



RHONG KHEN INTERNATIONAL BERHAD
(Registration No.: 199401017151 (302829-W))

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE PERIOD ENDED 31 MARCH 2026

	Individual quarter ended		Cumulative quarter ended	
	Current year quarter 31.03.2026 RM'000	Preceding year corresponding quarter 31.03.2025 RM'000	Current year quarter 31.03.2026 RM'000	Preceding year corresponding quarter 31.03.2025 RM'000
Revenue	115,083	116,907	380,594	394,562
Cost of sales	(109,282)	(106,396)	(349,202)	(346,796)
Gross profit	5,801	10,511	31,392	47,766
Other income	2,547	2,623	33,938	7,422
Selling and distribution expenses	(4,659)	(3,866)	(13,497)	(12,718)
Administrative expenses	(7,610)	(8,187)	(23,278)	(22,591)
Other expenses	(2,742)	(1,981)	(11,807)	(5,183)
Operating (loss)/profit	(6,663)	(900)	16,748	14,696
Finance costs	(101)	(209)	(427)	(691)
(Loss)/profit before taxation	(6,764)	(1,109)	16,321	14,005
Taxation	(136)	(870)	(1,519)	(3,058)
(Loss)/profit for the period	(6,900)	(1,979)	14,802	10,947
Attributable to :				
Owners of the Company	(6,560)	(1,888)	15,528	11,143
Non-controlling interests	(340)	(91)	(726)	(196)
(Loss)/profit for the period	(6,900)	(1,979)	14,802	10,947
(Loss)/earnings per share (sen) :				
(a) Basic	(3.36)	(0.97)	7.94	5.71
(b) Diluted	(3.36)	(0.97)	7.94	5.71
Weighted average number of ordinary shares ('000)	195,489.2	195,150.3	195,489.2	195,150.3
(Loss)/profit for the period	(6,900)	(1,979)	14,802	10,947
Other comprehensive loss:				
Foreign currency translation	(926)	(2,962)	(12,760)	(20,857)
Total comprehensive (loss)/income for the period	(7,826)	(4,941)	2,042	(9,910)
Total comprehensive (loss)/income attributable to :				
Owners of the Company	(7,486)	(4,850)	2,768	(9,714)
Non-controlling interests	(340)	(91)	(726)	(196)
Total comprehensive (loss)/income for the period	(7,826)	(4,941)	2,042	(9,910)

The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.



RHONG KHEN INTERNATIONAL BERHAD
(Registration No.: 199401017151 (302829-W))

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

	Unaudited	Audited
	31.03.2026	30.06.2025
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	220,147	231,868
Investment properties	26,185	44,822
Right-of-use assets	17,316	18,503
Other investments	81	81
Deferred tax assets	939	980
	<u>264,668</u>	<u>296,254</u>
Current assets		
Inventories	149,889	138,927
Trade and other receivables	63,603	42,292
Prepayments	2,284	2,252
Tax recoverable	1,486	2,302
Cash and bank balances	163,989	177,843
Investment securities	100,061	86,297
Derivative	-	35
	<u>481,312</u>	<u>449,948</u>
Assets held for sale	-	14,877
	<u>481,312</u>	<u>464,825</u>
TOTAL ASSETS	<u><u>745,980</u></u>	<u><u>761,079</u></u>



RHONG KHEN INTERNATIONAL BERHAD
(Registration No.: 199401017151 (302829-W))

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS AT 31 MARCH 2026 (CONT'D)

