address at investor.relations@khj-my.com for shareholders to make any query.

(v) Annual Report

The Annual Report is a key communication channel for all the shareholders. The Annual Report is made easily available to shareholders and other stakeholders in a timely manner.

Shareholders can elect to receive a hard copy or an electronic copy of the Annual Report.

STATEMENT ON COMPLIANCE WITH BEST PRACTICES OF CODE

This statement was prepared in compliance with Rule 15.25 of the ACE LR of Bursa Securities and it is to be read together with the Corporate Governance Report 2024 of the Company which is available on the Company's corporate website: www.khj-my.com.

The Board was satisfied that the Company, has endeavoured to comply with the spirit and objectives of the Code during the financial year with regard to the Practices supporting the Principles, except as otherwise stated.

This statement was presented and approved at the Board of Directors' Meeting held on 16 April 2025.

Additional Compliance Information

1. AUDIT FEES AND NON-AUDIT FEES

The amount of audit and non-audit fees incurred by services rendered to the Group and the Company by the external auditors for the FYE2024 were as follows:

Fees	Group (RM)	Company (RM)
Audit fees	195,700	127,500
Non-audit fees	15,000	13,000
Total	**210,700**	**140,500**

Details of the non-audit fees rendered by the External Auditors is disclosed on page 79 and Note 6 to the Financial Statements of this Annual Report.

2. MATERIAL CONTRACTS

There were no material contracts entered into by the Company and its subsidiaries involving Directors and/ or major substantial shareholders' interest during the FYE2024.

3 RECURRENT RELATED PARTY TRANSACTION OF A REVENUE OR TRADING NATURE

The disclosure of the recurrent related party transactions conducted during the financial year ended 31 December 2024 to the latest practicable date are set out in the Circular to Shareholders dated 29 April 2025 and pages 121 and 122, Note 25 of the Financial Statements.

Audit Committee Report

The Board is pleased to present the AC Report for the FYE2024, in compliance with Rule 15.15(1) of the ACE LR of Bursa Securities.

COMPOSITION

On 1 July 2024, Mr Chew Soo Lin was redesignated as a member of the AC and replaced by Ms Kor Yann Ning as Chairperson of the AC and Mr Yen Se-Hua Stewart resigned as a member of the AC.

The AC comprises three (3) members, and all of them are Independent Non-Executive Directors, in compliance with Rule 15.09(1)(b) of the ACE LR and Practice 9.4 (Step-Up) of the MCCG 2021 ("MCCG"). All the members of the AC satisfied the test of independence under the ACE LR and also met the requirements of the MCCG.

The composition of the AC is as follows:

Directors	Designation	Directorship
Kor Yann Ning	Chairperson	Independent Non-Executive Director
Chew Soo Lin	Member	Senior Independent Non-Executive Director
Hew Moh Yung	Member	Independent Non-Executive Director
Yen Se-Hua Stewart*	Member	Independent Non-Executive Director

* *Resigned on 1 July 2024*

The Chairperson of the AC, Ms Kor Yann Ning, is an Independent Non-Executive Director. In this respect, the Company complies with Rule 15.10 of the ACE LR. Furthermore, in compliance with Practice 9.1 of the MCCG, the Chairperson of the AC is not the Chairman of the Board.

In addition, Ms Kor Yann Ning is a member of Certified Practising Accountants Australia and Malaysian Institute of Accountants. In this respect, the Company complies with Rule 15.09(1)(c) of the ACE LR. Mr Chew Soo Lin was also formerly a member of the Institute of Chartered Accountants in England and Wales.

Assessment on the Terms of Office and Performance of the AC

The NC reviewed the terms of office and performance of the AC as well as whether its members have carried out their duties in accordance with the Terms of Reference of AC for FYE2024.

Upon review, the NC was satisfied with the overall performance of the AC and its individual members for FYE2024 and had reported its satisfaction to the Board for notation.

Formal Assessment on the External Auditors

In compliance with Practice 9.3 of the MCCG, the AC has established the EA Policy to assess the suitability, objectivity and independence of the External Auditors on an annual basis, prior to making their recommendation to the Board to seek shareholders' approval for the re-appointment of External Auditors for the ensuing year.

The AC had reviewed the independence and effectiveness of the External Auditors and was of the view that the External Auditors had discharged their responsibilities in a satisfactory manner and the AC is satisfied with their competency, functioned effectively and have received adequate authority from the Company and Management in order to carry out their work during the financial year under review and recommended to the Board the re-appointment of Messrs. Deloitte PLT as External Auditors for the FYE2024. The Board has in turn, recommended the same for shareholders' approval at the forthcoming Annual General Meeting of the Company.

Audit Committee Report
cont'd

COMPOSITION *cont'd*

Provision of Non-Audit Services

The EA Policy encapsulated the Company's procedures on the circumstances where the External Auditors or its affiliates could be engaged to perform non-audit services that are not, and are not perceived to be, in conflict with the role of the External Auditors. This excludes audit related work in compliance with statutory requirements.

Before appointing the External Auditors to undertake any non-audit services, Management would be required to assess as to whether such appointment would create a threat to the External Auditors' independence or objectivity on the statutory audit of the Company's financial statements, including any safeguards that are available to address such a threat. The EA Policy also sets out the approval threshold for non-audit services rendered by the External Auditors or its affiliates.

MEETINGS AND ATTENDANCES

The AC held a total of five (5) meetings during the FYE2024 and the details of members' attendance are as follows:

Members	Total no. of meetings attended	%
Kor Yann Ning	5/5	100
Chew Soo Lin	5/5	100
Hew Moh Yung	5/5	100
Yen Se-Hua Stewart*	3/3	100

* *Resigned on 1 July 2024*

The lead audit partner of the External Auditors responsible for the Group had attended four (4) AC meetings held in FYE2024.

The External Auditors were encouraged to raise with the AC any matters they considered important to bring to the AC's attention.

The Chairperson of the AC also sought information on the communication flow between the External Auditors and the Management which is necessary to allow unrestricted access to information for the External Auditors to effectively perform their duties.

Notices of the AC Meeting were sent to the AC Members at least seven (7) days in advance in accordance with the Terms of Reference of the AC. Upon that, the Management will then compile the relevant meeting papers for dissemination to the AC by email.

All deliberations during the AC Meeting were duly minuted. Minutes of the AC Meetings were tabled for confirmation at every succeeding AC Meeting.

The Chairperson of the AC presented the AC's recommendations together with the respective rationale to the Board for approval of the annual audited financial statements and the unaudited quarterly financial results. As and when necessary, the Chairperson of the AC would convey to the Board, matters of significant concern raised by the Internal or External Auditors. The outsourced professional Internal Auditors, Sterling, were invited to attend AC Meetings to table their respective internal audit reports.

Terms of Reference

The Terms of Reference ("TOR") of the AC are available for viewing at the Company's website at www.khj-my.com.

Audit Committee Report
cont'd

SUMMARY OF WORK OF THE AUDIT COMMITTEE

During the FYE2024, the summary of works undertaken by the AC comprised the following:-

1. Financial Reporting

a. Reviewed the unaudited quarterly financial results for recommendation to the Board for approval and release to Bursa Securities;

b. Reviewed the business plan and budget of the Group for FYE2024 for recommendation to the Board for approval;

c. Reviewed the identified significant matters, unusual events and assumptions highlighted in the quarterly financial results;

d. Reviewed the draft audited financial statements of the Group for the FYE2024 for recommendation to the Board for approval; and

e. Reviewed the Group's compliance with the Malaysian Financial Reporting Standards, Rule 9.22 and Appendix 9B of the ACE LR of Bursa Securities, and other applicable approved accounting standards and regulatory requirements in Malaysia.

2. External Auditors

a. Evaluated the performance of the external auditors (including assessment of their independence, objectivity and their services including non-audit services), Messrs Deloitte PLT, ("External Auditors") and recommended their re-appointment and audit fees to the Board.

b. Procured from the External Auditors the required confirmation that they are and have been independent throughout the conduct of the audit engagement in accordance with the terms of reference of all relevant professional and regulatory requirements.

c. Discussed and reviewed with the External Auditors, the applicability and impact of the new accounting standards and new financial reporting regime issued by the Malaysian Accounting Standards Board;

d. Discussed significant accounting and auditing issues, the impact of new or proposed changes in accounting standards and regulatory requirements; and

e. Reviewed the Audit Planning Memorandum prepared by External Auditors; and

f. Met with the External Auditors in the absence of the Executive Board members and Management twice a year to facilitate free and honest exchange of views in relation to financial reporting and auditing process.

3. Related Party Transactions

a. Reviewed all recurrent related party transactions ("RRPTs") entered into by the Group to ensure that the transactions entered into were on an arm's length basis and not detrimental to the interests of minority shareholders; and

b. Notation on the shareholders' mandate for the RRPTs entered into from 30 May 2024 until the Company's forthcoming Annual General Meeting.

Audit Committee Report
cont'd

SUMMARY OF WORK OF THE AUDIT COMMITTEE *cont'd*

4. Internal Audit

a. Reviewed and approved the Internal Audit Planning Memorandum prepared by Internal Auditors.

b. Reviewed and discussed the internal audit report containing the audit findings and recommendations made by the Internal Auditors and Management's responses on those issues and whether or not appropriate action is taken on the recommendations.

c. Monitored progress of actions taken by Management to address any significant issues identified by the Internal Auditors.

d. Met with the Internal Auditors in the absence of the Executive Board members and Management twice a year to discuss any significant issues which may have arisen in the course of their audit of the Group.

e. Reviewed and assessed the adequacy of the scope, functions, competency and resources of the internal audit functions.

5. Other Activities

a. Reviewed the EA Policy and Related Party Transactions Policy and Procedures for recommendation to the Board for approval; and

b. Reviewed the Statement on Risk Management and Internal Control, ARMC Report and Corporate Governance Overview Statement prior to recommendation for Board's approval for inclusion into the Annual Report.

c. Reviewed conflict of interest ("COI") and potential COI of Directors and Key Senior Management.

SUMMARY OF WORK OF THE INTERNAL AUDIT FUNCTION

The Group's internal audit function is carried out by an independent external firm of professional Internal Auditors, Sterling, headed by its Director, Ms. So Hsien Ying, who is a Certified Internal Control Professional and an Associate Member of Institute of Internal Auditors Malaysia. The IA reports directly to the AC on its activities based on the approved Internal Audit Plan, designed to cover entities across all level of operations within the Group, and the extent of compliance of such entities within the Group's established policies and procedures.

The Internal Audit assignments are designed to review and assess the procedures, systems and controls whether they are adequate and effective to meet the requirement of:

- Compliance with applicable laws and regulations and Standard Operation Procedures ("SOP");
- Reliability and integrity of information;
- Safeguarding of financial assets; and
- Operational efficiency and effectiveness.

Further details of the activities of internal audit function are set out in the Statement on Risk Management and Internal Control.

The total cost incurred for the internal audit function of the Group for FYE2024 is RM42,500.

Statement on Risk Management and Internal Control

Pursuant to Rule 15.26(b) of the Bursa Malaysia Securities Berhad's ACE Market Listing Requirements, the Board of Directors is pleased to provide the Statement on the Risk Management and Internal Control of the Group, which outlines the nature and features of risk management and internal controls within the Group to safeguard shareholders' investments and the Group's assets for the FYE 31 December 2024.

BOARD RESPONSIBILITIES

The Board of Directors ("Board") recognises the importance of maintaining a sound system of risk management and internal control. The Board acknowledges its responsibilities to:

1. Identify key risks and ensure implementation of appropriate control measures to manage the risks; and
2. Review the adequacy and integrity of the internal control system.

The Board, through its Risk Management Committee ("RMC"), has established an ongoing process for identifying, evaluating and managing the significant risks faced by the Group and this process includes enhancing the risk management and internal control system as and when there are changes to the business environment and regulatory requirements. The process is reviewed by the Board and the RMC on a periodic basis.

The system is designed to manage rather than eliminate the risk of failure to achieve the corporate objectives and to provide reasonable but not absolute assurance against material misstatement or loss.

RISK MANAGEMENT FRAMEWORK

Key Senior Management staff and Heads of Department are delegated the responsibilities to manage risks in their respective areas of responsibilities. Key risks and mitigating controls are deliberated during the Management meetings. Risks identified are prioritised in terms of the likelihood of occurrence and its impact on the achievement of the Group's business objectives. Significant risks affecting the Group's strategic and business plans are escalated to the Board at their scheduled meetings.

The above mentioned risk management practices of the Group serve as the ongoing process used to identify, evaluate and manage significant risks. The Board shall continue to evaluate the Group's risk management process to ensure it remains relevant to the Group's requirements. During the financial year under review, the RMC met on 26 February 2024 and 15 April 2024.

As part of the risk management process, a Registry of Risk and a Risk Management Handbook had been prepared in accordance with the internationally recognised the Committee of Sponsoring Organizations of the Treadway Commission – Enterprise Risk Management (COSO-ERM) framework. The Risk Management Handbook summarises risk management methodology, approach and processes, roles and responsibilities, and various risk management concepts. The respective risk owners are accountable for identifying relevant risks and ensuring that adequate control systems are in place and implemented to mitigate such risks faced by the Group. The process of identifying, evaluating, monitoring and managing risks is embedded in various work processes and procedures of the respective operational functions and management team.

The key elements of the Group's risk management framework include:

- A Risk Management Working Group to monitor any instances involving material breaches or potential breaches to the Group's risk management strategies;
- Report to the RMC in connection with the Group's annual reporting responsibilities in relation to matters pertaining to the Group's risk management strategy;
- Undertake an independent review on an annual basis, in accordance with the Group's risk management framework and make recommendations to the RMC in connection with changes required to be made to the Group's risk management strategy;
- The RMC reviews its own Terms of Reference to ensure that it is operating effectively, recommending any changes it considers necessary to the Group; and
- The Risk Management Working Group updates the RMC on the Group's risk profile and reports any new significant risks including corporate liability risk, business sustainability risks, etc.

Statement on Risk Management and Internal Control

cont'd

INTERNAL AUDIT

The Group engaged Sterling Business Alignment Consulting Sdn Bhd ("Sterling"), an independent professional consulting firm, to conduct an independent review of the Group's system of internal control. Sterling is free from any relationships or conflicts of interest, which could impair their objectivity and independence of the internal audit function. Sterling does not have any direct operational responsibility or authority over any of the activities audited.

Sterling was allowed complete and unrestricted access to all documents and records of the Group deemed necessary in the performance of its function and they have independently reviewed the risk identification procedures and control processes implemented by the Management. They also reviewed the internal controls in the key activities of the Group's business based on the risk profiles of the Group and assessed the adequacy and integrity of the internal control system and reports directly to the Audit Committee ("AC"). Sterling uses the Committee of Sponsoring Organizations of the Treadway Commission - Internal Control (COSO - IC) Integrated Framework as a basis for evaluating the effectiveness of the internal control system.

The annual internal audit plan was approved by the AC and carried out accordingly. The independent assessment on the internal control of the Group was undertaken on a quarterly basis. The results of the internal audit reviews and the recommendations for improvement were presented to the AC. For the FYE 31 December 2024, the Outsourced Internal Auditors have conducted three (3) internal audit reviews covering the Sales, Human Resources and Administration and buying (Procurement and Supplies) functions and one (1) follow-up status review. The results of the internal audit reviews and follow-up status review, and the recommendations for improvement were presented at the scheduled AC meetings.

