



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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE PERIOD ENDED 31 DECEMBER 2023

	Individual quarter ended		Cumulative quarter ended	
	Current year quarter 31.12.2023 RM'000	Preceding year corresponding quarter 31.12.2022 RM'000	Current year quarter 31.12.2023 RM'000	Preceding year corresponding quarter 31.12.2022 RM'000
Revenue	156,108	186,296	276,765	420,540
Cost of sales	(131,710)	(159,389)	(241,244)	(365,099)
Gross profit	24,398	26,907	35,521	55,441
Other income	2,534	1,506	5,017	2,943
Selling and distribution expenses	(4,841)	(5,285)	(8,069)	(11,704)
Administrative expenses	(7,339)	(7,860)	(13,987)	(14,854)
Other expenses	(766)	(407)	(1,426)	(1,703)
Operating profit	13,986	14,861	17,056	30,123
Finance costs	(357)	(876)	(722)	(1,721)
Profit before taxation	13,629	13,985	16,334	28,402
Taxation	(3,587)	(2,717)	(2,953)	(6,741)
Profit for the period	10,042	11,268	13,381	21,661
Attributable to :				
Owners of the Company	10,426	11,268	14,136	21,661
Non-controlling interests	(384)	-	(755)	-
Profit for the period	10,042	11,268	13,381	21,661
Earnings per share (sen) :				
(a) Basic	5.36	5.81	7.27	11.16
(b) Diluted	5.36	5.81	7.27	11.16
Weighted average number of ordinary shares ('000)	194,344.9	194,050.9	194,344.9	194,050.9
Profit for the period	10,042	11,268	13,381	21,661
Other comprehensive income/(loss):				
Foreign currency translation	(7,060)	(17,698)	(5,157)	(1,381)
Total comprehensive income/(loss) for the period	2,982	(6,430)	8,224	20,280
Total comprehensive income/(loss) attributable to :				
Owners of the Company	3,366	(6,430)	8,979	20,280
Non-controlling interests	(384)	-	(755)	-
Total comprehensive income/(loss) for the period	2,982	(6,430)	8,224	20,280

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 DECEMBER 2023

	Unaudited	Audited
	31.12.2023	30.06.2023
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	262,029	267,840
Investment properties	52,568	52,724
Right-of-use assets	32,107	33,194
Other investments	81	81
Deferred tax assets	828	843
	<u>347,613</u>	<u>354,682</u>
Current assets		
Inventories	132,222	151,433
Trade and other receivables	48,269	43,195
Prepayments	3,457	3,553
Tax recoverable	1,137	1,482
Cash and bank balances	211,094	194,934
Investment securities	76,002	63,438
Derivatives	37	-
	<u>472,218</u>	<u>458,035</u>
TOTAL ASSETS	<u><u>819,831</u></u>	<u><u>812,717</u></u>



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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS AT 31 DECEMBER 2023 (CONT'D)

	Unaudited	Audited
	31.12.2023	30.06.2023
	RM'000	RM'000
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	99,323	98,433
Treasury shares	(167)	(167)
Retained earnings	496,362	482,226
Foreign currency translation reserve	100,307	105,464
	<u>695,825</u>	<u>685,956</u>
Non-controlling interests	(997)	(242)
Total equity	<u>694,828</u>	<u>685,714</u>
Non-current liabilities		
Loans and borrowings	15,717	17,328
Lease liabilities	4,922	5,091
Provision for severance allowance	231	232
Retirement benefit obligation	345	338
Deferred tax liabilities	3,719	3,644
	<u>24,934</u>	<u>26,633</u>
Current liabilities		
Trade and other payables	63,457	52,954
Loans and borrowings	5,820	15,111
Lease liabilities	171	171
Tax payable	30,621	32,134
	<u>100,069</u>	<u>100,370</u>
Total liabilities	<u>125,003</u>	<u>127,003</u>
TOTAL EQUITY AND LIABILITIES	<u>819,831</u>	<u>812,717</u>
Net assets per share attributable to owners of the Company (RM)	<u>3.57</u>	<u>3.53</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
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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE PERIOD ENDED 31 DECEMBER 2023