	Unaudited	Audited
	31.03.2026	30.06.2025
	RM'000	RM'000
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	100,855	100,095
Treasury shares	(985)	(599)
Retained earnings	493,884	486,191
Foreign currency translation reserve	59,442	72,202
	<u>653,196</u>	<u>657,889</u>
Non-controlling interests	(3,043)	(2,317)
Total equity	<u>650,153</u>	<u>655,572</u>
Non-current liabilities		
Loans and borrowings	2,882	7,025
Lease liabilities	3,991	4,278
Provision for severance allowance	210	222
Retirement benefit obligation	454	478
Deferred tax liabilities	2,997	2,983
	<u>10,534</u>	<u>14,986</u>
Current liabilities		
Trade and other payables	62,725	56,352
Loans and borrowings	2,831	9,401
Lease liabilities	159	162
Tax payable	19,554	24,518
Derivative	24	-
	<u>85,293</u>	<u>90,433</u>
Liabilities associated with assets held for sale	-	88
	<u>85,293</u>	<u>90,521</u>
Total liabilities	<u>95,827</u>	<u>105,507</u>
TOTAL EQUITY AND LIABILITIES	<u>745,980</u>	<u>761,079</u>
Net assets per share attributable to owners of the Company (RM)	<u>3.34</u>	<u>3.37</u>

The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.



RHONG KHEN INTERNATIONAL BERHAD
(Registration No.: 199401017151 (302829-W))

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE PERIOD ENDED 31 MARCH 2026

	Share capital	Treasury shares	Non- distributable Foreign currency translation reserve	Distributable Retained earnings	Total	Non- controlling interests	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
As at 1 July 2024	99,323	(167)	109,701	486,877	695,734	(1,459)	694,275
Total comprehensive (loss)/income for the period	-	-	(20,857)	11,143	(9,714)	(196)	(9,910)
Issuance of Shares pursuant to Employees' Share Scheme	772	-	-	-	772	-	772
Dividend paid	-	-	-	(11,735)	(11,735)	-	(11,735)
Purchase of treasury shares	-	(337)	-	-	(337)	-	(337)
As at 31 March 2025	100,095	(504)	88,844	486,285	674,720	(1,655)	673,065
As at 1 July 2025	100,095	(599)	72,202	486,191	657,889	(2,317)	655,572
Total comprehensive (loss)/income for the period	-	-	(12,760)	15,528	2,768	(726)	2,042
Issuance of Shares pursuant to Employees' Share Scheme	760	-	-	-	760	-	760
Dividend paid	-	-	-	(7,835)	(7,835)	-	(7,835)
Purchase of treasury shares	-	(386)	-	-	(386)	-	(386)
As at 31 March 2026	100,855	(985)	59,442	493,884	653,196	(3,043)	650,153

The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.



**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE PERIOD ENDED 31 MARCH 2026**

	31.03.2026 RM'000	31.03.2025 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	16,321	14,005
Adjustments for:		
Depreciation and amortisation	13,034	14,174
Net fair value loss on derivatives	59	15
Net fair value gain on investment securities	(820)	(754)
Net unrealised loss on foreign exchange	2,682	1,062
Gain on disposal of property, plant and equipment	(52)	(100)
Gain on disposal of investment properties	(10,368)	-
Gain on disposal of investment in a subsidiary	(16,111)	-
Distribution from investment securities	(1,515)	(1,458)
Non cash items	796	828
Net financing costs	(2,868)	(2,994)
Operating profit before working capital changes	<u>1,158</u>	<u>24,778</u>
Changes in working capital		
Net change in current assets	(42,128)	(23,387)
Net change in current liabilities	8,239	14,613
Net taxes paid	(4,768)	(8,700)
Interest paid	(348)	(691)
Net cash flows (used in)/generated from operating activities	<u>(37,847)</u>	<u>6,613</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	3,295	3,685
Purchase of property, plant and equipment	(5,612)	(7,375)
Purchase of investment properties	(333)	-
Proceeds from disposal of property, plant and equipment	52	169
Proceeds from disposal of investment properties	29,000	-
Proceeds from disposal of investment in a subsidiary	29,996	-
Withdrawal/(Placement) of deposits with licensed banks	8,985	(601)
Net purchase of investment securities	(11,780)	(6,510)
Net cash flows generated from/(used in) investing activities	<u>53,603</u>	<u>(10,632)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net repayments of loans and borrowings	(9,297)	(4,867)
Repayments of lease liabilities	(197)	(125)
Dividends paid on ordinary shares	(7,835)	(11,735)
Treasury shares acquired	(386)	(337)
Net cash flows used in financing activities	<u>(17,715)</u>	<u>(17,064)</u>
NET CHANGES IN CASH AND CASH EQUIVALENTS	(1,959)	(21,083)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	140,175	172,010
EFFECTS OF EXCHANGE RATE CHANGES	(5,676)	(10,302)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u>132,540</u>	<u>140,625</u>
Cash and cash equivalents included in the Consolidated Statement of Cash Flows comprise the following balance sheet amounts :		
Cash and bank balances	95,765	82,439
Term deposits	68,224	101,929
	<u>163,989</u>	<u>184,368</u>
Less:		
Deposits with licensed banks with tenure more than three months	(31,449)	(43,743)
	<u>132,540</u>	<u>140,625</u>

The unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.