Based on the internal audit reviews conducted, none of the weaknesses noted have resulted in any material losses, contingencies, or uncertainties that would require separate disclosure in this annual report. Nevertheless, for areas requiring attention, measures have been and are being taken to ensure ongoing adequacy and effectiveness of internal controls and to safeguard shareholders' investments and the Group's assets.

KEY FEATURES OF INTERNAL CONTROL

As at the date of this Statement, the key features of the Group's internal control are as follows:

1. Organisational Structure

A clear and well-defined organisational structure taking into account the business and operational requirements of the core businesses of the Group which limits the respective levels of authority, accountability and responsibility of job functions and specifications.

2. Regular Review of the Financial Performance of the Group

The AC and the Board would set an agenda in their respective meetings to conduct the review on the financial performance of the Group on a quarterly basis. In addition, Management meetings are held weekly when necessary to raise issues, discuss, review and monitor the business development resolve operational and management issues and review financial performances against the business plans, the target and the budgets, if any, for each division.

3. Internal Policies and Procedures

There are clearly defined and formalised internal policies and procedures in place to support the group in achieving its corporate objectives. These policies and procedures provide a basis for ensuring compliance with applicable laws and regulations and internal control concerning the conduct of business.

4. Internal Audit Function

The internal audit function has been outsourced to an independent professional firm for greater independence and accountability in the internal audit function in view of the Group's available limited resources.

Statement on Risk Management and Internal Control
cont'd

KEY FEATURES OF INTERNAL CONTROL *cont'd*

5. Anti-Bribery and Corruption Policy and Whistleblowing Policy

The Group has established an Anti-Bribery and Corruption Policy and Whistleblowing Policy and Procedures, which are available on the Group's website. It's intended to assist the reporting individual to report to the appropriate channel, any information which the individual believes to involve malpractice or impropriety.

REVIEW OF THE STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL BY THE EXTERNAL AUDITOR

The External Auditors have reviewed this Statement on Risk Management and Internal Control. Their limited assurance review was performed in accordance with the Audit and Assurance Practice Guide ("AAPG") 3 issued by the Malaysian Institute of Accountants. AAPG 3 does not require the External Auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group.

CONCLUSION

The Board has received assurance from the Managing Director, Executive Director and Chief Financial Officer that the Group's risk management and internal control system, in all material aspects, are operating adequately and effectively. Nevertheless, the Board is also cognisant of the fact that the Group's system of risk management and internal control practices must continuously evolve to meet the changing and challenging business environment. Therefore, the Board will, when necessary, put in place appropriate action plans to further enhance the Group's system of risk management and internal control.

This Statement is made in accordance with the resolution of the Board of Directors dated 16 April 2025.

Statement of Directors' Responsibility

in respect of the preparation of financial statements

In accordance with the Companies Act 2016 ("the Act") and the applicable approved accounting standards, the Directors are required to prepare annual financial statements that give a true and fair view of the financial position and the results and cash flows of the Group and of the Company for that financial year then ended.

The Directors have reviewed the accounting policies to ensure that they are consistently applied throughout the financial year and are of the view that relevant approved accounting standards have been followed in the preparation of these financial statements. In cases where judgements and estimations were made, they were based on reasonableness and prudence.

The Directors have relied on the system of internal controls to ensure that the information generated for the preparation of the financial statements from the underlying accounting records are accurate and reliable.

The Directors are responsible for ensuring that the Company maintains accounting records which disclose with reasonable accuracy the financial position of the Group and the Company, and which enable them to ensure that the financial statements comply with the provisions of the Act.

The Directors have general responsibilities for taking such steps that are reasonably available to them to safeguard the assets of the Group, and to prevent and detect frauds and other irregularities.

This Statement on Directors' Responsibility for preparing the financial statements is approved by the Board on 16 April 2025.

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Directors' Report

The directors of **KIM HIN JOO (MALAYSIA) BERHAD** hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2024.

PRINCIPAL ACTIVITY

The principal activity of the Company is retailing of maternity, baby and children's wear and product.

RESULTS OF OPERATIONS

The results of operations of the Group and of the Company for the financial year are as follows:

	The Group	The Company
	RM	RM
Loss for the year attributable to owners of the Company	(3,050,913)	(3,699,901)

In the opinion of the directors, the results of operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction, or event of a material and unusual nature.

DIVIDEND

On 15 April 2024, the Company declared a final dividend of 0.1 sen per ordinary share amounted to RM380,000 in respect of the financial year ended 31 December 2023 has been approved by shareholders at the Forty-Third Annual General Meeting held on 30 May 2024, which was paid on 19 August 2024.

The directors proposed a final dividend of 0.1 sen per ordinary share amounting to approximately RM380,000 in respect of the financial year ended 31 December 2024. The proposed dividend, which is subject to the approval of the shareholders at the forthcoming Annual General Meeting of the Company, has not been included as a liability in the financial statements. Upon approval by the shareholders, the dividend payment will be accounted for in equity as an appropriation of retained earnings during the financial year ending 31 December 2025.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year, other than as disclosed in the financial statements.

ISSUE OF SHARES AND DEBENTURES

The Company has not issued any new shares and debentures during the financial year.

EMPLOYEE'S SHARE OPTION SCHEME ("ESOS")

On 18 June 2021, the Company established an ESOS of up to 15% of the total number of issued ordinary shares in the Company (excluding treasury shares, if any), at any point in time throughout the duration of the ESOS to eligible director(s) and employees of the Company and its subsidiary companies. During the financial year, there are no director(s) and employees of the Company and its subsidiary companies who are eligible for ESOS, as a result, there is no financial impact on the financial statements of the Group and of the Company as at 31 December 2024.

Directors' Report
cont'd

SHARE OPTIONS

No options have been granted by the Company to any parties during the financial year to take up unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of any option to take up unissued shares of the Company. As at the end of the financial year, there were no unissued shares of the Company under options.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps:

(a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and had satisfied themselves that there was no known bad debts to be written off and that no allowance for doubtful debts was required; and

(b) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company had been written down to an amount which the current assets might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances:

(a) which would require the writing off of bad debts or the setting up of an allowance for doubtful debts in the financial statements of the Group and of the Company; or

(b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or

(c) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or

(d) not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

At the date of this report, there does not exist:

(a) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liability of any other person; and

(b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

In the opinion of the directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of operations of the Group and of the Company for the financial year in which this report is made.

Directors' Report
cont'd

DIRECTORS

The directors of the Company in office during the financial year and during the period from the end of the financial year to the date of this report are:

Pang Kim Hin
Pang Fu Wei*
Goh Poh Teng*
Chew Soo Lin
Kor Yann Ning
Hew Moh Yung
Yen Se-Hua Stewart (Resigned on 1 July 2024)

* *Being the directors of the subsidiary companies in office since the beginning of the financial year to the date of this report.*

DIRECTORS' INTERESTS

The interests in shares in the Company of those who were directors of the Company at the end of the financial year according to the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act 2016 are as follows:

	Number of ordinary shares			
	At 1.1.2024	Bought	Sold	At 31.12.2024
Shares in the Company				
Direct interests				
Pang Kim Hin	11,280,700	-	-	11,280,700
Pang Fu Wei	538,800	-	-	538,800
Goh Poh Teng	1,000,000	-	-	1,000,000
Chew Soo Lin	2,150,000	-	-	2,150,000
Kor Yann Ning	800,000	-	-	800,000
Indirect interests				
Pang Kim Hin*	235,600,000	-	-	235,600,000
Chew Soo Lin#	800,000	-	-	800,000

* *By virtue of his interests in Kim Hin International Pte Ltd.*
\# *By virtue of his interests in Cepheus Corporation Pte Ltd.*

Directors' Report
cont'd

DIRECTORS' INTERESTS *cont'd*

The interests in shares in the holding company of those who were directors of the Company at the end of the financial year are as follows:

	Number of ordinary shares			
	At 1.1.2024	Bought	Sold	At 31.12.2024
Shares in the holding company, Kim Hin International Pte Ltd				
Pang Kim Hin				
- Direct	985,000	-	-	985,000
- Indirect**	285,000	-	-	285,000

** *By virtue of his interests in Queemay Holdings Pte Ltd and family members.*

By virtue of the above director's interests in the shares of the holding company, the director is also deemed to have an interest in the shares of the Company and the subsidiary companies to the extent that the holding company has an interest.

Other than as disclosed above, none of the other directors in office as at the end of the financial year held any interests in the shares of the Company and its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the directors of the Company has received or become entitled to receive any benefit (other than the benefits included in the aggregate amount of directors' emoluments or the fixed salaries of full-time employees of the Company as shown below) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for those benefits which may be deemed to have arisen by virtue of those transactions entered into in the ordinary course of business by the Company and its subsidiary companies with the directors or the companies in which the directors are deemed to have substantial financial interests as disclosed in Note 25 to the financial statements.

During and at the end of the financial year, no arrangement subsisted to which the Company was a party whereby directors of the Company might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Details of the directors' remuneration are as follows:

	The Group	The Company
	RM	RM
Directors' fees	274,000	274,000
Salaries and bonus	585,925	585,925
Contributions to EPF	32,151	32,151
	892,076	892,076

The estimated monetary value of a director's benefit-in-kind of the Group and of the Company is RM7,918.

Directors' Report
cont'd

INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

The Company maintains directors' and officers' liability insurance for purposes of Section 289 of the Companies Act 2016 throughout the year, which provides appropriate insurance cover for the directors and officers of the Company. The amount of insurance premium paid during the financial year amounted to RM15,910.

There was no indemnity given to or insurance effected for the auditors of the Company in accordance with Section 289 of the Companies Act 2016.

HOLDING COMPANY

The directors regard Kim Hin International Pte Ltd, a company incorporated in Singapore, as the holding company.

SUBSIDIARY COMPANIES

The information on the name of entities, principal place of business, country of incorporation, principal activities, and proportion of ownership interest and voting power held by the Company in each subsidiary company is as disclosed in Note 11 to the financial statements.

AUDITORS

The auditors, Deloitte PLT, have indicated their willingness to continue in office.

AUDITORS' REMUNERATION

The auditors' remuneration for the financial year ended 31 December 2024 is as follows:

	The Group	The Company
	RM	RM
Audit fee	195,700	127,500
Non-audit fees	15,000	13,000
	210,700	140,500

Signed on behalf of the Board
in accordance with a resolution of the Directors,

PANG FU WEI **GOH POH TENG**

Selangor
16 April 2025

Independent Auditors' Report

To the Members of Kim Hin Joo (Malaysia) Berhad
(Incorporated in Malaysia)

REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of **KIM HIN JOO (MALAYSIA) BERHAD** ("the Company") and its subsidiary companies (collectively referred to as "the Group"), which comprise the statements of financial position of the Group and of the Company as at 31 December 2024, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 84 to 130.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024 and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Net realisable value of inventories

As at 31 December 2024, the inventories balance of the Group and of the Company stood at RM33,134,036 and RM23,583,862, respectively, which represents approximately 38% and 31% of the total assets of the Group and of the Company. As at 31 December 2024, trading goods measured at net realisable value for the Group and the Company amounted to RM712,416 and RM275,351, respectively.

As described in Note 3 to the financial statements, inventories are valued at the lower of cost and net realisable value. In estimating the net realisable value of inventories, management considers the inventories' ageing, seasonal trend, current economic conditions, market demand and expectation of future prices.

The above-mentioned is also disclosed in Note 4(ii)(a) to the financial statements as one of the key assumptions used by management under the section of *Key Sources of Estimation Uncertainty*.

Independent Auditors' Report

To the Members of Kim Hin Joo (Malaysia) Berhad
(Incorporated in Malaysia)
cont'd

REPORT ON THE AUDIT OF FINANCIAL STATEMENTS *cont'd*

Key Audit Matters *cont'd*

How the key audit matter was addressed in our audit

In addressing the matter above, we performed, amongst others, the following procedures:

- Evaluated the design and implementation of controls surrounding management's assessment of net realisable value of inventories and related to the write down in value of inventories;
- Evaluated the measurement criteria used by management in respect of net realisable value to determine that the measurements adopted by management are in accordance with MFRS 102 Inventories;
- Observed inventory count procedures carried out by management and performed test count, and observed conditions of the inventories on a sampling basis;
- Compared the selling prices of inventories to latest sales invoices on sampling basis to evaluate management's assessment of the write down in value of inventories; and
- Tested the inventory aging report to ascertain the accuracy and completeness of the inventory aging report.

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of the financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Independent Auditors' Report

To the Members of Kim Hin Joo (Malaysia) Berhad
(Incorporated in Malaysia)
cont'd

REPORT ON THE AUDIT OF FINANCIAL STATEMENTS *cont'd*

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risk of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group's financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Independent Auditors' Report

To the Members of Kim Hin Joo (Malaysia) Berhad
(Incorporated in Malaysia)
cont'd

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiary of which we have not acted as auditors, is disclosed in Note 11 to the financial statements.

OTHER MATTER

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the contents of this report.

DELOITTE PLT (LLP0010145-LCA)
Chartered Accountants (AF 0080)

TEOH CHEAP CHEE
Partner - 03472/11/2025 J
Chartered Accountants

16 April 2025
Kuala Lumpur

Statements of Profit or Loss and Other Comprehensive Income

For the Financial Year Ended 31 December 2024

		The Group		The Company	
		2024	2023	2024	2023
	Note	RM	RM	RM	RM
Revenue	5	92,583,994	95,795,164	72,399,357	75,171,633
Cost of sales		(53,583,517)	(53,379,037)	(42,240,938)	(41,008,165)
Gross profit		39,000,477	42,416,127	30,158,419	34,163,468
Other operating income		2,701,695	2,371,836	5,009,686	2,579,744
Selling and marketing costs		(3,390,949)	(3,055,915)	(2,259,155)	(1,836,990)
Administration and other operating expenses		(40,373,245)	(41,688,520)	(36,351,939)	(33,898,838)
Finance costs		(633,557)	(773,626)	(524,447)	(662,898)
(Loss)/Profit before tax	6	(2,695,579)	(730,098)	(3,967,436)	344,486
Tax (expense)/credit	7	(355,334)	(56,116)	267,535	(129,871)
(Loss)/Profit/Total comprehensive (loss)/ income for the year		(3,050,913)	(786,214)	(3,699,901)	214,615
(Loss)/Profit/Total comprehensive (loss)/ income for the year attributable to:					
Owners of the Company		(3,050,913)	(786,214)	(3,699,901)	214,615
Basic/Diluted loss per share attributable to owners of the Company (sen)	8	(0.80)	(0.21)		

The accompanying Notes form an integral part of the financial statements.

