



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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE PERIOD ENDED 31 DECEMBER 2025

	Individual quarter ended		Cumulative quarter ended	
	Current year quarter 31.12.2025 RM'000	Preceding year corresponding quarter 31.12.2024 RM'000	Current year quarter 31.12.2025 RM'000	Preceding year corresponding quarter 31.12.2024 RM'000
Revenue	146,877	145,522	265,511	277,655
Cost of sales	(131,960)	(124,679)	(239,920)	(240,400)
Gross profit	14,917	20,843	25,591	37,255
Other income	18,362	2,396	31,391	4,799
Selling and distribution expenses	(5,278)	(4,802)	(8,838)	(8,852)
Administrative expenses	(8,706)	(7,985)	(15,668)	(14,404)
Other expenses	(5,908)	844	(9,065)	(3,202)
Operating profit	13,387	11,296	23,411	15,596
Finance costs	(125)	(220)	(326)	(482)
Profit before taxation	13,262	11,076	23,085	15,114
Taxation	(1,124)	(2,087)	(1,383)	(2,188)
Profit for the period	12,138	8,989	21,702	12,926
Attributable to :				
Owners of the Company	12,317	9,037	22,088	13,031
Non-controlling interests	(179)	(48)	(386)	(105)
Profit for the period	12,138	8,989	21,702	12,926
Earnings per share (sen) :				
(a) Basic	6.30	4.63	11.30	6.68
(b) Diluted	6.30	4.63	11.30	6.68
Weighted average number of ordinary shares ('000)	195,464.9	195,053.3	195,464.9	195,053.3
Profit for the period	12,138	8,989	21,702	12,926
Other comprehensive loss:				
Foreign currency translation	(11,546)	26,625	(11,834)	(17,895)
Total comprehensive income/(loss) for the period	592	35,614	9,868	(4,969)
Total comprehensive income/(loss) attributable to :				
Owners of the Company	771	35,662	10,254	(4,864)
Non-controlling interests	(179)	(48)	(386)	(105)
Total comprehensive income/(loss) for the period	592	35,614	9,868	(4,969)

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
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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS AT 31 DECEMBER 2025

	Unaudited	Audited
	31.12.2025	30.06.2025
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	223,826	231,868
Investment properties	26,294	44,822
Right-of-use assets	17,549	18,503
Other investments	81	81
Deferred tax assets	942	980
	<u>268,692</u>	<u>296,254</u>
Current assets		
Inventories	141,961	138,927
Trade and other receivables	57,640	42,292
Prepayments	2,288	2,252
Tax recoverable	2,446	2,302
Cash and bank balances	193,448	177,843
Investment securities	100,544	86,297
Derivative	6	35
	<u>498,333</u>	<u>449,948</u>
Assets held for sale	-	14,877
	<u>498,333</u>	<u>464,825</u>
TOTAL ASSETS	<u><u>767,025</u></u>	<u><u>761,079</u></u>



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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS AT 31 DECEMBER 2025 (CONT'D)

	Unaudited	Audited
	31.12.2025	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	(793)	(599)
Retained earnings	500,444	486,191
Foreign currency translation reserve	60,368	72,202
	<u>660,874</u>	<u>657,889</u>
Non-controlling interests	(2,703)	(2,317)
Total equity	<u>658,171</u>	<u>655,572</u>
Non-current liabilities		
Loans and borrowings	3,124	7,025
Lease liabilities	4,042	4,278
Provision for severance allowance	218	222
Retirement benefit obligation	473	478
Deferred tax liabilities	2,950	2,983
	<u>10,807</u>	<u>14,986</u>
Current liabilities		
Trade and other payables	72,787	56,352
Loans and borrowings	4,520	9,401
Lease liabilities	158	162
Tax payable	20,582	24,518
	<u>98,047</u>	<u>90,433</u>
Liabilities associated with assets held for sale	-	88
	<u>98,047</u>	<u>90,521</u>
Total liabilities	<u>108,854</u>	<u>105,507</u>
TOTAL EQUITY AND LIABILITIES	<u>767,025</u>	<u>761,079</u>
Net assets per share attributable to owners of the Company (RM)	<u>3.38</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
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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE PERIOD ENDED 31 DECEMBER 2025**

	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	-	-	(17,895)	13,031	(4,864)	(105)	(4,969)
Issuance of Shares pursuant to Employees' Share Scheme	772	-	-	-	772	-	772
Dividend paid	-	-	-	(11,735)	(11,735)	-	(11,735)
As at 31 December 2024	100,095	(167)	91,806	488,173	679,907	(1,564)	678,343
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	-	-	(11,834)	22,088	10,254	(386)	9,868
Issuance of Shares pursuant to Employees' Share Scheme	760	-	-	-	760	-	760
Dividend paid	-	-	-	(7,835)	(7,835)	-	(7,835)
Purchase of treasury shares	-	(194)	-	-	(194)	-	(194)
As at 31 December 2025	100,855	(793)	60,368	500,444	660,874	(2,703)	658,171