RHONG KHEN INTERNATIONAL BERHAD
(Registration No.: 199401017151 (302829-W))

NOTES TO THE QUARTERLY REPORT – 31 MARCH 2026

A1. BASIS OF PREPARATION

The interim financial report is unaudited and have been prepared in accordance with the requirements of MFRS 134: Interim Financial Reporting and Chapter 9 paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and should be read in conjunction with the Group's audited financial statements for the year ended 30 June 2025.

The accounting policies and presentation adopted for this interim financial report are consistent with those adopted in the audited financial statements for the financial year ended 30 June 2025 except for the changes in accounting policies and presentation resulting from the adoption of relevant MFRSs, Amendment to MFRSs and IC Interpretations that are effective for the financial periods beginning on 1 July 2025.

The adoption of relevant MFRSs, Amendment to MFRSs and IC Interpretations did not have any material effect on the financial performance or position of the Group.

A2. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The latest audited financial statements for the financial year ended 30 June 2025 were not subject to any qualification.

A3. UNUSUAL ITEMS AFFECTING ASSETS, LIABILITIES, EQUITY, NET INCOME OR CASH FLOWS

There were no items affecting assets, liabilities, equity, net income or cash flows that were unusual because of their nature, size or incidence for the current quarter and financial period ended 31 March 2026.

A4. VALUATION OF PROPERTY, PLANT & EQUIPMENT

There was no revaluation of properties of the Group during the financial period ended 31 March 2026.

A5. TAXATION

The taxation of the Group for the financial period under review was as follows:

	Individual Quarter		Cumulative Quarter	
	31.03.2026	31.03.2025	31.03.2026	31.03.2025
	RM'000	RM'000	RM'000	RM'000
Current tax expense				
Malaysian	37	250	105	561
Overseas	52	715	1,400	2,459
Total	89	965	1,505	3,020



RHONG KHEN INTERNATIONAL BERHAD
(Registration No.: 199401017151 (302829-W))

NOTES TO THE QUARTERLY REPORT – 31 MARCH 2026

	Individual Quarter		Cumulative Quarter	
	31.03.2026	31.03.2025	31.03.2026	31.03.2025
	RM'000	RM'000	RM'000	RM'000
Deferred tax expense				
Malaysian	47	(95)	14	38
Overseas	-	-	-	-
Total	47	(95)	14	38
	136	870	1,519	3,058

A6. CHANGES IN THE COMPOSITION OF THE GROUP

There was no change to the composition of the Group in the quarter ended 31 March 2026.

A7. SUBSEQUENT EVENTS

There were no material events subsequent to the end of the current quarter that would have impact on the result that had been reflected in the quarter under review.

A8. CHANGES IN EQUITY AND LONG TERM DEBTS

There were no changes in equity and long term debts for the current quarter ended 31 March 2026, other than the following repurchase of shares by the Company.

Month	Number of shares purchased and retained as treasury shares	Lowest price paid RM	Highest price paid RM	Average price paid RM	Total consideration paid RM
January 2026	151,100	1.01	1.12	1.09	164,543.79
February 2026	24,700	1.13	1.13	1.13	27,975.29

As at the end of the quarter under review, out of the total 196,342,500 issued and fully paid ordinary shares, 849,700 ordinary shares are held as treasury shares by the Company.