Statements of Financial Position

As at 31 December 2024

	Note	The Group 2024 RM	The Group 2023 RM	The Company 2024 RM	The Company 2023 RM
ASSETS					
Non-Current Assets					
Plant and equipment	9	3,523,977	5,158,069	3,048,523	4,047,139
Right-of-use assets	10	8,413,170	15,276,488	8,413,170	12,915,890
Investment in subsidiary companies	11	-	-	4,460,789	7,100,000
Deferred tax assets	12	721,160	680,509	721,160	481,845
Refundable deposits	15	823,999	2,460,164	823,999	2,242,884
Total Non-Current Assets		13,482,306	23,575,230	17,467,641	26,787,758
Current Assets					
Inventories	13	33,134,036	52,355,344	23,583,862	38,762,434
Trade receivables	14	1,435,795	1,573,307	562,773	520,406
Other receivables, deposits and prepaid expenses	15	4,846,750	2,982,866	4,464,043	2,619,603
Amount due from holding company	25	-	82,291	-	-
Amount due from subsidiary companies	25	-	-	565,540	655,461
Amount due from other related companies	25	-	700,451	-	240,000
Tax recoverable		1,123,088	1,002,443	727,099	361,717
Short-term investments	16	-	2,038,980	-	2,038,980
Fixed deposits with licensed banks	17	16,204,176	6,097,099	16,204,176	6,097,099
Cash and bank balances	18	17,749,974	13,410,463	11,572,674	10,655,264
Total Current Assets		74,493,819	80,243,244	57,680,167	61,950,964
Total Assets		87,976,125	103,818,474	75,147,808	88,738,722

Statements of Financial Position

As at 31 December 2024
cont'd

	Note	The Group 2024 RM	The Group 2023 RM	The Company 2024 RM	The Company 2023 RM
EQUITY					
Equity and Reserve					
Share capital	19	31,128,118	31,128,118	31,128,118	31,128,118
Retained earnings	20	41,713,972	45,144,885	29,808,783	33,888,684
Total Equity		72,842,090	76,273,003	60,936,901	65,016,802
LIABILITIES					
Non-Current Liability					
Lease liabilities	22	4,945,556	8,985,491	4,945,556	7,319,913
Current Liabilities					
Trade payables	23	2,090,470	5,822,025	882,296	4,350,357
Other payables, accrued expenses and provision	24	4,380,433	5,906,890	3,680,921	4,911,157
Amount due to subsidiary companies	25	-	-	985,483	985,110
Lease liabilities	22	3,716,651	6,830,778	3,716,651	6,155,383
Tax liabilities		925	287	-	-
Total Current Liabilities		10,188,479	18,559,980	9,265,351	16,402,007
Total Liabilities		15,134,035	27,545,471	14,210,907	23,721,920
Total Equity and Liabilities		87,976,125	103,818,474	75,147,808	88,738,722

The accompanying Notes form an integral part of the financial statements.

Statements of Changes in Equity

For the Financial Year Ended 31 December 2024

	Note	Share capital RM	Distributable reserve - Retained earnings RM	Total equity RM
The Group				
At 1 January 2023		31,128,118	48,211,099	79,339,217
Total comprehensive loss for the year		-	(786,214)	(786,214)
Dividend	21	-	(2,280,000)	(2,280,000)
At 31 December 2023/1 January 2024		31,128,118	45,144,885	76,273,003
Total comprehensive loss for the year		-	(3,050,913)	(3,050,913)
Dividend	21	-	(380,000)	(380,000)
At 31 December 2024		31,128,118	41,713,972	72,842,090
The Company				
At 1 January 2023		31,128,118	35,954,069	67,082,187
Total comprehensive income for the year		-	214,615	214,615
Dividend	21	-	(2,280,000)	(2,280,000)
At 31 December 2023/1 January 2024		31,128,118	33,888,684	65,016,802
Total comprehensive loss for the year		-	(3,699,901)	(3,699,901)
Dividend	21	-	(380,000)	(380,000)
At 31 December 2024		31,128,118	29,808,783	60,936,901

The accompanying Notes form an integral part of the financial statements.

Statements of Cash Flows

For the Financial Year Ended 31 December 2024

	The Group		The Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES				
(Loss)/Profit before tax	(2,695,579)	(730,098)	(3,967,436)	344,486
Adjustments for:				
Amortisation of right-of-use assets	6,523,268	7,422,255	5,817,231	6,628,990
Depreciation of plant and equipment	2,993,382	3,992,636	2,200,100	2,785,276
Dividend income	-	-	(2,631,000)	(800,000)
Fair value gain on short-term investments	-	(68,219)	-	(68,219)
Finance costs on unwinding of interest expense of provision for restoration cost	28,959	18,429	14,579	13,483
Fit out contribution	(152,773)	(166,661)	(76,389)	(83,333)
Gain on disposal of plant and equipment	-	(39,924)	-	(39,127)
Gain on termination/modification of lease contract	(295,035)	(92,985)	(198,485)	(36,954)
Impairment loss on investment in a subsidiary company	-	-	2,639,211	-
Interest income	(758,733)	(323,253)	(632,302)	(297,987)
Inventories written off	561,746	732,797	431,863	321,046
Lease interest expense	604,598	755,197	509,868	649,415
Plant and equipment written off	21,832	-	7,051	-
Reversal of write-down of inventories	(185,588)	-	-	-
Unrealised (gain)/loss on foreign exchange	(16,305)	117,519	(23,300)	109,840
Unwinding of interest income - refundable deposits	(31,563)	(115,635)	(40,454)	(100,991)
Write-down of inventories	98,945	377,209	96,839	27,693
Operating Profit Before Working Capital Changes	6,697,154	11,879,267	4,147,376	9,453,618
(Increase)/Decrease in:				
Inventories	18,746,205	8,280,774	14,649,870	4,645,746
Trade receivables	137,512	229,422	(42,367)	(66,134)
Other receivables, deposits and prepaid expenses	(75,560)	628,356	(300,330)	777,803
Amount due from holding company	82,688	(82,688)	-	-
Amount due from subsidiary companies	-	-	89,921	(523,142)
Amount due from other related companies	700,451	(700,451)	240,000	(240,000)
Increase/(Decrease) in:				
Trade payables	(3,709,894)	(5,883,966)	(3,440,508)	(4,396,304)
Other payables and accrued expenses	(1,372,531)	(1,955,939)	(1,186,555)	(1,069,616)
Amount due to subsidiary companies	-	-	373	1,894,369
Amount due to other related company	-	(35)	-	-
Cash Generated From Operations	21,206,025	12,394,740	14,157,780	10,476,340
Income tax paid	(515,992)	(1,122,028)	(337,162)	(707,123)
Net Cash From Operating Activities	20,690,033	11,272,712	13,820,618	9,769,217

Statements of Cash Flows

For the Financial Year Ended 31 December 2024
cont'd

	The Group		The Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES				
Acquisition of plant and equipment	(1,381,122)	(850,421)	(1,208,535)	(776,646)
Dividend received from a subsidiary company	-	-	2,631,000	800,000
Decrease in short-term investment	2,038,980	-	2,038,980	-
Interest income received	758,733	323,253	632,302	297,987
Increase in fixed deposits pledged	(1,159,099)	(10,338)	(1,159,099)	(10,338)
Proceed from disposal of plant and equipment	-	115,664	-	110,900
Net Cash From/(Used In) Investing Activities	257,492	(421,842)	2,934,648	421,903
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES				
Dividend paid	(380,000)	(2,280,000)	(380,000)	(2,280,000)
Interest paid	(604,598)	(755,197)	(509,868)	(649,415)
Repayment of lease liabilities (Note 22)	(6,670,507)	(7,398,841)	(5,995,112)	(6,648,991)
Net Cash Used In Financing Activities	(7,655,105)	(10,434,038)	(6,884,980)	(9,578,406)
NET INCREASE IN CASH AND CASH EQUIVALENTS	13,292,420	416,832	9,870,286	612,714
Effects of exchange rate differences on the balance of cash held in foreign currencies	(4,931)	3,645	(4,898)	3,623
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	18,530,707	18,110,230	15,775,508	15,159,171
CASH AND CASH EQUIVALENT AT END OF YEAR (NOTE 18)	31,818,196	18,530,707	25,640,896	15,775,508

The accompanying Notes form an integral part of the financial statements.

Notes to the Financial Statements

1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia and listed on the ACE Market of Bursa Malaysia Securities Berhad.

The principal activity of the Company is retailing of maternity, baby and children's wear and product. The information on the name of entities, principal place of business, country of incorporation, principal activities, and proportion of ownership interest and voting power held by the Company in each subsidiary company is as disclosed in Note 11.

The holding company is Kim Hin International Pte Ltd ("KHI"), a company incorporated in Singapore, which is also regarded by the directors as the ultimate holding company.

The registered office and principal place of business of the Company is located at Wisma Pang Cheng Yean, Lot 5205C, Jalan Perindustrian Balakong Jaya 1/3, Kawasan Perindustrian Balakong Jaya, 43300 Seri Kembangan, Selangor Darul Ehsan.

The financial statements of the Group and of the Company have been approved by the Board of Directors and were authorised for issuance on 16 April 2025.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

The financial statements of the Group and of the Company are presented in Ringgit Malaysia ("RM").

Adoption of Amendments to MFRSs

In the current financial year, the Group and the Company have adopted all the Amendments to MFRSs issued by Malaysian Accounting Standards Board ("MASB") that are effective for annual periods beginning on or after 1 January 2024 as follows:

Amendments to MFRS 16	Lease Liability in a Sale and Leaseback
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current
Amendments to MFRS 101	Non-current Liabilities with Covenants
Amendments to MFRS 107 and MFRS 7	Supplier Finance Arrangements

The adoption of the above Amendments to MFRS did not result in significant changes in the accounting policies of the Group and of the Company and had no significant effect on the financial performance or position of the Group and of the Company.

Notes to the Financial Statements
cont'd

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS *cont'd*

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 and the Company are as listed below:

MFRS 18	Presentation and Disclosure in Financial Statements[4]
MFRS 19	Subsidiaries without Public Accountability: Disclosures[4]
Amendment to MFRSs	Annual Improvements to MFRS Standards - Volume 11[3]
Amendments to MFRS 9 and MFRS 7	Classification and Measurement of Financial Instruments[3]
Amendments to MFRS 9 and MFRS 7	Contracts Referencing Nature-dependent Electricity[3]
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 121	Lack of Exchangeability[2]

[1] *Effective date deferred to a date to be determined and announced by MASB.*
[2] *Effective for annual periods beginning on or after 1 January 2025.*
[3] *Effective for annual periods beginning on or after 1 January 2026, with earlier application permitted.*
[4] *Effective for annual periods beginning on or after 1 January 2027, with earlier application permitted.*

The directors anticipate that the abovementioned new MFRSs and Amendments to MFRSs will be adopted in the annual financial statements of the Group and of the Company when they become effective and that the adoption of these new MFRSs and Amendments to MFRSs will not have material financial impact on the financial statements of the Group and of the Company in the period of initial application.

3. MATERIAL ACCOUNTING POLICY INFORMATION

Basis of Accounting

The financial statements of the Group and of the Company have been prepared under the historical cost convention, unless otherwise indicated in the accounting policies stated below. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group and the Company take into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in the consolidated financial statements is determined on such a basis, except for leasing transactions that are within the scope of MFRS 16 *Leases* and measurements that have some similarities to fair value but are not fair value, such as net realisable value in MFRS 102 *Inventories* or value-in-use in MFRS 136 *Impairment of Assets*.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

- Level 3 inputs are unobservable inputs for the asset or liability.

Notes to the Financial Statements
cont'd

3. MATERIAL ACCOUNTING POLICY INFORMATION *cont'd*

Basis of Accounting *cont'd*

The material accounting policy information is set out below.

Subsidiary Companies and Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiary companies. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power over the investee to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary company begins when the Company obtains control over the subsidiary company and ceases when the Company loses control of the subsidiary company. Specifically, income and expenses of a subsidiary company acquired or disposed of during the period are included in the statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary company.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Changes in the Group's ownership interests in subsidiary companies that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in its relative interests in the subsidiary companies. Any difference between the amount by which the non-controlling interests are adjusted at the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

Where the Group loses control of a subsidiary company, the gain or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interests, and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary company and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary company are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investment retained in the former subsidiary company at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under MFRS 9 *Financial Instruments* or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

Notes to the Financial Statements
cont'd

3. MATERIAL ACCOUNTING POLICY INFORMATION *cont'd*

Revenue

The Group's and the Company's revenue from contracts with customers is recognised by reference to each distinct performance obligation in the contract with customer.

A contract with their customer exists when the contract has commercial substance, the Group and the Company and their customers have approved the contract and intend to perform their respective obligations, the Group's and the Company's and the customers' rights regarding the goods or services to be transferred and the payment terms can be identified, and it is probable that the Group and the Company will collect the consideration to which it will be entitled to in exchange of those goods or services.

Revenue from contracts with customers is measured at its transaction price, being the amount of consideration which the Group and the Company expect to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties such as sales and service taxes or goods and service tax. If the amount of consideration varies due to discounts, rebates, penalties or other similar items, the Group and the Company estimate the amount of consideration that it expects to be entitled based on the expected value method or the most likely outcome but the estimation is constrained up to the amount that is highly probable of no significant reversal in the future. Transaction price is allocated to each performance obligation on the basis of the relative standalone selling prices of each distinct good or service promised in the contract. Depending on the substance of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time.

Specific revenue recognition criteria for revenue and interest income earned by the Group and by the Company, are as follows:

Retail and Distribution

The Group and the Company distribute their maternity, babies' and children's wear and product both to the retail market and directly to customers through their retail outlets.

For sale of goods to retail customers, revenue is recognised when control of the goods has transferred, being at the point the customer purchases the goods at the retail outlet. Payment of the transaction price is due immediately at the point the customer purchases the goods. This is the point when performance obligation is satisfied by given consideration to the significant payment terms and nature of goods or services promised.

For sale of goods to the retailers, revenue is recognised when control of the goods has transferred, being when the goods have been delivered to the retailer's specific location, net of discounts and returns. Following delivery, the retailer has the primary responsibility when selling the goods and bears the risks of obsolescence and loss in relation to the goods. Receivables are recognised by the Group and by the Company when the goods are delivered to the retailer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time if required before payment is due.

For consignment sale of goods, the Group delivers goods to the consignees but retains control of the goods. The Group does not recognise revenue on delivery of the goods to the consignee. Revenue is only recognised when the control is transferred to the end customers.

Dividend income

Dividend income is recognised when the Company's right to receive payment is established.

Notes to the Financial Statements
cont'd

3. MATERIAL ACCOUNTING POLICY INFORMATION *cont'd*

Foreign currencies

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). For the purpose of the financial statements of the Group and of the Company, the results and financial position of each entities are expressed in Ringgit which is the functional currency of the Company and the presentation currency in the financial statements of the Group and of the Company.

In preparing the financial statements of individual entity, transactions in currencies other than the functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in other comprehensive income.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the period, calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period. Current tax for current and prior periods is recognised as a liability (or an asset) to the extent that it is unpaid (or recoverable).

Deferred tax is provided for, using the "liability" method, on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that sufficient future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is recognised in profit or loss, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly in equity.

The carrying amount of deferred tax assets, if any, is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group and the Company intend to settle their current tax assets and liabilities on a net basis.

Notes to the Financial Statements
cont'd

3. MATERIAL ACCOUNTING POLICY INFORMATION *cont'd*

Employee Benefits

Short-term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the period in which the associated services are rendered by employees of the Group and of the Company.

Defined contribution plan

The Group and the Company are required by law to make monthly contributions to the Employees Provident Fund ("EPF"), a statutory defined contribution plan for all their eligible employees based on certain prescribed rates of the employees' applicable remuneration. Contributions are charged to profit or loss in the period in which they relate. Once the contributions have been paid, the Group and the Company have no further payment obligations.

Leases

As Lessee

The Group and the Company assess whether a contract is or contains a lease, at inception of the contract. The Group and the Company recognise a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group and the Company recognise the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group and the Company use the incremental borrowing rate specific to the lessee.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or a rate, initially measured using the index or a rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statements of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability by using the effective interest method and by reducing the carrying amount to reflect the lease payments made.