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 2025**

	31.12.2025 RM'000	31.12.2024 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	23,085	15,114
Adjustments for:		
Depreciation and amortisation	8,765	9,449
Net fair value loss on derivatives	29	62
Net fair value gain on investment securities	(513)	(496)
Net unrealised loss on foreign exchange	2,262	1,025
Gain on disposal of investment properties	(10,368)	-
Gain on disposal of investment in a subsidiary	(16,111)	-
Distribution from investment securities	(979)	(975)
Non cash items	797	819
Net financing costs	(2,005)	(1,975)
Operating profit before working capital changes	<u>4,962</u>	<u>23,023</u>
Changes in working capital		
Net change in current assets	(27,908)	(12,330)
Net change in current liabilities	19,191	18,616
Net taxes paid	(4,702)	(5,778)
Interest paid	(272)	(482)
Net cash flows (used in)/generated from operating activities	<u>(8,729)</u>	<u>23,049</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	2,331	2,458
Purchase of property, plant and equipment	(4,252)	(5,552)
Purchase of investment properties	(316)	-
Proceeds from disposal of property, plant and equipment	-	68
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	6,710	(1,802)
Net (purchase of)/proceeds from investment securities	(13,080)	3,590
Net cash flows generated from/(used in) investing activities	<u>50,389</u>	<u>(1,238)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net repayments of loans and borrowings	(7,366)	(4,976)
Repayments of lease liabilities	(134)	(83)
Dividends paid on ordinary shares	(7,835)	(11,735)
Treasury shares acquired	(194)	-
Net cash flows used in financing activities	<u>(15,529)</u>	<u>(16,794)</u>
NET CHANGES IN CASH AND CASH EQUIVALENTS	26,131	5,017
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	140,175	172,010
EFFECTS OF EXCHANGE RATE CHANGES	(6,582)	(8,987)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u>159,724</u>	<u>168,040</u>
Cash and cash equivalents included in the Consolidated Statement of Cash Flows comprise the following balance sheet amounts :		
Cash and bank balances	114,581	110,197
Term deposits	<u>78,867</u>	<u>102,787</u>
	193,448	212,984
Less:		
Deposits with licensed banks with tenure more than three months	<u>(33,724)</u>	<u>(44,944)</u>
	<u>159,724</u>	<u>168,040</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.



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NOTES TO THE QUARTERLY REPORT – 31 DECEMBER 2025

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 December 2025.

A4. VALUATION OF PROPERTY, PLANT & EQUIPMENT

There was no revaluation of properties of the Group during the financial period ended 31 December 2025.

A5. TAXATION

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

	Individual Quarter		Cumulative Quarter	
	31.12.2025	31.12.2024	31.12.2025	31.12.2024
	RM'000	RM'000	RM'000	RM'000
Current tax expense				
Malaysian	30	206	68	311
Overseas	1,114	1,802	1,348	1,744
Total	1,144	2,008	1,416	2,055



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	Individual Quarter		Cumulative Quarter	
	31.12.2025	31.12.2024	31.12.2025	31.12.2024
	RM'000	RM'000	RM'000	RM'000
Deferred tax expense				
Malaysian	(20)	79	(33)	133
Overseas	-	-	-	-
Total	(20)	79	(33)	133
	1,124	2,087	1,383	2,188

A6. CHANGES IN THE COMPOSITION OF THE GROUP

There was no change to the composition of the Group in the quarter ended 31 December 2025 except for completion of disposal of RT Industries Company Limited (“RTI”), a wholly-owned subsidiary of L-Tree Resources Sdn. Bhd. (“LTRSB”) on 5 November 2025. On even date, RTI has ceased to be a subsidiary of LTRSB and the Company.

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 2025, other than the following shares issued and awarded to eligible employees under the Employees’ Share Scheme and repurchase of shares by the Company.

Month	Number of shares issued	Issue price per share RM	Total issued share capital RM
October 2025	650,000	1.1700	760,500

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
December 2025	194,200	0.995	1.01	0.997	193,996.19



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During the quarter under review, the Company increased its ordinary shares from RM100,094,509 to RM100,855,009 by way of issuance of 650,000 ordinary shares at issue price of RM1.1700 per ordinary share for awarded to eligible senior executives and employees under the Employees' Share Scheme.