RHONG KHEN INTERNATIONAL BERHAD
(Registration No.: 199401017151 (302829-W))

NOTES TO THE QUARTERLY REPORT – 31 MARCH 2026

A9. BORROWINGS AND DEBTS SECURITIES

Details of the Group's borrowings were as follows:

	As at 31 March 2026					
	Long term		Short term		Total borrowings	
	RM equivalents of amount denominated in foreign currency (RM'000)	RM'000	RM equivalents of amount denominated in foreign currency (RM'000)	RM'000	RM equivalents of amount denominated in foreign currency (RM'000)	RM'000
Secured						
Term loan (RM)	-	2,882	-	943	-	3,825
Bankers' acceptances (RM)	-	-	-	1,888	-	1,888
Total	-	2,882	-	2,831	-	5,713

	As at 30 June 2025					
	Long term		Short term		Total borrowings	
	RM equivalents of amount denominated in foreign currency (RM'000)	RM'000	RM equivalents of amount denominated in foreign currency (RM'000)	RM'000	RM equivalents of amount denominated in foreign currency (RM'000)	RM'000
Secured						
Term loan (USD)	3,427	-	1,836	-	5,263	-
Term loan (RM)	-	3,598	-	906	-	4,504
Bankers' acceptances (RM)	-	-	-	5,222	-	5,222
Bank overdraft (THB)	-	-	1,437	-	1,437	-
Total	3,427	3,598	3,273	6,128	6,700	9,726



RHONG KHEN INTERNATIONAL BERHAD
(Registration No.: 199401017151 (302829-W))

NOTES TO THE QUARTERLY REPORT – 31 MARCH 2026

A10. FINANCIAL INSTRUMENTS - DERIVATIVE

Details of the Group's outstanding derivative financial instruments were as follows:

	As at 31 March 2026		As at 30 June 2025	
	Contract/ Notional amount RM'000	Liabilities RM'000	Contract/ Notional amount RM'000	Assets RM'000
Non-hedging derivative:				
Forward currency contracts	2,060	(24)	961	35

The Group uses forward currency contracts to manage some of the transaction exposure. These contracts are not designated as cash flow or fair value hedges and are entered into for periods consistent with currency transaction exposure and fair value changes exposure. Such derivatives do not qualify for hedge accounting.

Forward currency contracts are used to hedge the Group's bank balance denominated in United States Dollar ("USD") for which Group's commitments existed at the reporting date, extending to October 2026. During the financial period under review, the Group recognised a loss of RM58,960 arising from fair value changes of forward currency contracts. The fair value changes are attributable to changes in foreign exchange closing and forward rate.

A11. CHANGES IN MATERIAL LITIGATION

There was no material litigation or any pending material litigation since the date of the last annual statement of financial position until 19 May 2026.

A12. SEGMENTAL INFORMATION

The Group's primary business segment, including its overseas subsidiaries is that of the manufacture and sale of wooden furniture and components.

Business segmental information has not been prepared as the Group's revenue, operating profit, assets and liabilities, capital expenditure, depreciation and amortisation and non-cash expenses are mainly confined to one business segment.

Geographical segments

The Group's business segment operates principally in Malaysia, Vietnam and Thailand.

In presenting information on the basis of geographical segments, segment revenue and profit before taxation, segment assets and liabilities were based on the geographical location of assets.



RHONG KHEN INTERNATIONAL BERHAD
(Registration No.: 199401017151 (302829-W))

NOTES TO THE QUARTERLY REPORT – 31 MARCH 2026

Results for the Individual Quarter ended 31 March

RM'000	Malaysia		Vietnam		Thailand		Others		Total	
	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025
Total revenue	23,860	27,713	91,791	88,428	4,298	6,172	8,880	6,544	128,829	128,857
Inter-segment revenue	(3,634)	(2,820)	(25)	-	(1,847)	(2,997)	(8,240)	(6,133)	(13,746)	(11,950)
External revenue	20,226	24,893	91,766	88,428	2,451	3,175	640	411	115,083	116,907
(Loss)/profit before taxation	(5,414)	(3,720)	334	4,572	(527)	(986)	(1,157)	(975)	(6,764)	(1,109)
Segment assets	252,407	256,828	378,181	412,931	24,530	28,783	593,989	613,684	1,249,107	1,312,226
Segment liabilities	90,890	78,959	73,127	79,040	18,488	19,432	45,380	74,913	227,885	252,344