Notes to the Financial Statements
cont'd

3. MATERIAL ACCOUNTING POLICY INFORMATION *cont'd*

Leases *cont'd*

As Lessee *cont'd*

The Group and the Company remeasure the lease liability and make a corresponding adjustment to the related right-of-use asset whenever:

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;

- the lease payments change due to changes in an index or a rate or change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate, unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used; or

- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Refundable deposit paid is a collateral provided to the lessor and is a financial asset. It is initially recognised at fair value and subsequently measured at amortised cost. The difference between the nominal amount and fair value of the refundable deposit at the commencement date represents an additional prepaid lease payment, is included in initial carrying amount of right-of-use assets.

Whenever the Group and the Company incur an obligation for costs to dismantle and to remove a leased asset, to restore the site on which it is located or to restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under MFRS 137 *Provisions, Contingent Liabilities and Contingent Assets*, to the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group and the Company expect to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statements of financial position.

The Group and the Company apply MFRS 136 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss.

Variable rents that do not depend on an index or a rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in profit or loss.

Plant and Equipment

Plant and equipment are stated at cost less accumulated depreciation and any impairment loss. The cost of an item of plant and equipment includes the costs of its dismantlement, removal or restoration, the obligation for which the Group and the Company incur as a consequence of installing the item, discounted using a pre-tax discount rate that reflects the current market assessments of the time value of money.

Notes to the Financial Statements
cont'd

3. MATERIAL ACCOUNTING POLICY INFORMATION *cont'd*

Plant and Equipment *cont'd*

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future benefits associated with the item will flow to the Group and to the Company and the cost can be measured reliably. The carrying amount of the replaced part is derecognised. All other repair and maintenance costs are charged to profit or loss in the period in which they are incurred.

Depreciation of plant and equipment is computed using the straight-line method at rates based on their estimated useful lives. The annual depreciation rates used are as follows:

Motor vehicles	20%
Computer equipment	33%
Renovation, furniture and fittings and electrical fittings - office	20% - 33%
Renovation, furniture and fittings and electrical fittings - stores	Over the period of lease
Operating, display and office equipment	20% - 33%

At the end of each reporting period, the residual values, useful lives and depreciation method of the plant and equipment are reviewed, and the effects of any changes in estimates are recognised prospectively.

Gain or loss arising from the disposal of an asset is determined as the difference between the net disposal proceeds and the carrying amount of the asset, and is recognised in profit or loss.

Inventories

Inventories, which consist mainly of trading merchandise, are valued at the lower of cost and net realisable value. Net realisable value represents the estimated selling price in the ordinary course of business less selling and distribution costs. Cost is determined on the weighted average basis which approximates actual purchase cost and includes all costs in bringing the inventories to their present location and condition.

Provisions

Provisions are made when the Group and the Company have a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount can be made.

Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the end of the reporting period, and are discounted to present value where the effect is material.

At the end of each reporting period, provisions are revised by the directors and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that the Group and the Company will be required to settle the obligation.

Financial Instruments

Financial assets

Classification

The Group and the Company classify their financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through profit or loss or other comprehensive income); and
- those to be measured at amortised cost.

Notes to the Financial Statements
cont'd

3. MATERIAL ACCOUNTING POLICY INFORMATION *cont'd*

Financial Instruments *cont'd*

Financial assets *cont'd*

Classification *cont'd*

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading and the Group and the Company had made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income ("FVTOCI"), gains and losses will be recorded in other comprehensive income except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss.

The Group and the Company reclassify their debt investments when and only when their business model for managing those assets changes.

Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group and the Company commit to purchase or to sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group and the Company have transferred substantially all the risks and rewards of ownership.

Measurement

At initial recognition, the Group and the Company measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's and the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group and the Company classify their debt instruments:

Amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in profit or loss.

FVTPL

Assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. A gain or a loss on a debt investment that is subsequently measured at FVTPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

Notes to the Financial Statements
cont'd

3. MATERIAL ACCOUNTING POLICY INFORMATION *cont'd*

Equity instruments

The Group and the Company subsequently measure all equity investments at fair value. Where the group's management has made an irrevocable election to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's and the Company's right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are recognised in other gains/(losses) in profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value.

Impairment of Financial Assets

The Group and the Company assess on a forward-looking basis the expected credit losses associated with their debt instruments carried at amortised cost and at FVTOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Group and the Company have the following financial instruments that are subject to the ECL model:

- Trade receivables
- Other receivables
- Refundable deposits
- Amount due from holding company
- Amount due from subsidiary companies
- Amount due from other related companies

While cash and cash equivalents are also subject to the impairment requirements of MFRS 9, the identified impairment loss was immaterial.

ECL represent a probability-weighted estimate of the difference between the present value of contractual cash flows and the present value of cash flows that the Group and the Company expect to receive, over the remaining life of the financial instrument.

The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

(a) General 3-stage approach for other receivables, refundable deposits, amount due from holding company, amount due from subsidiary companies and amount due from other related companies.

At the end of each reporting period, the Group and the Company measure ECL through a loss allowance at an amount equal to the 12-month ECL if credit risk on a financial instrument or a group of financial instruments has not increased significantly since initial recognition. The Group and the Company recognise lifetime ECL when there has been a significant increase in credit risk since initial recognition.

(b) Simplified approach for trade receivables

The Group and the Company apply the MFRS 9 simplified approach to measure ECL which uses a lifetime ECL for all trade receivables.

Notes to the Financial Statements
cont'd

3. MATERIAL ACCOUNTING POLICY INFORMATION *cont'd*

Impairment of Financial Assets *cont'd*

At the end of each reporting period, the Group and the Company assess whether financial assets carried at amortised cost are credit-impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. The gross carrying amount of a financial asset is written off (either partially or full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group and the Company determine that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's and the Company's procedures for recovery of amounts due.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement and the definitions of a financial liability or an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of direct attributable transactions costs. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'at amortised cost'.

Financial liabilities measured subsequently at amortised cost

Financial liabilities measured subsequently at amortised cost, including trade payables, other payables and accrued expenses, amount due to subsidiary companies and lease liabilities, are initially measured at fair value, net of transaction costs. Financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or a shorter period, to the amortised cost of a financial liability.

Derecognition of financial liabilities

The Group and the Company derecognise financial liabilities when, and only when, the Group's and the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid or payable is recognised in profit or loss.

Notes to the Financial Statements
cont'd

3. MATERIAL ACCOUNTING POLICY INFORMATION *cont'd*

Segment reporting

For management purposes, the Group is organised into operating segments based on their operations, which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 29, including the factors used to identify the reportable segments and the measurement basis of segment information.

Statements of Cash Flows

The Group and the Company adopt the indirect method in the preparation of the statements of cash flows.

Cash and cash equivalents comprise cash on hand and bank balances and fixed deposits with licensed banks excluding fixed deposits pledged for bank guarantees, which are short-term, highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(i) Critical judgements in applying the Group's and the Company's accounting policies

In the process of applying the Group's and the Company's accounting policies, management is of the opinion that there are no instances of application of judgement which are expected to have a significant effect on the amounts recognised in the financial statements.

(ii) Key sources of estimation uncertainty

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year except for the following:

(a) Deferred tax assets

Deferred tax assets are recognised for all unabsorbed tax losses, unabsorbed capital allowances and other deductible temporary differences to the extent that it is probable that future taxable profits would be available against which the unabsorbed tax losses, unabsorbed capital allowances and other deductible temporary differences could be utilised.

Management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the assessment of the probability of the future taxable profits. Details of deferred tax assets of the Group and of the Company are disclosed in Note 12.

Notes to the Financial Statements
cont'd

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY *cont'd*

(ii) Key sources of estimation uncertainty *cont'd*

(b) Net realisable value of inventories

Inventories are valued at the lower of cost and net realisable value. In estimating the net realisable value of inventories, management considers the inventories' ageing, seasonal trend, current economic conditions, market demand and expectation of future prices.

During the financial year, amounts of RM98,945 and RM96,839 (2023: RM377,209 and RM27,693) have been recognised in profit or loss of the Group and of the Company, respectively, which represents write down of inventories to their net realisable values.

As at 31 December 2024, trading goods measured at net realisable value for the Group and the Company amounted to RM712,416 and RM275,351 (2023: RM382,974 and RM153,724), respectively.

(c) Lease terms and incremental borrowing rates in relation to leases

The measurement of the right-of-use asset and lease liability for leases where the Group and the Company are lessees require the use of significant assumptions and estimates, such as lease term and incremental borrowing rate.

In determining the lease term, the Group and the Company consider all facts and circumstances that create an economic incentive to exercise an extension option. Extension options are only included in the lease term if the lease is reasonably certain to be extended.

The Group and the Company cannot readily determine the interest rate implicit in the lease, therefore, they use the incremental borrowing rate ("IBR") to measure lease liabilities. In determining the incremental borrowing rate, the Group and the Company first determine the closest borrowing rate before using significant judgement to determine the adjustments required to reflect the term, security and value of economic environment of the respective leases.

(d) Provision for restoration costs

The Group and the Company use best estimates as the basis for measuring a provision. Management evaluates the estimates based on the Group's and the Company's historical experiences and other inputs or assumptions, current developments and future events that are reasonably possible under the particular circumstances. A referenced contractor price or market price is used as the best estimate. If an obligation is to be settled over time, the expected outflows are discounted at a rate that takes into account the time value of money and the risk that the actual outcome might differ from the estimates made.

(e) Impairment of investment in subsidiary companies

The Company conducts an annual impairment review of its investment in subsidiary companies. The Company carried out the impairment test based on the Company's share of net total assets in these subsidiary companies, which represents the directors' estimation of fair values of these subsidiary companies.

The annual impairment review resulted in an impairment loss recognised during the financial year as disclosed in Note 11.

The carrying amount of investment in subsidiary companies of the Company is disclosed in Note 11.

Notes to the Financial Statements
cont'd

5. REVENUE

	The Group		The Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Trading of baby, children and maternity products:				
Retail	81,079,755	84,781,810	72,399,357	75,171,633
Distribution	11,504,239	11,013,354	-	-
	92,583,994	95,795,164	72,399,357	75,171,633
Timing of revenue recognition:				
At a point in time	92,583,994	95,795,164	72,399,357	75,171,633

6. (LOSS)/PROFIT BEFORE TAX

(i) The operating costs, classified by nature, applicable to revenue, are as follows:

	The Group		The Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Purchase of trading goods	33,136,087	41,973,547	25,993,720	35,012,812
Net change in inventories of trading goods and goods-in-transit	19,221,308	9,390,780	15,178,572	4,994,485
Amortisation of right-of-use assets (Note 10)	6,523,268	7,422,255	5,817,231	6,628,990
Depreciation of plant and equipment (Note 9)	2,993,382	3,992,636	2,200,100	2,785,276
Employee benefits expenses	15,323,023	15,741,243	11,775,818	11,709,976
Management services fees	3,915,660	4,037,435	3,879,173	3,996,686
Variable lease payments not included in the measurement of lease liabilities	6,594,044	5,458,262	5,671,577	4,677,680
Other operating expenses	9,640,939	10,107,314	10,335,841	6,938,088
	97,347,711	98,123,472	80,852,032	76,743,993

Notes to the Financial Statements
cont'd

6. (LOSS)/PROFIT BEFORE TAX *cont'd*

(ii) (Loss)/Profit before tax has been arrived at after charging/(crediting):

	The Group		The Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Auditors' remuneration:				
Statutory	195,700	219,500	127,500	127,500
Other services	15,000	15,000	13,000	13,000
Dividend income	-	-	(2,631,000)	(800,000)
Fair value gain on short-term investments	-	(68,219)	-	(68,219)
Finance costs:				
Unwinding of interest expense of provision for restoration costs (Note 24)	28,959	18,429	14,579	13,483
Lease interest expense (Note 22)	604,598	755,197	509,868	649,415
	633,557	773,626	524,447	662,898
Fit out contribution	(152,773)	(166,661)	(76,389)	(83,333)
Gain on disposal of plant and equipment	-	(39,924)	-	(39,127)
Loss/(Gain) on foreign exchange (net):				
Realised	13,185	(132,683)	(12,060)	(218,177)
Unrealised	(16,305)	117,519	(23,300)	109,840
Gain on termination/modification of lease contract	(295,035)	(92,985)	(198,485)	(36,954)
Impairment loss on investment in a subsidiary company (Note 11)	-	-	2,639,211	-
Interest income	(758,733)	(323,253)	(632,302)	(297,987)
Inventories written off	561,746	732,797	431,863	321,046
Plant and equipment written off	21,832	-	7,051	-
Rent concessions	(6,657)	(491,704)	(7,360)	(251,704)
Reversal of write-down of inventories	(185,588)	-	-	-
Unwinding of interest income - refundable deposits	(31,563)	(115,635)	(40,454)	(100,991)
Write-down of inventories	98,945	377,209	96,839	27,693

Employee benefits expenses include salaries, bonuses, contributions to EPF and all other staff related expenses. Contributions to EPF by the Group and by the Company during the current financial year amounted to RM1,432,058 and RM1,086,267 (2023: RM1,399,636 and RM1,011,535) respectively.

Notes to the Financial Statements
cont'd

6. (LOSS)/PROFIT BEFORE TAX *cont'd*

(a) Directors' remuneration of the Group and of the Company classified into executive and non-executive directors are as follows:

	The Group		The Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Executive directors:				
Fees	64,000	64,000	64,000	64,000
Salaries and bonus	585,925	564,000	585,925	564,000
Contributions to EPF	32,151	29,538	32,151	29,538
Other emoluments	-	3,650	-	3,650
	682,076	661,188	682,076	661,188
Non-executive directors:				
Fees	210,000	230,000	210,000	230,000
	892,076	899,336	892,076	899,336

The estimated monetary value of non-cash benefits-in-kind received and receivable by a director from the Group and the Company amounted to RM7,918 (2023: RM7,760).

(b) The remuneration of members of key management personnel, other than the directors of the Group and of the Company was as follows:

	The Group		The Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Salaries and bonus	1,169,183	1,217,930	971,230	1,006,543
Contributions to EPF	137,139	143,233	114,683	117,043
Other emoluments	310	9,938	278	2,785
	1,306,632	1,371,101	1,086,191	1,126,371

The estimated monetary value of non-cash benefits-in-kind received and receivable by the key management personnel, other than the directors of the Group and of the Company amounted to RM3,580 and RM3,198 (2023: RM4,339 and RM3,737) respectively.