	Non- distributable						
		Foreign currency translation reserve	Distributable Retained earnings	Total	Non- controlling interests	Total equity	
	Share capital RM'000	Treasury shares RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
As at 1 July 2022	98,433	(155)	85,688	471,294	655,260	-	655,260
Total comprehensive income for the period	-	-	(1,381)	21,661	20,280	-	20,280
Dividend paid	-	-	-	-	-	-	-
Purchase of treasury shares	-	(874)	-	-	(874)	-	(874)
Transfer to Employees' Share Scheme	-	862	-	-	862	-	862
As at 31 December 2022	98,433	(167)	84,307	492,955	675,528	-	675,528
As at 1 July 2023	98,433	(167)	105,464	482,226	685,956	(242)	685,714
Total comprehensive income for the period	-	-	(5,157)	14,136	8,979	(755)	8,224
Shares Award under the Employees' Share Scheme	890	-	-	-	890	-	890
As at 31 December 2023	99,323	(167)	100,307	496,362	695,825	(997)	694,828

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 DECEMBER 2023**

	31.12.2023 RM'000	31.12.2022 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	16,334	28,402
Adjustments for:		
Depreciation and amortisation	9,741	9,560
Net fair value gain on derivatives	(37)	(337)
Net fair value gain on investment securities	(340)	(284)
Net unrealised (gain)/loss on foreign exchange	(475)	1,017
(Gain)/Loss on disposal of property, plant and equipment	(7)	102
Distribution from investment securities	(907)	(741)
Non cash items	947	934
Net financing costs	(1,428)	682
Operating profit before working capital changes	23,828	39,335
Changes in working capital		
Net change in current assets	12,251	89,657
Net change in current liabilities	11,638	(60,680)
Net taxes paid	(3,514)	(9,074)
Interest paid	(722)	(1,666)
Net cash flows generated from operating activities	43,481	57,572
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	2,150	957
Purchase of property, plant and equipment	(5,131)	(5,927)
Purchase of investment properties	-	(1,800)
Proceeds from disposal of property, plant and equipment	115	129
Placement of deposits with licensed banks	(5,166)	(3)
Net (purchase of)/proceed from investment securities	(11,318)	1,070
Net cash flows used in investing activities	(19,350)	(5,574)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net repayments of loans and borrowings	(10,688)	(47,577)
Repayments for principal portion of lease liabilities	(85)	(81)
Withdrawal/(placement) of deposits placed as securities for bank borrowings and guarantees	5,092	(42)
Treasury shares acquired	-	(874)
Net cash flows used in financing activities	(5,681)	(48,574)
NET CHANGES IN CASH AND CASH EQUIVALENTS	18,450	3,424
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	153,144	170,466
EFFECTS OF EXCHANGE RATE CHANGES	(2,364)	(1,100)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	169,230	172,790
Cash and cash equivalents included in the Consolidated Statement of Cash Flows comprise the following balance sheet amounts :		
Cash and bank balances	106,477	121,469
Term deposits	104,617	63,274
	211,094	184,743
Less:		
Deposits pledged as securities for bank borrowings and guarantees	(7,882)	(11,275)
Deposits with licensed banks with tenure more than three months	(33,982)	(678)
	169,230	172,790

Reconciliation of liabilities arising from financing activities:

	Carrying amount as at 1 July 2023 RM'000	Cash flows RM'000	Effects of foreign exchange RM'000	Carrying amount as at 31 December 2023 RM'000
<u>Group</u>				
Loans and borrowings	32,439	(10,688)	(214)	21,537
Lease liabilities	5,262	(85)	(84)	5,093
Total	37,701	(10,773)	(298)	26,630

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
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NOTES TO THE QUARTERLY REPORT – 31 DECEMBER 2023

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 2023.

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 2023 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 2023.

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 2023 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 December 2023.

A4. VALUATION OF PROPERTY, PLANT & EQUIPMENT

There was no revaluation of properties of the Group during the financial period ended 31 December 2023.