Results for the Cumulative Quarter ended 31 March

RM'000	Malaysia		Vietnam		Thailand		Others		Total	
	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025
Total revenue	77,663	84,759	304,007	307,808	16,830	17,785	26,982	31,425	425,482	441,777
Inter-segment revenue	(10,880)	(10,771)	(25)	-	(8,264)	(6,483)	(25,719)	(29,961)	(44,888)	(47,215)
External revenue	66,783	73,988	303,982	307,808	8,566	11,302	1,263	1,464	380,594	394,562
(Loss)/profit before taxation	(12,032)	(6,762)	13,451	24,592	(2,876)	(1,841)	17,778	(1,984)	16,321	14,005
Segment assets	252,407	256,828	378,181	412,931	24,530	28,783	593,989	613,684	1,249,107	1,312,226
Segment liabilities	90,890	78,959	73,127	79,040	18,488	19,432	45,380	74,913	227,885	252,344

The following items are deducted from segment assets/liabilities to arrive at total assets/liabilities reported in the consolidated statement of financial position:



RHONG KHEN INTERNATIONAL BERHAD
(Registration No.: 199401017151 (302829-W))

NOTES TO THE QUARTERLY REPORT – 31 MARCH 2026

	31.03.2026 RM'000	31.03.2025 RM'000
Inter-segment assets	503,127	521,511
Inter-segment liabilities	132,058	134,694

ADDITIONAL INFORMATION REQUIRED BY MAIN MARKET LISTING REQUIREMENT (APPENDIX 9B)

B1. MATERIAL CHANGE IN PROFIT BEFORE TAXATION COMPARED TO IMMEDIATE PRECEDING QUARTER

	Individual quarter		
RM' Million	31.03.2026	31.12.2025	Changes (%)
Revenue	115.1	146.9	-21.6%
Gross profit	5.8	14.9	-61.1%
(Loss)/profit before taxation	(6.8)	13.3	>-100.0%
(Loss)/profit after taxation	(6.9)	12.1	>-100.0%

Revenue

For the quarter under review, the Group's revenue dipped by 21.6% to RM115.1 million as compared to the preceding quarter of RM146.9 million. The decrease was mainly due to lower sales recorded by furniture plants in Vietnam resulting from lesser operation days in current quarter in conjunction with Chinese Lunar New Year holiday and weakening of US Dollar ("USD") against Ringgit Malaysia ("RM") by 1.6%.

Gross profit

The Group has recorded lower gross profit from RM14.9 million in preceding quarter compared to RM5.8 million in current quarter, representing a decline of 61.1%. The decrease in gross profit was mainly attributable to the followings:

- in line with the decrease in revenue; and
- higher manufacturing cost incurred by all plants due to lesser production days in current quarter in conjunction with Chinese Lunar New Year holiday resulting in lower production output.



RHONG KHEN INTERNATIONAL BERHAD
(Registration No.: 199401017151 (302829-W))

NOTES TO THE QUARTERLY REPORT – 31 MARCH 2026

(Loss)/profit before taxation (“(LBT)/PBT”)

The Group has recorded a substantial decline in PBT from a profit of RM13.3 million in preceding quarter to a loss of RM6.8 million in current quarter, representing a decrease of more than 100.0%. The decrease in PBT was mainly attributable to the followings:

- in line with the decrease in gross profit; and
- one-off gain on disposal of investment in a subsidiary of RM16.1 million recorded in preceding quarter arising from the disposal of a wholly-owned subsidiary, RT Industries Company Limited (“RTI”), net off with cost to sell of RM3.3 million; offset with
- lower foreign exchange losses of RM0.5 million recorded in current quarter compared to preceding quarter.

(Loss)/profit after taxation (“(LAT)/PAT”)

The Group recorded LAT of RM6.9 million in current quarter, representing a significant decrease of more than 100.0% from PAT of RM12.1 million in preceding quarter was in line with the decrease in PBT offset with lower tax provision made in current quarter compared to preceding quarter.