Notes to the Financial Statements
cont'd

7. TAX EXPENSE/(CREDIT) *cont'd*

	The Group		The Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Estimated tax payable:				
Current year	420,537	416,977	-	372,000
(Over)/Underprovision in prior years	(24,552)	69,587	(28,220)	68,577
	395,985	486,564	(28,220)	440,577
Deferred tax (Note 12):				
Current year	(280,880)	(278,830)	(278,745)	(185,824)
Over/(Under)provision in prior years	240,229	(151,618)	39,430	(124,882)
	(40,651)	(430,448)	(239,315)	(310,706)
Tax expense/(credit)	355,334	56,116	(267,535)	129,871

A reconciliation of tax expense applicable to (loss)/profit before tax at the statutory income tax rate to tax expense at the effective income tax rate of the Group and of the Company are as follows:

	The Group		The Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
(Loss)/Profit before tax:	(2,695,579)	(730,098)	(3,967,436)	344,486
Tax expense at the applicable tax rate of 24%	(646,939)	(175,224)	(952,185)	82,677
Tax effects of:				
Non-deductible expenses	231,661	305,598	830,673	311,872
Non-taxable income	-	(16,373)	(631,440)	(208,373)
Deferred tax assets not recognised	554,935	24,146	474,207	-
(Over)/Underprovision of income tax in prior years	(24,552)	69,587	(28,220)	68,577
Over/(Under) provision of deferred tax in prior years	240,229	(151,618)	39,430	(124,882)
Total tax expense/(credit)	355,334	56,116	(267,535)	129,871

Notes to the Financial Statements
cont'd

8. LOSS PER SHARE

Basic

The calculation of basic loss per ordinary share at the end of the reporting period was based on the loss attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding, calculated as follows:

	The Group	
	2024	2023
	RM	RM
Loss for the year	(3,050,913)	(786,214)
Weighted average number of ordinary shares	380,000,000	380,000,000
Basic loss per ordinary share attributable to owners of the Company (sen)	(0.80)	(0.21)

Diluted

The basic and diluted loss per share are the same as there were no dilutive potential ordinary shares.

9. PLANT AND EQUIPMENT

The Group	Motor vehicles	Computer equipment	Renovation, furniture and fittings and electrical fittings	Operating, display and office equipment	Total
	RM	RM	RM	RM	RM
Cost					
At 1 January 2023	943,438	4,889,203	25,629,447	4,995,386	36,457,474
Additions	-	299,580	155,673	395,168	850,421
Disposals	(177,129)	(13,069)	(4,100)	(77,950)	(272,248)
At 31 December 2023/ 1 January 2024	766,309	5,175,714	25,781,020	5,312,604	37,035,647
Additions	-	198,368	1,097,673	85,081	1,381,122
Write offs	-	(109,405)	(2,846,321)	(133,010)	(3,088,736)
At 31 December 2024	766,309	5,264,677	24,032,372	5,264,675	35,328,033

Notes to the Financial Statements
cont'd

9. PLANT AND EQUIPMENT *cont'd*

The Group	Motor vehicles	Computer equipment	Renovation, furniture and fittings and electrical fittings	Operating, display and office equipment	Total
	RM	RM	RM	RM	RM
Accumulated Depreciation					
At 1 January 2023	866,538	3,139,858	20,547,052	3,528,002	28,081,450
Charge for the year (Note 6)	45,545	876,213	2,523,365	547,513	3,992,636
Disposals	(177,129)	(13,069)	(797)	(5,513)	(196,508)
At 31 December 2023/ 1 January 2024	734,954	4,003,002	23,069,620	4,070,002	31,877,578
Charge for the year (Note 6)	19,146	792,844	1,657,463	523,929	2,993,382
Write offs	-	(107,903)	(2,840,358)	(118,643)	(3,066,904)
At 31 December 2024	754,100	4,687,943	21,886,725	4,475,288	31,804,056
Net Carrying Amount					
At 31 December 2023	31,355	1,172,712	2,711,400	1,242,602	5,158,069
At 31 December 2024	12,209	576,734	2,145,647	789,387	3,523,977

The Company	Motor vehicles	Computer equipment	Renovation, furniture and fittings and electrical fittings	Operating, display and office equipment	Total
	RM	RM	RM	RM	RM
Cost					
At 1 January 2023	812,237	3,917,384	22,308,709	3,453,245	30,491,575
Additions	-	274,335	120,943	381,368	776,646
Disposals	(177,129)	-	-	(76,900)	(254,029)
At 31 December 2023/ 1 January 2024	635,108	4,191,719	22,429,652	3,757,713	31,014,192
Additions	-	180,471	950,883	77,181	1,208,535
Write offs	-	(49,648)	(2,307,911)	(32,300)	(2,389,859)
At 31 December 2024	635,108	4,322,542	21,072,624	3,802,594	29,832,868

Notes to the Financial Statements
cont'd

9. PLANT AND EQUIPMENT *cont'd*

The Company	Motor vehicles	Computer equipment	Renovation, furniture and fittings and electrical fittings	Operating, display and office equipment	Total
	RM	RM	RM	RM	RM
Accumulated Depreciation					
At 1 January 2023	757,765	2,371,827	18,688,661	2,545,780	24,364,033
Charge for the year (Note 6)	36,265	746,291	1,684,000	318,720	2,785,276
Disposals	(177,129)	-	-	(5,127)	(182,256)
At 31 December 2023/ 1 January 2024	616,901	3,118,118	20,372,661	2,859,373	26,967,053
Charge for the year (Note 6)	9,866	716,524	1,159,628	314,082	2,200,100
Write offs	-	(48,560)	(2,301,948)	(32,300)	(2,382,808)
At 31 December 2024	626,767	3,786,082	19,230,341	3,141,155	26,784,345
Net Carrying Amount					
At 31 December 2023	18,207	1,073,601	2,056,991	898,340	4,047,139
At 31 December 2024	8,341	536,460	1,842,283	661,439	3,048,523

10. RIGHT-OF-USE ASSETS

The Group and the Company lease warehouse and retail stores. The lease terms are ranging from 2 years to 6 years averaging approximately 4 years.

The Group	Warehouse	Retail stores	Total
	RM	RM	RM
Cost			
At 1 January 2023	2,736,733	37,046,354	39,783,087
Additions	3,521,662	616,512	4,138,174
Modification of lease contracts	453	(789,893)	(789,440)
Expiry of lease contracts	(944,228)	(4,702,329)	(5,646,557)
Termination of lease contracts	(1,791,821)	-	(1,791,821)
At 31 December 2023/1 January 2024	3,522,799	32,170,644	35,693,443
Additions	-	4,141,000	4,141,000
Modification of lease contracts	(1,316)	26,567	25,251
Expiry of lease contracts	-	(15,667,365)	(15,667,365)
Termination of lease contracts	(1,762,174)	(1,801,944)	(3,564,118)
At 31 December 2024	1,759,309	18,868,902	20,628,211

Notes to the Financial Statements
cont'd

10. RIGHT-OF-USE ASSETS *cont'd*

The Group	Warehouse RM	Retail stores RM	Total RM
Accumulated Amortisation			
At 1 January 2023	1,384,403	18,285,053	19,669,456
Amortisation for the year (Note 6)	896,583	6,525,672	7,422,255
Modification of lease contracts	(182)	(134,664)	(134,846)
Expiry of lease contracts	(944,228)	(4,702,329)	(5,646,557)
Termination of lease contracts	(893,353)	-	(893,353)
At 31 December 2023/1 January 2024	443,223	19,973,732	20,416,955
Amortisation for the year (Note 6)	876,782	5,646,486	6,523,268
Modification of lease contracts	(2,982)	(98,009)	(100,991)
Expiry of lease contracts	-	(12,714,634)	(12,714,634)
Termination of lease contracts	(658,360)	(1,251,197)	(1,909,557)
At 31 December 2024	658,663	11,556,378	12,215,041
Net Carrying Amount			
At 31 December 2023	3,079,576	12,196,912	15,276,488
At 31 December 2024	1,100,646	7,312,524	8,413,170

The Company	Warehouse RM	Retail stores RM	Total RM
Cost			
At 1 January 2023	944,228	34,943,937	35,888,165
Additions	1,760,625	616,512	2,377,137
Modification of lease contracts	-	(489,419)	(489,419)
Expiry of lease contracts	(944,228)	(4,702,329)	(5,646,557)
At 31 December 2023/1 January 2024	1,760,625	30,368,701	32,129,326
Additions	-	4,141,000	4,141,000
Modification of lease contracts	(1,316)	26,567	25,251
Expiry of lease contracts	-	(15,667,365)	(15,667,365)
At 31 December 2024	1,759,309	18,868,903	20,628,212

Notes to the Financial Statements
cont'd

10. RIGHT-OF-USE ASSETS *cont'd*

The Company	Warehouse RM	Retail stores RM	Total RM
Accumulated Amortisation			
At 1 January 2023	713,355	17,641,874	18,355,229
Amortisation for the year (Note 6)	452,257	6,176,733	6,628,990
Modification of lease contracts	-	(124,226)	(124,226)
Expiry of lease contracts	(944,228)	(4,702,329)	(5,646,557)
At 31 December 2023/1 January 2024	221,384	18,992,052	19,213,436
Amortisation for the year (Note 6)	440,263	5,376,968	5,817,231
Modification of lease contracts	(2,982)	(98,009)	(100,991)
Expiry of lease contracts	-	(12,714,634)	(12,714,634)
At 31 December 2024	658,665	11,556,377	12,215,042
Net Carrying Amount			
At 31 December 2023	1,539,241	11,376,649	12,915,890
At 31 December 2024	1,100,644	7,312,526	8,413,170

Two (2023: Eight) of the leases for leased assets of retail stores of the Group and of the Company expired in the current financial year. The expired contracts were replaced by new leases for identical underlying assets.

11. INVESTMENT IN SUBSIDIARY COMPANIES

	The Company	
	2024 RM	2023 RM
Unquoted shares, at cost		
At beginning of year	7,100,000	8,600,000
Return of capital injection	-	(1,500,000)
	7,100,000	7,100,000
Less: Accumulated impairment loss	(2,639,211)	-
At end of year	4,460,789	7,100,000

As at 31 December 2024, the Company conducted an impairment review of its investment in subsidiary companies, principally based on the Company's share of net total assets in these subsidiary companies, which represents the directors' estimation of fair values of these subsidiary companies.

This resulted in an impairment loss recognised on its investment in a subsidiary company, Queemay Toys (Malaysia) Sdn Bhd of RM2,639,211 as the carrying amount of the subsidiary company exceeded its net recoverable value as at 31 December 2024.

Notes to the Financial Statements
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11. INVESTMENT IN SUBSIDIARY COMPANIES *cont'd*

On 29 December 2023, the Company decreased its investment in subsidiary company, Global Retail Network Sdn Bhd by RM1,500,000, by way of settling the amount due to subsidiary company.

The details of the subsidiary companies are as follows:

Name of entities	Principal place of business/ Country of incorporation	Principal activities	Proportion of ownership interest and voting power held by Group	
			2024	2023
			%	%
Global Product Solutions Sdn Bhd	Malaysia	Distribution of maternity and children's products.	100	100
Global Retail Network Sdn Bhd*	Malaysia	Distribution of children and maternity products.	100	100
Queemay Toys (Malaysia) Sdn Bhd	Malaysia	Retailing, trading, distribution and e-commerce of toys.	100	100

* *The financial statement of the subsidiary company is audited by an auditor other than the auditors of the Company.*

The Board of Directors of the Company resolved to transfer all assets and liabilities of subsidiary companies, Queemay Toys (Malaysia) Sdn Bhd ("QMT") and Global Product Solutions Sdn Bhd ("GPS") (collectively, "Transfer of Business") to the Company effective 1 January 2025 and 1 April 2025 onwards, respectively. QTSB and GPSSB will be dormant then onwards.

The Transfer of Business shall be based on the audited financial statements of GPS and QMT for the financial year ended 31 December 2024.

Composition of the Group

Information about the composition of the Group at the end of the reporting period is as follows:

Principal activity	Number of wholly-owned subsidiary companies	
	2024	2023
	RM	RM
Distribution	2	2
Retail	1	1
	3	3

Notes to the Financial Statements
cont'd

12. DEFERRED TAX ASSETS

	The Group		The Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
At 1 January	680,509	250,061	481,845	171,139
Transfer to profit or loss (Note 7):				
Plant and equipment	(35,372)	458,415	95,000	341,324
Inventories	22,220	7,667	23,241	6,646
Trade payables	(6,750)	18,448	(5,592)	14,805
Other payables and accrued expenses	(39,917)	43,877	(21,585)	25,545
Provision for restoration costs	(51,619)	5,330	(20,007)	2,687
Right-of-use assets and lease liabilities	(108,823)	(114,977)	(104,542)	(80,301)
Amount due to other related companies	-	(200)	-	-
Unabsorbed capital allowance	260,912	11,888	272,800	-
	40,651	430,448	239,315	310,706
At 31 December	721,160	680,509	721,160	481,845

Deferred tax assets provided in the financial statements are in respect of the tax effects of the following:

	The Group		The Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Temporary differences arising from:				
Plant and equipment	116,128	151,500	116,128	21,128
Inventories	35,051	12,831	35,051	11,810
Trade payables	4,579	11,329	4,579	10,171
Other payables and accrued expenses	24,528	64,445	24,528	46,113
Provision for restoration costs	178,777	230,396	178,777	198,784
Right-of-use assets and lease liabilities	89,297	198,120	89,297	193,839
Unabsorbed capital allowance	272,800	11,888	272,800	-
	721,160	680,509	721,160	481,845

As mentioned in Note 3, the tax effects of unabsorbed tax losses, unabsorbed capital allowances and deductible temporary differences which would give rise to deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the unabsorbed tax losses, unabsorbed capital allowances and deductible temporary differences can be utilised.

Pursuant to an Amendment to Section 44(5F) of the Income Tax Act 1967, the time limit to utilise unabsorbed tax losses has been extended to a maximum of 10 consecutive years. This Amendment is deemed to have effect from the year of assessment 2019. Furthermore, the unabsorbed tax losses brought forward from year of assessment 2018 can be carried forward for another 10 consecutive years of assessment (i.e. from year of assessment 2019 to 2028).

Notes to the Financial Statements
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12. DEFERRED TAX ASSETS *cont'd*

	The Group		The Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Year of assessment:				
2030	100,812	100,812	-	-
2031	13,764	13,764	-	-
2034	2,033,841	-	1,975,863	-

As of the end of the reporting period, the estimated amount of unabsorbed tax losses, unabsorbed capital allowances and other deductible temporary differences pertaining to the Group and the Company, for which no deferred tax assets have been recognised in the financial statements due to uncertainty of their realisation, is as follows:

	The Group		The Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Unabsorbed tax losses	2,148,417	114,576	1,975,863	-
Unabsorbed capital allowances	1,025,464	868,088	-	-
Other deductible temporary differences	257,380	136,368	-	-
	3,431,261	1,119,032	1,975,863	-

13. INVENTORIES

	The Group		The Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
At cost:				
Trading goods	30,787,784	43,806,358	23,087,139	31,184,917
Goods-in-transit	1,633,836	8,166,012	221,371	7,423,793
	32,421,620	51,972,370	23,308,511	38,608,710
At net realisable value:				
Trading goods	712,416	382,974	275,351	153,724
	33,134,036	52,355,344	23,583,862	38,762,434

During the current financial year, RM52,832,498 and RM41,700,994 (2023: RM52,474,333 and RM40,356,036) of inventories was recognised as an expense in cost of sales of the Group and of the Company, respectively.

Notes to the Financial Statements
cont'd

13. INVENTORIES *cont'd*

The movement in inventories charged/(credited) to (loss)/profit before tax as disclosed in Note 6 are as follows:

	The Group		The Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Written off	561,746	732,797	431,863	321,046
Write-down	98,945	377,209	96,839	27,693
Reversal of write-down	(185,588)	-	-	-

During the financial year, the Group recognises a reversal of write-down of inventories amounting to RM185,588, arising from an increase in the realisable value of inventories.

14. TRADE RECEIVABLES

Trade receivables comprise amounts receivable for the sale of goods. It is measured at amortised cost.