As at the end of the quarter under review, out of the total 196,342,500 issued and fully paid ordinary shares, 673,900 ordinary shares are held as treasury shares by the Company.

A9. BORROWINGS AND DEBTS SECURITIES

Details of the Group's borrowings were as follows:

	As at 31 December 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 (RM)	-	3,124	-	930	-	4,054
Bankers' acceptances (RM)	-	-	-	3,590	-	3,590
Total	-	3,124	-	4,520	-	7,644
	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



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A10. FINANCIAL INSTRUMENTS - DERIVATIVE

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

	As at 31 December 2025		As at 30 June 2025	
	Contract/ Notional amount RM'000	Assets RM'000	Contract/ Notional amount RM'000	Assets RM'000
Non-hedging derivative:				
Forward currency contracts	372	6	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 January 2026. During the financial period under review, the Group recognised a loss of RM28,193 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 26 February 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.



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Results for the Individual Quarter ended 31 December

RM'000	Malaysia		Vietnam		Thailand		Others		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Total revenue	26,114	27,244	121,639	117,915	6,441	5,803	17,827	24,275	172,021	175,237
Inter-segment revenue	(4,209)	(3,697)	-	-	(3,583)	(2,190)	(17,352)	(23,828)	(25,144)	(29,715)
External revenue	21,905	23,547	121,639	117,915	2,858	3,613	475	447	146,877	145,522
(Loss)/profit before taxation	(3,895)	(1,422)	8,201	12,859	(1,508)	(745)	10,464	384	13,262	11,076
Segment assets	255,536	253,802	396,651	423,658	25,443	28,425	585,802	612,819	1,263,432	1,318,704
Segment liabilities	88,602	72,164	83,123	90,706	17,987	18,166	44,475	72,684	234,187	253,720

Results for the Cumulative Quarter ended 31 December

RM'000	Malaysia		Vietnam		Thailand		Others		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Total revenue	53,803	57,046	212,216	219,380	12,532	11,613	18,102	24,881	296,653	312,920
Inter-segment revenue	(7,246)	(7,951)	-	-	(6,417)	(3,486)	(17,479)	(23,828)	(31,142)	(35,265)
External revenue	46,557	49,095	212,216	219,380	6,115	8,127	623	1,053	265,511	277,655
(Loss)/profit before taxation	(6,618)	(3,042)	13,117	20,020	(2,349)	(855)	18,935	(1,009)	23,085	15,114
Segment assets	255,536	253,802	396,651	423,658	25,443	28,425	585,802	612,819	1,263,432	1,318,704
Segment liabilities	88,602	72,164	83,123	90,706	17,987	18,166	44,475	72,684	234,187	253,720

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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	31.12.2025 RM'000	31.12.2024 RM'000
Inter-segment assets	496,407	515,535
Inter-segment liabilities	125,333	128,894

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	31.12.2025	30.09.2025	Changes (%)
Revenue	146.9	118.6	+23.9%
Gross profit	14.9	10.7	+39.3%
Profit before taxation	13.3	9.8	+35.7%
Profit after taxation	12.1	9.6	+26.0%

Revenue

For the quarter under review, the Group's revenue surged by 23.9% to RM146.9 million as compared to the preceding quarter of RM118.6 million. The increase was mainly due to higher sales recorded by a furniture plant in Vietnam due to higher shipment in current quarter, offset with weakening of US Dollar ("USD") against Ringgit Malaysia ("RM") by 0.9%.

Gross profit

The Group has recorded higher gross profit from RM10.7 million in preceding quarter compared to RM14.9 million in current quarter, representing an increase of 39.3%. The increase in gross profit was mainly attributable to the followings:

- in line with the increase in revenue; and
- lower manufacturing cost incurred by Vietnam furniture plants due to higher production output during the quarter.

Profit before taxation ("PBT")

The Group has recorded an increase in PBT from RM9.8 million in preceding quarter to RM13.3 million in current quarter, representing an increase of 35.7%. The increase in PBT was mainly attributable to the followings:



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- one-off gain on disposal of investment in a subsidiary of RM16.1 million recorded in current 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
- higher foreign exchange losses of RM0.6 million recorded in current quarter compared to preceding quarter.

Profit after taxation (“PAT”)

The Group recorded PAT of RM12.1 million in current quarter, representing an increase of 26.0% from RM9.6 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

	Cumulative quarter		
RM' Million	31.12.2025	31.12.2024	Changes (%)
Revenue	265.5	277.7	-4.4%
Gross profit	25.6	37.3	-31.4%
Profit before taxation	23.1	15.1	+53.0%
Profit after taxation	21.7	12.9	+68.2%

Revenue

The Group recorded revenue of RM265.5 million for the six months financial period ended 31 December 2025 (“FP2026”), representing a decrease of 4.4% as compared to the six months financial period ended 31 December 2024 (“FP2025”) of RM277.7 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 5.3%; offset with
- higher shipments recorded by Vietnam furniture plants in FP2026.