B2. REVIEW OF PERFORMANCE

RM' Million	Cumulative quarter		Changes (%)
	31.03.2026	31.03.2025	
Revenue	380.6	394.6	-3.5%
Gross profit	31.4	47.8	-34.3%
Profit before taxation	16.3	14.0	+16.4%
Profit after taxation	14.8	10.9	+35.8%

Revenue

The Group recorded revenue of RM380.6 million for the nine months financial period ended 31 March 2026 (“FP2026”), representing a decrease of 3.5% as compared to the nine months financial period ended 31 March 2025 (“FP2025”) of RM394.6 million. The decrease was mainly attributable to the followings:

- lower sales recorded by Malaysia furniture and panel board lamination plants and Thailand sawmill plant due to lower demand from local and export markets in FP2026; and
- weakening of USD against RM by 7.1%; offset with
- higher shipments and higher sales recorded by Vietnam furniture plants and Malaysia sawmill plant in FP2026.



RHONG KHEN INTERNATIONAL BERHAD
(Registration No.: 199401017151 (302829-W))

NOTES TO THE QUARTERLY REPORT – 31 MARCH 2026

Gross profit

Gross profit of the Group amounted to RM31.4 million in FP2026, representing a decrease of 34.3% from RM47.8 million in FP2025. The decrease in gross profit was mainly attributable to the followings:

- in line with the decrease in revenue;
- higher losses incurred by upstream plants due to operations running below optimal capacity, resulting in elevated operating costs; and
- lower gross profits registered by all furniture factories in Vietnam and Malaysia due to lower average selling price.

Profit before taxation (“PBT”)

PBT of the Group amounted to RM16.3 million in FP2026, representing an increase of 16.4% from RM14.0 million in FP2025. The increase was mainly attributable to the followings:

- one-off gain on disposal of investment property of RM10.4 million recorded in FP2026 arising from the disposal of a vacant freehold land, net off with cost to sell the property of RM1.7 million;
- one-off gain on disposal of investment in a subsidiary of RM16.1 million recorded in FP2026 arising from the disposal of a wholly-owned subsidiary, RTI, net off with cost to sell of RM3.3 million; offset with
- lower gross profit recorded in FP2026; and
- higher foreign exchange losses of RM1.8 million recorded in FP2026 compared to FP2025.

Profit after taxation (“PAT”)

PAT of the Group amounted to RM14.8 million in FP2026, representing an increase of 35.8% from RM10.9 million in FP2025 was in line with the increase in PBT and lower tax provision made in FP2026 compared to FP2025.

B3. PROFIT FOR THE PERIOD

Profit for the period is arrived at after (crediting)/charging:

	Individual quarter ended		Cumulative quarter ended	
	31.03.2026	31.03.2025	31.03.2026	31.03.2025
	RM'000	RM'000	RM'000	RM'000
Interest income	(964)	(1,228)	(3,295)	(3,685)
Interest expense	101	209	427	691
Distribution from investment securities	(536)	(483)	(1,515)	(1,458)
Depreciation and amortisation	4,269	4,725	13,034	14,174
Gain on disposal of property, plant and equipment	(52)	(100)	(52)	(100)



RHONG KHEN INTERNATIONAL BERHAD
(Registration No.: 199401017151 (302829-W))

NOTES TO THE QUARTERLY REPORT – 31 MARCH 2026

	Individual quarter ended		Cumulative quarter ended	
	31.03.2026	31.03.2025	31.03.2026	31.03.2025
	RM'000	RM'000	RM'000	RM'000
Gain on disposal of investment properties	-	-	(10,368)	-
Gain on disposal of investment in a subsidiary	-	-	(16,111)	-
Net unrealised loss on foreign exchange	420	37	2,682	1,062
Net realised loss on foreign exchange	790	917	1,356	1,196
Net fair value loss/(gain) on derivative	30	(47)	59	15
Net fair value gain on investment securities	(307)	(258)	(820)	(754)