The credit period granted to the customers of the Group and of the Company for sale of goods ranges from 2 days to 90 days (2023: 2 days to 90 days).

Included in the Group's trade receivables balance are debtors with a carrying amount of RM138,748 (2023: RM150,693) which are past due at the end of the reporting period. The Group has assessed the expected credit losses to be Nil (2023: Nil) as there has not been a significant change in credit quality and the Group believes that the amount is considered fully recoverable based on past default experience and assessment of both the current as well as the forecast of conditions at the financial year end. The Group does not hold any collateral over these balances. The aging of these past due receivables ranges from 30 to 90 days (2023: 30 to 90 days).

An analysis of trade receivables as follows:

	The Group		The Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Not impaired				
- not past due	1,297,047	1,422,614	562,773	520,406
- past due by:				
1 to 30 days	122,558	114,555	-	-
31 to 60 days	738	31,820	-	-
More than 60 days	15,452	4,318	-	-
	138,748	150,693	-	-
	1,435,795	1,573,307	562,773	520,406

The trade receivables are denominated in Ringgit Malaysia.

Notes to the Financial Statements
cont'd

15. OTHER RECEIVABLES, DEPOSITS AND PREPAID EXPENSES

	The Group		The Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Non-Current:				
Refundable deposits	823,999	2,460,164	823,999	2,242,884
Current:				
Other receivables	926,387	328,137	912,938	181,411
Refundable deposits	3,036,814	1,304,203	2,683,860	1,202,192
Prepaid expenses	883,549	1,350,526	867,245	1,236,000
	4,846,750	2,982,866	4,464,043	2,619,603
Total	5,670,749	5,443,030	5,288,042	4,862,487

In determining the recoverability of other receivables and refundable deposits, the Group and the Company consider any change in the credit quality of the other receivables and refundable deposits from the date credit was initially granted up to the end of the reporting period. No expected credit losses are provided as the Group and the Company expect these other receivables and refundable deposits are fully recoverable.

Included in refundable deposits of the Group and of the Company are rental deposits paid in respect for retail outlets and warehouses amounting to RM3,786,406 and RM3,454,402 (2023: RM3,636,974 and RM3,343,192) whereas prepaid expenses comprise of prepaid insurance and rental.

The Group and the Company have secured bank guarantee from a financial institution amounting to RM1,002,271 (2023: RM976,855) for tenancy agreements entered into. The bank guarantee is secured by certain fixed deposits as disclosed in Note 17.

The currency exposure profile of other receivables, deposits and prepaid expenses are as follows:

	The Group		The Company	
	2024	**2023**	**2024**	**2023**
	RM	**RM**	**RM**	**RM**
Ringgit Malaysia	4,895,891	5,175,042	4,523,430	4,729,832
United States Dollar	699,992	266,993	699,992	132,655
Australian Dollar	10,246	995	-	-
Euro	64,620	-	64,620	-
	5,670,749	5,443,030	5,288,042	4,862,487

Notes to the Financial Statements
cont'd

16. SHORT-TERM INVESTMENTS

	The Group		The Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Financial assets at fair value through profit or loss:				
Money market fund	-	2,038,980	-	2,038,980

17. FIXED DEPOSITS WITH LICENSED BANKS

The fixed deposits earned interest at rates ranging from 2.0% to 3.85% (2023: 2.0% to 3.75%) per annum with maturity period of 1 to 12 months (2023: 1 to 12 months).

Included in fixed deposits with licensed banks of the Group and of the Company are deposits pledged for:

a) Bank guarantees granted to the Group and to the Company amounting to RM1,002,271 (2023: RM976,855), and

b) Credit facilities granted to the Group and to the Company amounting to RM1,133,683 (2023: RMNil).

18. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the statements of cash flows comprise the following amounts on the statements of financial position:

	The Group		The Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Fixed deposits with licensed banks	16,204,176	6,097,099	16,204,176	6,097,099
Cash and bank balances	17,749,974	13,410,463	11,572,674	10,655,264
	33,954,150	19,507,562	27,776,850	16,752,363
Less: Fixed deposits pledged (Note 17)	(2,135,954)	(976,855)	(2,135,954)	(976,855)
	31,818,196	18,530,707	25,640,896	15,775,508

The currency exposure profile of fixed deposits and cash and bank balances is as follows:

	The Group		The Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Ringgit Malaysia	33,926,562	19,471,964	27,749,262	16,717,141
British Pound	1,954	2,871	1,954	2,871
Singapore Dollar	24,646	31,719	24,646	31,343
Hong Kong Dollar	988	1,008	988	1,008
	33,954,150	19,507,562	27,776,850	16,752,363

Notes to the Financial Statements
cont'd

19. SHARE CAPITAL

	The Group and the Company			
	2024		2023	
	No. of shares	RM	No. of shares	RM
Issued and fully paid with no par value				
Ordinary shares				
At beginning/end of year	380,000,000	31,128,118	380,000,000	31,128,118

20. RETAINED EARNINGS

The retained earnings of the Company are available for appropriation of dividend to the shareholders of the Company under the single-tier income tax system.

21. DIVIDEND

	The Company	
	2024	2023
	RM	RM
Final dividend of RM0.001 per ordinary share in respect of the financial year ended 31 December 2023	380,000	-
Final dividend of RM0.006 per ordinary share in respect of the financial year ended 31 December 2022	-	2,280,000

On 30 May 2023, the Company declared a final dividend of 0.6 sen per ordinary share amounted to RM2,280,000 in respect of the financial year ended 31 December 2022 of which was paid on 18 August 2023.

On 15 April 2024, the Company declared a final dividend of 0.1 sen per ordinary share amounted to RM380,000 in respect of the financial year ended 31 December 2023 has been approved by shareholders at the Forty-Third Annual General Meeting held on 30 May 2024, which was paid on 19 August 2024.

The directors proposed a final dividend of 0.1 sen per ordinary share amounting to approximately RM380,000 in respect of the financial year ended 31 December 2024. The proposed dividend, which is subject to the approval of the shareholders at the forthcoming Annual General Meeting of the Company, has not been included as a liability in the financial statements. Upon approval by the shareholders, the dividend payment will be accounted for in equity as an appropriation of retained earnings during the financial year ending 31 December 2025.

Notes to the Financial Statements
cont'd

22. LEASE LIABILITIES

	The Group		The Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Maturity analysis:				
Not later than 1 year	4,043,637	7,368,228	4,043,637	6,598,104
Later than 1 year but not later than 5 years	5,005,508	9,426,249	5,005,508	7,654,696
Later than 5 years	388,695	-	388,695	-
	9,437,840	16,794,477	9,437,840	14,252,800
Less: Unearned interest	(775,633)	(978,208)	(775,633)	(777,504)
	8,662,207	15,816,269	8,662,207	13,475,296
Present value of lease liabilities analysed as:				
Current	3,716,651	6,830,778	3,716,651	6,155,383
Non-current	4,945,556	8,985,491	4,945,556	7,319,913
	8,662,207	15,816,269	8,662,207	13,475,296

The Group and the Company apply the incremental borrowing rates to the lease liabilities recognised ranging 3.75% to 5.20% (2023: 3.45% to 5.20%) per annum.

The Group and the Company do not face a significant liquidity risk with regards to its lease liabilities. Lease liabilities are monitored within the Group's and the Company's treasury function.

Reconciliation of liabilities arising from financing activities

The table below details the changes in the Group's and the Company's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's and the Company's statements of cash flows as cash flows from financing activities.

	The Group		The Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
At 1 January	15,816,269	20,714,409	13,475,296	18,135,733
Total financing cash outflows:				
Principal paid	(6,670,507)	(7,398,841)	(5,995,112)	(6,648,991)
Interest paid	(604,598)	(755,197)	(509,868)	(649,415)
	8,541,164	12,560,371	6,970,316	10,837,327
Non-cash changes				
Finance costs (Note 6)	604,598	755,197	509,868	649,415
Modification of lease contract	26,567	(662,326)	26,567	(351,793)
Termination of lease contract	(4,555,088)	(923,367)	(2,889,510)	-
Recognition of lease liabilities	4,044,966	4,086,394	4,044,966	2,340,347
At 31 December	8,662,207	15,816,269	8,662,207	13,475,296

Notes to the Financial Statements
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23. TRADE PAYABLES

Trade payables comprise amounts outstanding for trade purchases and ongoing costs. The credit period granted to the Group and to the Company for trade purchases ranges from 30 to 90 days (2023: 30 to 90 days).

The currency profile of trade payables is as follows:

	The Group		The Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Ringgit Malaysia	1,092,582	1,623,881	855,311	1,172,249
British Pound	266,905	955,233	26,985	550
United States Dollar	671,480	2,909,860	-	2,844,507
Singapore Dollar	-	408	-	408
Euro	-	332,643	-	332,643
Australian Dollar	59,503	-	-	-
	2,090,470	5,822,025	882,296	4,350,357

24. OTHER PAYABLES, ACCRUED EXPENSES AND PROVISION

	The Group		The Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Other payables	1,448,297	1,099,638	1,214,954	793,023
Accrued expenses	2,072,232	3,847,269	1,721,063	3,289,866
Provision for restoration costs	859,904	959,983	744,904	828,268
	4,380,433	5,906,890	3,680,921	4,911,157

Movement of provision for restoration costs is as follows:

	The Group		The Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
At 1 January	959,983	941,554	828,268	814,785
Utilisation during the year	(129,038)	-	(97,943)	-
Unwinding of interest expense (Note 6)	28,959	18,429	14,579	13,483
At 31 December	859,904	959,983	744,904	828,268

The restoration costs were provided for future restoration of the Group's and of the Company's retail outlets.

Notes to the Financial Statements
cont'd

24. OTHER PAYABLES, ACCRUED EXPENSES AND PROVISION *cont'd*

The currency profile of other payables is as follows:

	The Group		The Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Ringgit Malaysia	935,499	1,047,349	712,647	751,500
British Pound	449,778	-	439,287	-
United States Dollar	15,036	47,138	15,036	36,372
Singapore Dollar	47,984	-	47,984	-
Hong Kong Dollar	-	5,151	-	5,151
	1,448,297	1,099,638	1,214,954	793,023

25. HOLDING COMPANY AND RELATED PARTY TRANSACTIONS

The directors regard Kim Hin International Pte Ltd, a company incorporated in Singapore, as the holding company.

The related parties and the relationship with the Company are as follows:

Related party	Relationship
Little Humans Pte Ltd (formally known as Mothercare (S) Pte Ltd)	Common directors and major shareholder
Global Outsource Solutions Pte Ltd	Common directors and major shareholder
Trade Solutions Ltd	Common directors and major shareholder
Mother and Child Ltd	Common director and major shareholder
Cheng Yean Properties Sdn Bhd	Common director and major shareholder
Kim Hin Innovation Labs Private Ltd	Common directors and major shareholder
Global Retail Solutions Ltd	Common director and major shareholder
Kim Hin Joo Limited (HK)	Common directors and major shareholder
Kim Hin Toys Pte Ltd	Common directors and major shareholder
Kim Hin International Pte Ltd	Holding company
Global Product Solutions Sdn Bhd	Subsidiary company
Global Retail Network Sdn Bhd	Subsidiary company
Queemay Toys (Malaysia) Sdn Bhd	Subsidiary company

Amount due from holding company, which arose from non-trade transactions, was unsecured, interest-free, repayable on demand and denominated in Singapore Dollar.

Amount due from/(to) subsidiary companies which arose from both trade, non-trade transactions and advances granted, are unsecured, interest-free, repayable on demand and are denominated in Ringgit Malaysia.

Amount due from other related companies, which arose from non-trade transactions, was unsecured, interest-free, repayable on demand and was denominated in Ringgit Malaysia.

Notes to the Financial Statements
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25. HOLDING COMPANY AND RELATED PARTY TRANSACTIONS *cont'd*

During the financial year, significant related party transactions, which are determined on a basis as negotiated between the said parties, are as follows:

	The Group		The Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Purchase of goods from:				
- Global Product Solutions Sdn Bhd	-	-	3,442,873	2,631,277
- Global Outsource Solutions Pte Ltd	13,259	5,363	13,259	5,363
- Global Retail Network Sdn Bhd	-	-	-	913,990
- Queemay Toys (Malaysia) Sdn Bhd	-	-	83,038	-
- Kim Hin Innovation Labs Private Ltd	1,641,022	530,140	786,283	240,217
- Little Humans Pte Ltd (formally known as Mothercare (S) Pte Ltd)	182,110	204,323	182,110	204,323
Sale of goods to:				
- Global Product Solutions Sdn Bhd	-	-	339,995	155,866
- Global Outsource Solutions Pte Ltd	15,750	-	-	-
- Kim Hin Innovation Labs Private Ltd	246,903	126,900	30,742	-
- Little Humans Pte Ltd (formally known as Mothercare (S) Pte Ltd)	499,277	393,561	424,248	293,724
- Queemay Toys (Malaysia) Sdn Bhd	-	-	-	80,708
- Trade Solutions Ltd	-	193,743	-	-
Rental payable to:				
- Cheng Yean Properties Sdn Bhd	960,000	480,000	480,000	240,000
E-commerce management fees payable to:				
- Little Humans Pte Ltd (formally known as Mothercare (S) Pte Ltd)	283,377	193,514	283,377	193,514
Corporate management fees payable to:				
- Kim Hin International Pte Ltd	29,699	135,186	-	-
Routine support service fee payable to:				
- Global Outsource Solutions Pte Ltd	19,510	38,925		-
- Little Humans Pte Ltd (formally known as Mothercare (S) Pte Ltd)	170,027	48,663	47,310	48,663
- Kim Hin Toys Pte Ltd	9,828	18,425	-	-
Dividend received from:				
- Global Product Solutions Sdn Bhd	-	-	2,631,000	-
- Global Retail Network Sdn Bhd	-	-	-	800,000

Notes to the Financial Statements
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26. FINANCIAL INSTRUMENTS

Capital risk management

The objective of the Group's and of the Company's capital management is to safeguard the Group's and the Company's ability to continue as a going concern while maximising the return to shareholders through the optimisation of debt and equity balance. The Group's and the Company's overall strategy remain unchanged since previous year.

The Board of Directors reviews the capital structure of the Group and of the Company on a regular basis. As part of the review, the Board of Directors considers the cost of capital and risk associated with each class of capital.

The capital structure of the Group and of the Company consists cash and cash equivalents and equity of the Group and of the Company (comprising share capital and retained earnings), thus debt and equity ratio is not applicable.

Categories of financial instruments

The table below provides an analysis of the various categories of financial instruments:

	The Group		The Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Financial assets				
At amortised cost:				
Trade receivables	1,435,795	1,573,307	562,773	520,406
Other receivables and refundable deposits	4,787,200	4,092,504	4,420,797	3,626,487
Amount due from holding company	-	82,291	-	-
Amount due from subsidiary companies	-	-	565,540	655,461
Amount due from other related companies	-	700,451	-	240,000
Fixed deposits with licensed banks	16,204,176	6,097,099	16,204,176	6,097,099
Cash and bank balances	17,749,974	13,410,463	11,572,674	10,655,264
At fair value through profit or loss:				
Short-term investments	-	2,038,980	-	2,038,980

	The Group		The Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Financial liabilities				
At amortised cost:				
Trade payables	(2,090,470)	(5,822,025)	(882,296)	(4,350,357)
Other payables and accrued expenses	(3,520,529)	(4,946,907)	(2,936,017)	(4,082,889)
Amount due to subsidiary companies	-	-	(985,483)	(985,110)
Lease liabilities	(8,662,207)	(15,816,269)	(8,662,207)	(13,475,296)

Notes to the Financial Statements
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26. FINANCIAL INSTRUMENTS *cont'd*

Financial risk management objectives

The operations of the Group and of the Company are subject to a variety of financial risks, including foreign currency risk, interest rate risk, credit risk and liquidity risk. The Group and the Company have taken measures to minimise their exposure to risks and/or costs associated with the financing, investing and operating activities of the Group and of the Company.