A5. TAXATION

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

	Individual Quarter		Cumulative Quarter	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	RM'000	RM'000	RM'000	RM'000
Current tax expense				
Malaysian	859	973	1,456	1,833
Overseas	2,635	2,013	1,422	4,550
Total	3,494	2,986	2,878	6,383



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	Individual Quarter		Cumulative Quarter	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	RM'000	RM'000	RM'000	RM'000
Deferred tax expense				
Malaysian	93	(269)	75	358
Overseas	-	-	-	-
Total	93	(269)	75	358
	3,587	2,717	2,953	6,741

A6. CHANGES IN THE COMPOSITION OF THE GROUP

There was no change to the composition of the Group in the quarter ended 31 December 2023.

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 December 2023, other than the following shares issued and awarded to eligible employees under the Employees' Share Scheme.

Month	Number of shares issued	Issue price per share RM	Total issued share capital RM
December 2023	710,000	1.2535	889,985

During the quarter under review, the Company increased its issued and paid-up ordinary shares capital from RM98,432,810 to RM99,322,795 by way of issuance of 710,000 ordinary shares at issue price of RM1.2535 per share for awarded to eligible employees under the Employees' Share Scheme.



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NOTES TO THE QUARTERLY REPORT – 31 DECEMBER 2023

A9. BORROWINGS AND DEBTS SECURITIES

Details of the Group's borrowings were as follows:

	As at 31 December 2023					
	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)	10,774	-	2,045	-	12,819	-
Term loan (RM)	-	4,943	-	848	-	5,791
Bankers' acceptances (RM)	-	-	-	2,927	-	2,927
Total	10,774	4,943	2,045	3,775	12,819	8,718

	As at 30 June 2023					
	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)	11,956	-	2,077	-	14,033	-
Term loan (RM)	-	5,372	-	830	-	6,202
Bankers' acceptances (RM)	-	-	-	1,215	-	1,215
Unsecured						
Trust receipts (USD)	-	-	3,950	-	3,950	-
Debentures (USD)	-	-	7,039	-	7,039	-
Total	11,956	5,372	13,066	2,045	25,022	7,417



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NOTES TO THE QUARTERLY REPORT – 31 DECEMBER 2023

A10. FINANCIAL INSTRUMENTS - DERIVATIVES

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

	As at 31 December 2023			As at 30 June 2023		
	RM'000			RM'000		
Contract/ Notional amount RM'000	Assets RM'000	Fair value gain RM'000	Contract/ Notional amount RM'000	Assets RM'000	Fair value gain RM'000	

Non-hedging derivatives:

Forward currency contracts	1,671	37	37	-	-	407
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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 March 2024. During the financial period under review, the Group recognised a gain of RM36,629 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 21 February 2024.

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.



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NOTES TO THE QUARTERLY REPORT – 31 DECEMBER 2023

Results for the Individual Quarter ended 31 December

RM'000	Malaysia		Vietnam		Thailand		Others		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Total revenue	33,501	41,037	122,255	144,672	4,996	5,395	15,112	14,519	175,864	205,623
Inter-segment revenue	(4,040)	(4,118)	-	-	(1,508)	(1,536)	(14,208)	(13,673)	(19,756)	(19,327)
External revenue	29,461	36,919	122,255	144,672	3,488	3,859	904	846	156,108	186,296
Profit/(loss) before taxation	901	2,066	13,845	12,616	(102)	239	(1,015)	(936)	13,629	13,985
Segment assets	266,440	267,291	427,969	452,471	32,447	33,680	626,739	605,962	1,353,595	1,359,404
Segment liabilities	61,759	53,667	82,919	133,034	17,801	17,289	94,833	82,744	257,312	286,734

Results for the Cumulative Quarter ended 31 December

RM'000	Malaysia		Vietnam		Thailand		Others		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Total revenue	69,035	90,971	207,376	328,116	9,363	11,877	16,271	15,546	302,045	446,510
Inter-segment revenue	(8,327)	(8,760)	-	(71)	(2,745)	(3,466)	(14,208)	(13,673)	(25,280)	(25,970)
External revenue	60,708	82,211	207,376	328,045	6,618	8,411	2,063	1,873	276,765	420,540
Profit/(loss) before taxation	1,197	6,275	16,705	23,409	(852)	(209)	(716)	(1,073)	16,334	28,402
Segment assets	266,440	267,291	427,969	452,471	32,447	33,680	626,739	605,962	1,353,595	1,359,404
Segment liabilities	61,759	53,667	82,919	133,034	17,801	17,289	94,833	82,744	257,312	286,734