B4. TRADE AND OTHER RECEIVABLES

	31.03.2026	30.06.2025
	RM'000	RM'000
Trade receivables		
Third parties	50,102	33,505
Less: Allowance for expected credit losses	<u>(886)</u>	<u>(898)</u>
Trade receivables, net	<u>49,216</u>	<u>32,607</u>
Other receivables		
Other indirect taxes	9,560	7,327
Sundry receivables	4,247	1,929
Deposits	<u>849</u>	<u>712</u>
	14,656	9,968
Less: Allowance for expected credit losses-sundry receivables	<u>(269)</u>	<u>(283)</u>
Other receivables, net	<u>14,387</u>	<u>9,685</u>
Total trade and other receivables	<u>63,603</u>	<u>42,292</u>

The ageing analysis of the Group's trade receivables is as follows:

	31.03.2026	30.06.2025
	RM'000	RM'000
Neither past due nor impaired	39,589	19,211
Past due not impaired:		
1 - 30 days	4,689	8,168
31 - 60 days	3,429	3,657
61 - 90 days	857	688
91 - 120 days	123	255
> 121 days	529	628
Impaired	<u>886</u>	<u>898</u>
Gross trade receivables	<u>50,102</u>	<u>33,505</u>



RHONG KHEN INTERNATIONAL BERHAD
(Registration No.: 199401017151 (302829-W))

NOTES TO THE QUARTERLY REPORT – 31 MARCH 2026

Trade receivables

Trade receivables are non-interest bearing. The Group's normal trade credit terms range from 7 to 90 days. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

B5. CORPORATE PROPOSAL

There were no corporate proposals announced but not completed as at 19 May 2026.

B6. SEASONAL OR CYCLICAL FACTORS

The Group operation is seasonal in nature whereby the turnover for the first three months of a calendar year is slightly lower due to long festive holidays which fall on the first quarter of the calendar year and also the lower demand in the United States which normally slows down after Christmas and New Year.

B7. CURRENT YEAR PROSPECT

The global economic environment remains unsettled, shaped by persistent geopolitical tensions, the ongoing US-China trade war, and uncertainty arising from US trade policies. The recent escalation of conflict in the Middle East has further intensified volatility, driving energy prices higher, disrupting global shipping routes, and fueling inflationary pressures. Against this backdrop, the Group expects order volumes to remain uncertain in the near term and anticipates continued pressure from higher operating costs.

Despite these challenges, the Group remains resilient and vigilant. We are actively managing uncertainty across all levels of decision making to ensure our strategies are aligned with prevailing market conditions. Our focus remains on:

- Cost Control: Tightening operational discipline to preserve margins;
- Production Efficiency: Enhancing throughput and reducing waste;
- Innovation: Developing new products and designs to meet evolving customer needs; and
- Market Development: Expanding into new market and new country.

Barring any unforeseen circumstances, the Board believes the Group is well-positioned to manage current market challenges and remain profitable for the financial year ending 30 June 2026.

B8. VARIANCE BETWEEN ACTUAL RESULT AND FORECAST PROFIT OR PROFIT GUARANTEE

The Group did not issue any profit forecast or profit guarantee for the quarter ended 31 March 2026.



RHONG KHEN INTERNATIONAL BERHAD
(Registration No.: 199401017151 (302829-W))

NOTES TO THE QUARTERLY REPORT – 31 MARCH 2026

B9. DIVIDEND

The Board of Directors did not recommend any interim dividend for the current quarter ended 31 March 2026.

B10. (LOSS)/EARNINGS PER SHARE (“(LPS)/EPS”)

Basic (LPS)/EPS	Individual Quarter		Cumulative Quarter	
	31.03.2026	31.03.2025	31.03.2026	31.03.2025
Net (loss)/profit attributable to owners the Company (RM'000)	(6,560)	(1,888)	15,528	11,143
Weighted average number of shares ('000)	195,489.2	195,150.3	195,489.2	195,150.3
Basic (LPS)/EPS (sen)	(3.36)	(0.97)	7.94	5.71

B11. CAPITAL COMMITMENTS

Capital commitments for property, plant and equipment not provided for in the financial statements as at 31 March 2026 were as follows:

	RM'000
Authorised by Directors and contracted	503
Authorised by Directors and not contracted	-
	503