Foreign currency risk management

The Group and the Company undertake transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuation arise.

The carrying amounts of the Group's and of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

	The Group		The Company	
	Assets	Liabilities	Assets	Liabilities
	RM	RM	RM	RM
2024				
British Pound	1,954	(716,683)	1,954	(466,272)
United States Dollar	-	(686,516)	-	(15,036)
Singapore Dollar	24,646	(47,984)	24,646	(47,984)
Euro	64,620	-	64,620	-
Hong Kong Dollar	988	-	988	-
Australian Dollar	10,246	(59,503)	-	-
	102,454	(1,510,686)	92,208	(529,292)
2023				
British Pound	2,871	(955,233)	2,871	(550)
United States Dollar	134,338	(2,956,998)	-	(2,880,879)
Singapore Dollar	114,010	(408)	31,343	(408)
Euro	-	(332,643)	-	(332,643)
Hong Kong Dollar	1,008	(5,151)	1,008	(5,151)
Australian Dollar	995	-	-	-
	253,222	(4,250,433)	35,222	(3,219,631)

Foreign currency sensitivity analysis

The following table details the Group's and the Company's sensitivity to a 5% increase and decrease in the Ringgit Malaysia against the relevant foreign currencies. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the reporting period for a 5% change in foreign currency rates. A positive number below indicates a profit where the Ringgit Malaysia strengthens 5% against the relevant currency. For a 5% weakening of the Ringgit Malaysia against the relevant currency, there would be a comparable opposite effect on profit after tax.

Notes to the Financial Statements
cont'd

26. FINANCIAL INSTRUMENTS *cont'd*

	The Group		The Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Strengthened 5%				
British Pound	27,160	36,190	17,644	(88)
United States Dollar	26,087	107,261	571	109,473
Singapore Dollar	887	(4,317)	887	(1,176)
Euro	(2,456)	12,640	(2,456)	12,640
Hong Kong Dollar	(38)	157	(38)	157
Australian Dollar	1,872	(38)	-	-
	53,513	151,893	16,609	121,006
Weakened 5%				
British Pound	(27,160)	(36,190)	(17,644)	88
United States Dollar	(26,087)	(107,261)	(571)	(109,473)
Singapore Dollar	(887)	4,317	(887)	1,176
Euro	2,456	(12,640)	2,456	(12,640)
Hong Kong Dollar	38	(157)	38	(157)
Australian Dollar	(1,872)	38	-	-
	(53,513)	(151,893)	(16,609)	(121,006)

Interest rate risk management

The Group's and Company's investments in fixed deposits are not exposed to a significant risk of change in their fair values as they are not affected by changes in interest rates. Hence, any changes in interest rate in the near term are not expected to have a significant impact on the Group's and on the Company's financial performance. Accordingly, no sensitivity analysis is presented.

Credit risk management

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. Credit risk arises primarily from outstanding trade and other receivables. The Group and the Company extend credit to their customers based upon careful evaluation of the customers' financial condition and credit history. The Company monitors on an on-going basis the results of its subsidiary companies and repayments made by them.

For other financial assets (including cash and bank balances, fixed deposits with licensed banks and short-term investments), the Group and the Company minimise credit risks by dealing exclusively with high credit rating counterparties.

Exposure to credit risk

At the end of the reporting period, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position. These receivables are not secured by any collateral or credit enhancements.

Notes to the Financial Statements
cont'd

26. FINANCIAL INSTRUMENTS *cont'd*

Credit risk management *cont'd*

Impairment of financial assets

The Group's and the Company's financial assets that are subject to the expected credit loss ("ECL") model include trade receivables, other receivables, refundable deposits, amount due from holding company, amount due from subsidiary companies and amount due from other related companies.

Trade receivables using the simplified approach

The Group and the Company apply the MFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The Group and the Company determined the expected credit losses based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. No significant changes to estimation techniques or assumptions were made during the reporting period.

Other receivables, refundable deposits, amount due from holding company, amount due from subsidiary companies and amount due from other related companies using general 3-stage approach

The Group and the Company monitor the credit risks of other receivables, refundable deposits, amount due from holding company, amount due from subsidiary companies and amount due from other related companies on a regular basis and the Group and the Company do not expect any counterparty to fail to meet its obligations. In addition, receivable balances and rental deposits are monitored on an ongoing basis and the Group's and the Company's exposure to default is low, and historically there were minimal instances where contractual cash flow obligations have not been met.

Other receivables, refundable deposits, amount due from holding company, amount due from subsidiary companies and amount due from other related companies are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group and the Company, and a failure to make contractual payments for a period of greater than 30 days past due.

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

Liquidity risk management

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arise primarily from mismatches of the maturities of financial assets and financial liabilities.

The Group and the Company practise prudent liquidity risk management to minimise the mismatch of financial assets and financial liabilities and to maintain sufficient credit facilities for contingent funding requirement of working capital.

The table below summarises the maturity profile of the Group's non-derivative financial liabilities at the end of the reporting period based on contractual undiscounted repayment obligations. The table includes both interest and principal cash flows.

Notes to the Financial Statements
cont'd

26. FINANCIAL INSTRUMENTS *cont'd*

	Less than 1 year	1 - 2 years	More than 2 years	Total	Contractual interest rate
	RM	RM	RM	RM	%
The Group					
2024					
Non-interest bearing:					
Trade payables	2,090,470	-	-	2,090,470	-
Other payables and accrued expenses	3,520,529	-	-	3,520,529	-
Interest bearing:					
Lease liabilities	4,043,637	1,962,216	3,431,987	9,437,840	3.75% to 5.20%
	9,654,636	1,962,216	3,431,987	15,048,839	
2023					
Non-interest bearing:					
Trade payables	5,822,025	-	-	5,822,025	-
Other payables and accrued expenses	4,946,907	-	-	4,946,907	-
Interest bearing:					
Lease liabilities	7,368,228	5,053,425	4,372,824	16,794,477	3.45% to 5.20%
	18,137,160	5,053,425	4,372,824	27,563,409	
The Company					
2024					
Non-interest bearing:					
Trade payables	882,296	-	-	882,296	-
Other payables and accrued expenses	2,936,017	-	-	2,936,017	-
Amount due to subsidiary companies	985,483	-	-	985,483	-
Interest bearing:					
Lease liabilities	4,043,637	1,962,216	3,431,987	9,437,840	3.75% to 5.20%
	8,847,433	1,962,216	3,431,987	14,241,636	
2023					
Non-interest bearing:					
Trade payables	4,350,357	-	-	4,350,357	-
Other payables and accrued expenses	4,082,889	-	-	4,082,889	-
Amount due to subsidiary companies	985,110	-	-	985,110	-
Interest bearing:					
Lease liabilities	6,598,104	4,342,930	3,311,766	14,252,800	3.45% to 5.20%
	16,016,460	4,342,930	3,311,766	23,671,156	

Notes to the Financial Statements
cont'd

26. FINANCIAL INSTRUMENTS *cont'd*

Fair values of financial instruments

The fair values of financial instruments refer to the amounts at which the instruments could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction. Fair values have been arrived at based on prices quoted in an active, liquid market or estimated using certain valuation techniques such as discounted future cash flows based upon certain assumptions. Amounts derived from such methods and valuation techniques are inherently subjective and therefore do not necessarily reflect the amounts that would be received or paid in the event of immediate settlement of the instruments concerned.

On the basis of the amounts estimated from the methods and techniques as mentioned in the preceding paragraph, the carrying amounts of all financial instruments approximate their fair values due to their relatively short maturity, except for non-current lease liabilities, the fair values of non-current lease liabilities are estimated by discounting expected future cash flows at market incremental borrowing rate at the commencement date of lease.

Financial assets that are measured at fair value

The fair values of short-term investments as disclosed in Note 16 are determined at their quoted closing prices, Level 1 input in the fair value hierarchy, at the end of the reporting period.

27. EMPLOYEE'S SHARE OPTION SCHEME ("ESOS")

On 18 June 2021, the Company established an ESOS of up to 15% of the total number of issued ordinary shares in the Company (excluding treasury shares, if any), at any point in time throughout the duration of the ESOS to eligible director(s) and employees of the Company and its subsidiary companies. During the financial year, there are no director(s) and employees of the Company and its subsidiary companies who are eligible for ESOS, as a result, there is no financial impact on the financial statements of the Group and of the Company as at 31 December 2024.

28. CAPITAL COMMITMENT

At the end of the reporting period, the Group and the Company has the following commitment in respect of acquisition of property, plant and equipment:

	The Group and the Company	
	2024	2023
	RM	RM
Contracted but not provided for	130,678	-

29. SEGMENT INFORMATION

The Group has arrived at two reportable segments, as described below, which are the strategic business units of the Group. The strategic business units are separated based on its operation activities. For each of the strategic business units, the Managing Director and Chief Financial Officer ("CFO") of the Group review the internal management reports at least on a quarterly basis.

Retail
Retailing of baby, children and maternity products.

Distribution
Distribution of baby, children and maternity products.

The performance of the reportable segments are measured based on segment's profit before tax.

Notes to the Financial Statements
cont'd

29. SEGMENT INFORMATION *cont'd*

Inter-segment revenue is priced along the same lines as sales to external customers and is eliminated in the consolidated financial statements. These policies have been applied consistently throughout the current and previous financial years.

Segment assets and liabilities

For the purposes of monitoring segment performance and allocating resources between segments, all assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Acquisition of plant and equipment is the total costs incurred during the year to acquire segment assets that are expected to be used for more than one period.

Geographical information

Geographical information is not presented as the Group operates primarily in Malaysia.

Major customers information

There is no significant concentration of revenue from any major customers as the Group sells its products to individual end consumers or purchasers.

The Group 2024	Retail RM	Distribution RM	Elimination RM	Total RM
Revenue				
Revenue from external customers	81,079,755	11,504,239	-	92,583,994
Inter-segment revenue	423,033	3,483,061	(3,906,094)	-
Total revenue	81,502,788	14,987,300	(3,906,094)	92,583,994
Results				
Operating results	(4,589,249)	1,693,664	74,830*	(2,820,755)
Interest income	639,197	119,536	-	758,733
Finance costs	(574,108)	(59,449)	-	(633,557)
(Loss)/Profit before tax	(4,524,160)	1,753,751	74,830	(2,695,579)
Tax credit/(expense)	110,019	(465,353)	-	(355,334)
(Loss)/Profit for the year	(4,414,141)	1,288,398	74,830	(3,050,913)
Segment assets	80,036,766	14,420,715	(6,481,356)	87,976,125
Segment liabilities	15,739,076	945,982	(1,551,023)	15,134,035
Other information				
Acquisition of plant and equipment	1,363,225	17,897	-	1,381,122
Depreciation of plant and equipment	2,785,855	207,527	-	2,993,382
Additions of right-of-use assets	4,141,000	-	-	4,141,000
Amortisation of right-of-use assets	6,116,168	407,100	-	6,523,268

Notes to the Financial Statements
cont'd

29. SEGMENT INFORMATION *cont'd*

Major customers information *cont'd*

The Group 2023	Retail RM	Distribution RM	Elimination RM	Total RM
Revenue				
Revenue from external customers	84,781,810	11,013,354	-	95,795,164
Inter-segment revenue	236,573	4,934,113	(5,170,686)	-
Total revenue	85,018,383	15,947,467	(5,170,686)	95,795,164
Results				
Operating results	(61,614)	148,685	(366,796)*	(279,725)
Interest income	301,244	22,009	-	323,253
Finance costs	(718,794)	(54,832)	-	(773,626)
(Loss)/Profit before tax	(479,164)	115,862	(366,796)	(730,098)
Tax expense	(21,274)	(34,842)	-	(56,116)
(Loss)/Profit for the year	(500,438)	81,020	(366,796)	(786,214)
Segment assets	95,978,442	17,116,766	(9,276,734)	103,818,474
Segment liabilities	26,886,611	2,299,431	(1,640,571)	27,545,471
Other information				
Acquisition of plant and equipment	822,094	28,327	-	850,421
Depreciation of plant and equipment	3,782,294	210,342	-	3,992,636
Additions of right-of-use assets	2,494,784	1,643,390	-	4,138,174
Amortisation of right-of-use assets	7,007,961	414,294	-	7,422,255

* *Included dividend from a subsidiary company of RM2,631,000 (2023: RM800,000).*

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251 (2) OF THE COMPANIES ACT 2016

The directors of **KIM HIN JOO (MALAYSIA) BERHAD** state that, in their opinion, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2024 and of the financial performance and the cash flows of the Group and of the Company for the year then ended.

Signed on behalf of the Board
in accordance with a resolution of the Directors,

PANG FU WEI **GOH POH TENG**

Selangor
16 April 2025

DECLARATION BY THE OFFICER

PRIMARILY RESPONSIBLE FOR THE FINANCIAL MANAGEMENT OF THE COMPANY

I, **CHANG KIM WIN**, the officer primarily responsible for the financial management of **KIM HIN JOO (MALAYSIA) BERHAD**, do solemnly and sincerely declare that the accompanying financial statements are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

CHANG KIM WIN
(MIA: 14670)

Subscribed and solemnly declared by
the abovenamed **CHANG KIM WIN** at
KUALA LUMPUR on this 16th day of
April, 2025.

Before me,

COMMISSIONER FOR OATHS

Analysis of Shareholdings

As at 24 March 2025

Issued Shares : 380,000,000 ordinary shares
Class of Shares : Ordinary Shares
Voting Rights : One vote per share

ANALYSIS BY SHAREHOLDINGS

Distribution of shareholdings according to size:

Size of Holdings	No. of Shareholders/ Depositors	% of Shareholders/ Depositors	No. of Shares Held	% of Issued Capital
1 - 99	22	1.50	300	0.00
100 - 1,000	194	13.20	89,800	0.02
1,001 - 10,000	450	30.63	2,830,300	0.75
10,001 - 100,000	660	44.93	22,433,500	5.90
100,001 to less than 5% of issued shares	142	9.67	119,046,100	31.33
5% and above of issued shares	1	0.07	235,600,000	62.00
Total	**1,469**	**100.00**	**380,000,000**	**100.00**

SUBSTANTIAL SHAREHOLDERS

(As per Register of Substantial Shareholders)

	Direct		Indirect	
Name of Shareholder	No. of Shares held	% of Issued Capital	No. of Shares held	% of Issued Capital
Kim Hin International Pte Ltd ("**KHI**")	235,600,000	62.00	-	-
Pang Kim Hin	11,280,700	2.97	235,600,000 (1)	62.00

Notes:

*(1) Deemed interested by virtue of his shareholdings held through KHI pursuant to Section 8 of the Companies Act 2016 ("**the Act**").*

SHAREHOLDINGS OF DIRECTORS

(As per Register of Directors' Shareholdings)

	Direct		Indirect	
Name of Directors	No. of Shares held	% of Issued Capital	No. of Shares held	% of Issued Capital
Pang Kim Hin	11,280,700	2.97	235,600,000 (1)	62.00
Pang Fu Wei	538,800	0.14	-	0.00
Goh Poh Teng	1,000,000	0.26	-	0.00
Chew Soo Lin	2,150,000	0.57	800,000 (2)	0.21
Kor Yann Ning	800,000	0.21	-	0.00
Hew Moh Yung	-	0.00	-	0.00

Notes:

(1) Deemed interested by virtue of his shareholdings held through KHI pursuant to Section 8 of the Act.