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



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NOTES TO THE QUARTERLY REPORT – 31 DECEMBER 2023

	31.12.2023 RM'000	31.12.2022 RM'000
Inter-segment assets	533,764	499,751
Inter-segment liabilities	132,309	102,609

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	31.12.2023	30.09.2023	Changes (%)
Revenue	156.1	120.7	+29.3%
Gross profit	24.4	11.1	>+100.0%
Profit before taxation	13.6	2.7	>+100.0%
Profit after taxation	10.0	3.3	>+100.0%

Revenue

For the quarter under review, the Group's revenue surged by 29.3% to RM156.1 million as compared to the preceding quarter of RM120.7 million. The increase was mainly attributable to the followings:

- improved in sales by a furniture plant in Vietnam due to higher shipment in current quarter;
- higher sales recorded by sawmill plants and panel board lamination plant due to higher demand from local and export markets in current quarter; and
- strengthening of US Dollar ("USD") against Ringgit Malaysia ("RM") by 0.8%.

Gross profit

The Group has recorded higher gross profit from RM11.1 million in preceding quarter compared to RM24.4 million in current quarter, representing an increase of more than 100.0%. The increase in gross profit was mainly attributable to the followings:

- in line with the increase in revenue;
- higher sales of better margin products in current quarter; and
- lower manufacturing cost incurred by a Vietnam furniture plant due to higher production output during the quarter.



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Profit before taxation (“PBT”)

The Group has recorded a substantial increase in PBT from RM2.7 million in preceding quarter to RM13.6 million in current quarter, representing an increase of more than 100.0%. The increase in PBT was in line with the increase in gross profit, higher other income and lower finance costs recorded in current quarter.

Profit after taxation (“PAT”)

The Group recorded PAT of RM10.0 million in current quarter, representing an increase of more than 100.0% from RM3.3 million in preceding quarter was in line with the increase in PBT offset with higher tax provision made in current quarter compared to preceding quarter.

B2. REVIEW OF PERFORMANCE

RM' Million	Cumulative quarter		Changes (%)
	31.12.2023	31.12.2022	
Revenue	276.8	420.5	-34.2%
Gross profit	35.5	55.4	-35.9%
Profit before taxation	16.3	28.4	-42.6%
Profit after taxation	13.4	21.7	-38.2%

Revenue

The Group recorded revenue of RM276.8 million for the six months financial period ended 31 December 2023 (“FP2024”), representing a decrease of 34.2% as compared to the six months financial period ended 31 December 2022 (“FP2023”) of RM420.5 million. The decrease was mainly due to lower sales recorded by all divisions of the Group due to prolonged weaker demand from our main export market i.e United States offset with strengthening of USD against Ringgit Malaysia (“RM”) by 3.1%.

Gross profit

Gross profit of the Group amounted to RM35.5 million in FP2024, representing a decline of 35.9% from RM55.4 million in FP2023. The decrease in gross profit was mainly due to higher operating costs across all divisions of the Group as a result of reduced production output and higher sales of lower margin products in FP2024 compared to FP2023.

Profit before taxation (“PBT”)

PBT of the Group amounted to RM16.3 million in FP2024, representing a decrease of 42.6% from RM28.4 million in FP2023 was in line with the decrease in gross profit offset by lower overall operating expenses and finance costs.



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Profit after taxation (“PAT”)

PAT of the Group amounted to RM13.4 million in FP2024, representing a decline of 38.2% from RM21.7 million in FP2023 was in line with decrease in PBT offset with reversal of over provision of tax expense in prior years in FP2024 compared to FP2023.