Gross profit

Gross profit of the Group amounted to RM25.6 million in FP2026, representing a decrease of 31.4% from RM37.3 million in FP2025. The decrease in gross profit was mainly attributable to the followings:

- in line with the decrease in revenue;
- losses recorded by upstream plants due to high operating costs; and
- higher labour costs incurred by Malaysia plants due to hike in minimum wage rate effective 1 February 2025.



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Profit before taxation (“PBT”)

PBT of the Group amounted to RM23.1 million in FP2026, representing a substantial increase of 53.0% from RM15.1 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 resulted by losses in upstream activities; and
- higher foreign exchange losses of RM1.5 million recorded in FP2026 compared to FP2025.

Profit after taxation (“PAT”)

PAT of the Group amounted to RM21.7 million in FP2026, representing a substantial increase of 68.2% from RM12.9 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	
	31.12.2025	31.12.2024	31.12.2025	31.12.2024
	RM'000	RM'000	RM'000	RM'000
Interest income	(1,062)	(1,273)	(2,331)	(2,457)
Interest expense	125	220	326	482
Distribution from investment securities	(489)	(470)	(979)	(975)
Depreciation and amortisation	4,318	4,685	8,765	9,449
Gain on disposal of investment properties	-	-	(10,368)	-
Gain on disposal of investment in a subsidiary	(16,111)	-	(16,111)	-
Net unrealised loss/(gain) on foreign exchange	1,313	(1,016)	2,262	1,025
Net realised loss/(gain) on foreign exchange	404	(662)	566	279
Net fair value loss on derivative	3	141	29	62
Net fair value gain on investment securities	(235)	(245)	(513)	(496)



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B4. TRADE AND OTHER RECEIVABLES

	31.12.2025	30.06.2025
	RM'000	RM'000
Trade receivables		
Third parties	45,118	33,505
Less: Allowance for expected credit losses	<u>(896)</u>	<u>(898)</u>
Trade receivables, net	<u>44,222</u>	<u>32,607</u>
Other receivables		
Other indirect taxes	8,261	7,327
Sundry receivables	4,482	1,929
Deposits	<u>956</u>	<u>712</u>
	13,699	9,968
Less: Allowance for expected credit losses-sundry receivables	<u>(281)</u>	<u>(283)</u>
Other receivables, net	<u>13,418</u>	<u>9,685</u>
Total trade and other receivables	<u>57,640</u>	<u>42,292</u>

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

	31.12.2025	30.06.2025
	RM'000	RM'000
Neither past due nor impaired	32,771	19,211
Past due not impaired:		
1 - 30 days	8,513	8,168
31 - 60 days	1,698	3,657
61 - 90 days	609	688
91 - 120 days	88	255
> 121 days	543	628
Impaired	<u>896</u>	<u>898</u>
Gross trade receivables	<u>45,118</u>	<u>33,505</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 26 February 2026.



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NOTES TO THE QUARTERLY REPORT – 31 DECEMBER 2025

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 landscape continues to be shaped by persistent geopolitical tensions, trade war between US and China, and uncertainty caused by the new trade policy of the US government. These factors have contributed to a volatile and unsettled demand environment in our key US market. As a result, the Group anticipates that order volumes may remain inconsistent in the near term.

Despite these challenges, the Group remains resilient and vigilant. We are actively addressing uncertainties at every level of decision-making, ensuring that 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 December 2025.

B9. DIVIDEND

The Company had on 12 December 2025 paid a final single-tier dividend of 1.0 sen per ordinary share for the financial year ended 30 June 2025 and a special interim single-tier dividend of 3.0 sen per ordinary share for the financial year ending 30 June 2026.

The Board of Directors did not recommend any interim dividend for the current quarter ended 31 December 2025.



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B10. EARNINGS PER SHARE (“EPS”)

Basic EPS	Individual Quarter		Cumulative Quarter	
	31.12.2025	31.12.2024	31.12.2025	31.12.2024
Net profit attributable to owners the Company (RM'000)	12,317	9,037	22,088	13,031
Weighted average number of shares ('000)	195,464.9	195,053.3	195,464.9	195,053.3
Basic EPS (sen)	6.30	4.63	11.30	6.68

B11. CAPITAL COMMITMENTS

Capital commitments for property, plant and equipment not provided for in the financial statements as at 31 December 2025 were as follows:

	RM'000
Authorised by Directors and contracted	1,130
Authorised by Directors and not contracted	-
	1,130