(2) Deemed interested by virtue of his shareholdings held through Cepheus Corporation Pte Ltd pursuant to Section 8 of the Act.

Analysis of Shareholdings

As at 24 March 2025
cont'd

THIRTY (30) LARGEST SHAREHOLDERS

No.	Name of Shareholders	No. of Shares Held	% of Issued Capital
1.	Kim Hin International Pte Ltd	235,600,000	62.00
2.	Lian Lee Choo	11,400,000	3.00
3.	Pang Kim Hin	11,280,700	2.97
4.	CIMSEC Nominees (Tempatan) Sdn Bhd *CIMB for Khoo Yok Kee (PB)*	9,583,900	2.52
5.	Kaginic Corporation Sdn Bhd	9,500,000	2.50
6.	Loke Kien Meng	5,563,300	1.46
7.	UOB Kay Hian Nominees (Asing) Sdn Bhd *Exempt An For UOB Kay Hian Pte Ltd (A/C Clients)*	4,000,000	1.05
8.	RHB Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Gan Thiam Seng*	2,883,000	0.76
9.	Tan Yau Lam	2,769,000	0.73
10.	GT-MAX Resources Sdn Bhd	2,700,000	0.71
11.	Wong Jee Shyong	2,570,000	0.68
12.	CGS-International Nominees Malaysia (Tempatan) Sdn Bhd *Pledged Securities Account for Wong Yee Wah @ Wong Mok Choon (SS2 PJ-CL)*	2,488,500	0.66
13.	Lee Tjun Ken	2,400,000	0.63
14.	Maybank Nominees (Asing) Sdn Bhd *Pledged Securities Account for Chew Soo Lin*	2,150,000	0.57
15.	Tan Tiak Kun	2,045,000	0.54
16.	Public Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Teh Kian Lang (E-KLC)*	1,479,100	0.39
17.	Ng Ah Bah @ Ng See Kai	1,383,700	0.36
18.	Cartaban Nominees (Asing) Sdn Bhd *The Bank of New York Mellon for Acadian Emerging Markets Micro-Cap Equity Master Fund*	1,256,600	0.33
19.	Public Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Foo Kar Seong (E-IMO)*	1,244,200	0.33
20.	Chin Chee Kuan	1,200,000	0.32
21.	Affin Hwang Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Kok Yew Fatt*	1,165,600	0.31
22.	Jeanette Goh Il-San	1,120,600	0.30
23.	CGS-International Nominees Malaysia (Tempatan) Sdn Bhd *Pledged Securities Account for Oh Boon Howe (Penang-CL)*	1,050,000	0.28
24.	Gan Lay Keng	1,000,000	0.26
25.	Gan Thiam Seng	1,000,000	0.26
26.	Goh Poh Teng	1,000,000	0.26
27.	HSBC Nominees (Asing) Sdn Bhd *Exempt An for Caceis Bank (CBSB-CSG-FGN)*	1,000,000	0.26
28.	Pang Shu Ming	1,000,000	0.26
29.	Kwang Wai Ping	994,300	0.26
30.	Public Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Liew Yueh Ming (E-KBU)*	904,000	0.24
	Total	323,731,500	85.20

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Forty-Fourth ("**44th**") Annual General Meeting ("**AGM**") of KIM HIN JOO (MALAYSIA) BERHAD ("**KHJ**" or "**Company**") will be held 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. for the following purposes: -

AGENDA

As Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 31 December 2024 together with the Reports of the Directors and Auditors thereon. **[Please refer to Explanatory Note 1]**

2. To approve 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. **Ordinary Resolution 1**

3. To approve the payment of 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 from this forthcoming 44th AGM until the conclusion of the next AGM of the Company. **Ordinary Resolution 2**

   [Please refer to Explanatory Note 2]

4. To re-elect the following Directors who are retiring in accordance with Clause 95 of the Constitution of the Company and being eligible, have offered themselves for re-election:-:

   i) Mr Pang Kim Hin **Ordinary Resolution 3**
   [Please refer to Explanatory Note 3]

   ii) Ms Kor Yann Ning **Ordinary Resolution 4**
   [Please refer to Explanatory Note 3]

5. To re-appoint Messrs. Deloitte PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. **Ordinary Resolution 5**

As Special Business

To consider and if thought fit, with or without any modification, to pass the following ordinary resolutions:

6. **Proposed Authority for Directors to Allot and Issue Shares pursuant to Section 76 of the Companies Act 2016 ("the Act")** **Ordinary Resolution 6**
   [Please refer to Explanatory Note 4]

   "**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.

Notice of Annual General Meeting
cont'd

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. **Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed Shareholders' Mandate")**

Ordinary Resolution 7 [Please refer to Explanatory Note 5]

"**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:-

a) 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

b) 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:-

i) 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;

ii) 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

iii) 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."

8. To transact any other business of which due notice shall have been given.

Notice of Annual General Meeting
cont'd

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS ALSO HEREBY GIVEN THAT, subject to the approval of the shareholders at the 44th AGM, a final single tier dividend of 0.1 sen per ordinary share in respect of the financial year ended 31 December 2024 will be paid on 18 August 2025 to Depositors whose names appear in the Record of Depositors at the close of business on 1 August 2025.

A Depositor shall qualify for entitlement to the dividend only in respect of the following:

a) Shares transferred into the Depositor's Securities Account on or before 4.30 p.m., 1 August 2025 in respect of transfers.

b) Shares bought on Bursa Securities on a cum entitlement basis according to the Rules of Bursa Securities.

BY ORDER OF THE BOARD

TAI YIT CHAN (MAICSA 7009143) (SSM PC No. 202008001023)
TAN AI NING (MAICSA 7015852) (SSM PC No.: 202008000067)
Company Secretaries
Selangor Darul Ehsan

29 April 2025

NOTES:-

1. Pursuant to Rule 8.31A of the ACE Market Listing Requirements of Bursa Securities, all the resolutions set out in the Notice of AGM will be put to vote by way of poll. Poll Administrator and Independent Scrutineers will be appointed to conduct the polling process and verify the results of the poll respectively.

2. A member entitled to attend and vote at the 44th AGM may appoint another person as his proxy to attend and vote in his stead. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at a meeting shall have the same rights as the member to speak at the meeting.

3. A member shall be entitled to appoint not more than 2 proxies to participate, speak and vote at the meeting. Where a member appoints 2 proxies, the appointment shall not be valid unless the member specifies the proportion of his shareholding to be represented by each proxy.

4. Where a member is an Exempt Authorised Nominee which holds shares in the Company for multiple beneficial owners in one securities account ("omnibus account") as defined under the Securities Industry (Central Depositories) Act, 1991, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

5. The proxy form shall be in writing, executed by or on behalf of the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised.

6. The proxy form and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the office of the Company's Share Registrar, Boardroom Share Registrars Sdn Bhd of 11th Floor, Menara Symphony, No. 5, Jalan Professor Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than 48 hours before the time for holding the 44th AGM or adjourned 44th AGM at which the person named in the proxy form proposes to vote, and in default the proxy form shall not be treated as valid.

Notice of Annual General Meeting
cont'd

7. For the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available a Record of Depositors as at 21 May 2025 and only members whose names appear on such Record of Depositors shall be entitled to attend, speak and vote at this meeting and entitled to appoint proxy or proxies

Explanatory Notes:

(1) **Agenda 1 – To receive the Audited Financial Statements**

Agenda item no. 1 is meant for discussion only as the provision of Section 340 of the Act does not require a formal approval of shareholders for the Audited Financial Statements. Hence, this item on the Agenda is **not put forward for voting**.

(2) **Ordinary Resolution 2 - Payment of Directors' Fees from this forthcoming 44th AGM until the next AGM of the Company**

Section 230(1) of the Act provides amongst others, the fees of the Directors and any benefits payable to the Directors of a listed company and its subsidiaries shall be approved at a general meeting.

Details of the Directors' fees for the financial year ended 31 December 2024 are disclosed in the Corporate Governance Report 2024.

The payment of Directors' Fees of RM278,000 from this forthcoming 44th AGM until the next AGM of the Company will only be made on quarterly basis in arrears after each quarter of completed service if the proposed Ordinary Resolution 2 has been passed at the 44th AGM.

(3) **Ordinary Resolutions 3 and 4 - Re-election of Directors**

The profiles of the Directors who are standing for re-election under Ordinary Resolutions 3 and 4 are set out in the Board of Directors' profile of the Annual Report 2024.

The performance, contribution, effectiveness and independence (as the case may be) of the retiring Directors, namely Mr Pang Kim Hin and Ms Kor Yann Ning have been assessed by the Nomination Committee ("NC"). In addition, the NC has also conducted an assessment on the fitness and propriety of the retiring Directors including the review of their fit and proper declarations in accordance with the Fit & Proper Policy. The retiring Directors have abstained from deliberations and decision on their own eligibility and suitability to stand for re- election.

Based on the recommendation of the NC, the Board endorsed the same, having been satisfied with the performance as well as the fitness and propriety of Mr Pang Kim Hin as Non-Independent Non-Executive Chairman and Ms Kor Yann Ning as Independent Non-Executive Director and supports their re-election.

(4) **Proposed Authority for Directors to Allot and Issue Shares pursuant to Section 76 of the Act**

The proposed Ordinary Resolution 6 is a general mandate for issuance of shares by the Company under Section 76 of the Act. The mandate, if passed, will empower the Directors from the conclusion of this 44th AGM, to allot and issue up to a maximum of 10% of the total number of issued shares of the Company at the time of issue (other than bonus or rights issue) for such purposes as they consider would be in the best interest of the Company. This would eliminate any delay arising from and cost involved in convening a general meeting to obtain approval of the shareholders for such issuance of shares. This authority, unless revoked or varied at a general meeting, will expire at the next AGM of the Company.

At this juncture, there is no decision to issue new shares but the Directors consider it desirable to have the flexibility permitted to respond to market developments and to enable allotments to take place to finance business opportunities without making a pre-emptive offer to existing shareholders. If there should be a decision to issue new shares after the general mandate is obtained, the Company will make announcement in respect thereof.

Notice of Annual General Meeting

cont'd

(5) **Proposed Shareholders' Mandate**

The proposed Ordinary Resolution 7, if passed, will allow the Company and its subsidiaries to enter into RRPTs in accordance with Rule 10.09 of ACE LR of Bursa Securities.

For further information on Ordinary Resolution 7, please refer to the RRPT Circular dated 29 April 2025 accompanying the Annual Report of the Company for the financial year ended 31 December 2024.

Personal data privacy:

By submitting a proxy form(s) to participate, speak and vote at the 44th AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the 44th AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the 44th AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

PROXY FORM

No. of Shares Held	CDS Account No.

KIM HIN JOO (MALAYSIA) BERHAD
Registration No. 197801000642 (37655-U)
(Incorporated in Malaysia)

I/We, ... (name of shareholder as per NRIC/Passport)

NRIC No./Passport No./Registration No. ..... of .....

..... (full address) being a member(s) of

KIM HIN JOO (MALAYSIA) BERHAD, hereby appoint ..... (name of proxy as per NRIC/Passport)

NRIC No./Passport No ..... of .....

..... (full address) or failing him/her,

..... (name of proxy as per NRIC/Passport)

NRIC/Passport No. ..... of .....

..... (full address)

or # the Chairman of the Meeting as *my/our proxy to vote for *me/us on *my/our behalf at the Forty- Fourth ("44th") Annual General Meeting ("**AGM**") of the Company will be held 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. or at any adjournment thereof and to vote as indicated below:-

	Resolutions		**For**	**Against**
1	To approve 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.	Ordinary Resolution 1		
2	To approve the payment of 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 AGM of the Company.	Ordinary Resolution 2		
3	Re-election of Mr Pang Kim Hin as Director.	Ordinary Resolution 3		
4	Re-election of Ms Kor Yann Ning as Director.	Ordinary Resolution 4		
5	Re-appointment of Messrs. Deloitte PLT as Auditors of the Company and authorise the Directors to fix their remuneration.	Ordinary Resolution 5		
6	Proposed Authority for Directors to Allot and Issue shares.	Ordinary Resolution 6		
7	Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature	Ordinary Resolution 7		

Please indicate with an "x" in the appropriate box against the resolutions on how you wish your proxy to vote. The proxy is to vote on the resolutions set out in the Notice of 44th AGM as you have indicated. If no specific instruction as to voting is given, the proxy may vote on the resolution or abstain from voting as the proxy thinks fit. If you appoint two proxies or more and wish them to vote differently, this should be specified.

For appointment of two proxies, proportion of shareholdings to be represented by the proxies:

	No. of Shares	Percentage
Proxy 1		%
Proxy 2		%
Total		100%

 # If you wish to appoint other person(s) to be your proxy/proxies, kindly strike out the words "The Chairman of the Meeting" and insert the name(s) of the person(s) desired.

** Delete if not applicable*

.....
Signature of Shareholder or Common Seal

Dated this ..... day of ..... 2025.

Fold This Flap For Sealing

NOTES:-

1. *Pursuant to Rule 8.31A of the ACE Market Listing Requirements of Bursa Securities, all the resolutions set out in the Notice of AGM will be put to vote by way of poll. Poll Administrator and Independent Scrutineers will be appointed to conduct the polling process and verify the results of the poll respectively.*
2. *A member entitled to attend and vote at the 44th AGM may appoint another person as his proxy to attend and vote in his stead. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at a meeting shall have the same rights as the member to speak at the meeting.*
3. *A member shall be entitled to appoint not more than 2 proxies to participate, speak and vote at the meeting. Where a member appoints 2 proxies, the appointment shall not be valid unless the member specifies the proportion of his shareholding to be represented by each proxy.*
4. *Where a member is an Exempt Authorised Nominee which holds shares in the Company for multiple beneficial owners in one securities account ("omnibus account") as defined under the Securities Industry (Central Depositories) Act, 1991, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*
5. *The proxy form shall be in writing, executed by or on behalf of the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised.*
6. *The proxy form and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the office of the Company's Share Registrar, Boardroom Share Registrars Sdn Bhd of 11th Floor, Menara Symphony, No. 5, Jalan Professor Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than 48 hours before the time for holding the 44th AGM or adjourned 44th AGM at which the person named in the proxy form proposes to vote, and in default the proxy form shall not be treated as valid.*
7. *For the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available a Record of Depositors as at 21 May 2025 and only members whose names appear on such Record of Depositors shall be entitled to attend, speak and vote at this meeting and entitled to appoint proxy or proxies.*

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of 44th Annual General Meeting dated 29 April 2025.

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AFFIX
STAMP

KIM HIN JOO (MALAYSIA) BERHAD
Registration No. 197801000642 (37655-U)

11th Floor, Menara Symphony,
No. 5, Jalan Professor Khoo Kay Kim, Seksyen 13,
46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia

1st Fold Here

KIM HIN JOO
MALAYSIA BERHAD

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.
(603) 8940 6638 | careline@mothercare.com.my | **www.khj-my.com**