B3. PROFIT FOR THE PERIOD

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

	Individual quarter ended		Cumulative quarter ended	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	RM'000	RM'000	RM'000	RM'000
Interest income	(1,084)	(603)	(2,150)	(1,039)
Interest expense	357	876	722	1,721
Distribution from investment securities	(484)	(408)	(907)	(741)
Depreciation and amortisation	4,863	4,819	9,741	9,560
(Gain)/loss on disposal of property, plant and equipment	(7)	(89)	(7)	102
Net unrealised (gain)/loss on foreign exchange	(85)	1,019	(475)	1,017
Net realised (gain)/loss on foreign exchange	(162)	(542)	168	13
Net fair value gain on derivatives	(61)	(495)	(37)	(337)
Net fair value gain on investment securities	(220)	(282)	(340)	(284)
Insurance compensation	(259)	-	(259)	-

B4. TRADE AND OTHER RECEIVABLES

	31.12.2023 RM'000	30.06.2023 RM'000
Trade receivables		
Third parties	46,975	36,288
Less: Allowance for expected credit losses	(6,235)	(6,319)
Trade receivables, net	<u>40,740</u>	<u>29,969</u>



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	31.12.2023 RM'000	30.06.2023 RM'000
Other receivables		
Import duty and other indirect taxes	4,762	10,119
Sundry receivables	2,280	2,683
Deposits	775	706
	<u>7,817</u>	<u>13,508</u>
Less: Allowance for expected credit losses-sundry receivables	(288)	(282)
Other receivables, net	<u>7,529</u>	<u>13,226</u>
Total trade and other receivables	<u>48,269</u>	<u>43,195</u>

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

	31.12.2023 RM'000	30.06.2023 RM'000
Neither past due nor impaired	35,677	23,582
Past due not impaired:		
1 - 30 days	3,128	5,256
31 - 60 days	922	242
61 - 90 days	293	59
91 - 120 days	307	110
> 121 days	413	720
Impaired	6,235	6,319
Gross trade receivables	<u>46,975</u>	<u>36,288</u>

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 21 February 2024 except for on 20 September 2023, the Company entered into a Memorandum of Understanding ("MOU") with PTT Synergy Group Berhad to form a collaboration to establish a system pallet business with an intention to meet the increasing demand for efficient supply chain management and logistic services within an automated intralogistics warehouse. As at 21 February 2024, there has been no material development on the status of this MOU.



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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 economy outlook is expected to remain gloomy and volatile as a result of prolonged geopolitical risks. Interest rates in United States (“US”) is expected to remain elevated and will continue to dampen furniture sales in US.

In view of this trying time, the Group will remain resilient and vigilant in addressing these uncertainties in all levels of decision making. The Group will align its strategies of cost controlling, enhancing production efficiency, development of new products and new designs with the prevailing market situation.

Barring any unforeseen circumstances, the Board believes that the Group is able to manage the challenges of the current market environment and will remain profitable for the financial year ending 30 June 2024.

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 December 2023.

B9. DIVIDEND

The Company had on 12 January 2024 paid a final single-tier dividend of 3.0 sen per ordinary share for the financial year ended 30 June 2023.

On 21 February 2024, the Board of Directors approved and declared a first interim single-tier dividend of 1.0 sen per ordinary share in respect of the financial year ending 30 June 2024 which will be paid on 10 May 2024. The entitlement date is on 12 April 2024.

A Depositor shall qualify for entitlement to the dividend only in respect of:

- a) Shares transferred to the Depositor's Securities Account before 4.30 p.m. on 12 April 2024 in respect of transfers; and
- b) Shares bought on Bursa Malaysia Securities Berhad (“Bursa Securities”) on a cum entitlement basis according to the Rules of Bursa Securities.



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B10. EARNINGS PER SHARE (“EPS”)

Basic EPS	Individual Quarter		Cumulative Quarter	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Net profit attributable to owners the Company (RM'000)	10,426	11,268	14,136	21,661
Weighted average number of shares ('000)	194,344.9	194,050.9	194,344.9	194,050.9
Basic EPS (sen)	5.36	5.81	7.27	11.16

B11. CAPITAL COMMITMENTS

Capital commitments for property, plant and equipment not provided for in the financial statements as at 31 December 2023 were as follows:

	RM'000
Authorised by Directors and contracted	1,358
Authorised by Directors and not contracted	-
	1,358