



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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE PERIOD ENDED 31 MARCH 2024

	Individual quarter ended		Cumulative quarter ended	
	Current year quarter 31.03.2024 RM'000	Preceding year corresponding quarter 31.03.2023 RM'000	Current year quarter 31.03.2024 RM'000	Preceding year corresponding quarter 31.03.2023 RM'000
Revenue	114,777	97,911	391,542	518,451
Cost of sales	(102,047)	(94,723)	(343,291)	(459,822)
Gross profit	12,730	3,188	48,251	58,629
Other income	2,159	1,651	7,176	4,594
Selling and distribution expenses	(3,533)	(2,478)	(11,602)	(14,182)
Administrative expenses	(9,150)	(9,215)	(23,137)	(24,069)
Other expenses	(890)	(1,001)	(2,316)	(2,704)
Operating profit/(loss)	1,316	(7,855)	18,372	22,268
Finance costs	(325)	(926)	(1,047)	(2,647)
Profit/(loss) before taxation	991	(8,781)	17,325	19,621
Taxation	(750)	127	(3,703)	(6,614)
Profit/(loss) for the period	241	(8,654)	13,622	13,007
Attributable to :				
Owners of the Company	659	(8,278)	14,795	13,383
Non-controlling interests	(418)	(376)	(1,173)	(376)
Profit/(loss) for the period	241	(8,654)	13,622	13,007
Earnings/(loss) per share (sen) :				
(a) Basic	0.34	(4.26)	7.60	6.89
(b) Diluted	0.34	(4.26)	7.60	6.89
Weighted average number of ordinary shares ('000)	194,549.2	194,117.1	194,549.2	194,117.1
Profit/(loss) for the period	241	(8,654)	13,622	13,007
Other comprehensive income:				
Foreign currency translation	9,643	2,664	4,486	1,283
Total comprehensive income/(loss) for the period	9,884	(5,990)	18,108	14,290
Total comprehensive income/(loss) attributable to :				
Owners of the Company	10,302	(5,614)	19,281	14,666
Non-controlling interests	(418)	(376)	(1,173)	(376)
Total comprehensive income/(loss) for the period	9,884	(5,990)	18,108	14,290

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 MARCH 2024

	Unaudited	Audited
	31.03.2024	30.06.2023
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	263,250	267,840
Investment properties	40,513	52,724
Right-of-use assets	32,661	33,194
Other investments	81	81
Deferred tax assets	855	843
	<u>337,360</u>	<u>354,682</u>
Current assets		
Inventories	137,086	151,433
Trade and other receivables	57,086	43,195
Prepayments	2,241	3,553
Tax recoverable	435	1,482
Cash and bank balances	207,567	194,934
Investment securities	73,380	63,438
Derivatives	4	-
	<u>477,799</u>	<u>458,035</u>
TOTAL ASSETS	<u><u>815,159</u></u>	<u><u>812,717</u></u>



RHONG KHEN INTERNATIONAL BERHAD
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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS AT 31 MARCH 2024 (CONT'D)

	Unaudited	Audited
	31.03.2024	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	491,172	482,226
Foreign currency translation reserve	109,950	105,464
	<u>700,278</u>	<u>685,956</u>
Non-controlling interests	(1,415)	(242)
Total equity	<u>698,863</u>	<u>685,714</u>
Non-current liabilities		
Loans and borrowings	15,309	17,328
Lease liabilities	5,023	5,091
Provision for severance allowance	237	232
Retirement benefit obligation	334	338
Deferred tax liabilities	3,646	3,644
	<u>24,549</u>	<u>26,633</u>
Current liabilities		
Trade and other payables	59,571	52,954
Loans and borrowings	3,329	15,111
Lease liabilities	177	171
Tax payable	28,670	32,134
	<u>91,747</u>	<u>100,370</u>
Total liabilities	<u>116,296</u>	<u>127,003</u>
TOTAL EQUITY AND LIABILITIES	<u>815,159</u>	<u>812,717</u>
Net assets per share attributable to owners of the Company (RM)	<u>3.59</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 MARCH 2024

	Non-distributable						
		Foreign	Distributable		Non-	Total	
	Share	currency	Retained	Total	controlling	Total	
	capital	translation	earnings	RM'000	interests	equity	
	RM'000	reserve	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	-	-	1,283	13,383	14,666	(376)	14,290
Dividend paid	-	-	-	(9,713)	(9,713)	-	(9,713)
Purchase of treasury shares	-	(874)	-	-	(874)	-	(874)
Transfer to Employees' Share Scheme	-	862	-	-	862	-	862
Acquisition of a subsidiary	-	-	-	-	-	490	490
As at 31 March 2023	98,433	(167)	86,971	474,964	660,201	114	660,315
As at 1 July 2023	98,433	(167)	105,464	482,226	685,956	(242)	685,714
Total comprehensive income for the period	-	-	4,486	14,795	19,281	(1,173)	18,108
Shares Award under the Employees' Share Scheme	890	-	-	-	890	-	890
Dividend paid	-	-	-	(5,849)	(5,849)	-	(5,849)
As at 31 March 2024	99,323	(167)	109,950	491,172	700,278	(1,415)	698,863

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 2024**

	31.03.2024 RM'000	31.03.2023 RM'000		
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before taxation	17,325	19,621		
Adjustments for:				
Depreciation and amortisation	14,621	14,310		
Net fair value gain on derivatives	(4)	(410)		
Net fair value gain on investment securities	(536)	(351)		
Net unrealised (gain)/loss on foreign exchange	(58)	465		
(Gain)/Loss on disposal of property, plant and equipment	(127)	102		
Gain on disposal of investment properties	(346)	-		
Distribution from investment securities	(1,388)	(1,086)		
Non cash items	993	963		
Net financing costs	(2,176)	617		
Operating profit before working capital changes	28,304	34,231		
Changes in working capital				
Net change in current assets	15,127	118,268		
Net change in current liabilities	5,587	(59,594)		
Net taxes paid	(6,521)	(12,138)		
Interest paid	(1,047)	(2,573)		
Net cash flows generated from operating activities	41,450	78,194		
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	3,224	1,996		
Purchase of property, plant and equipment	(7,816)	(12,213)		
Purchase of investment properties	-	(1,800)		
Purchase of intangible assets	-	(50)		
Proceeds from disposal of property, plant and equipment	235	130		
Proceeds from disposal of investment properties	861	-		
Placement of deposits with licensed banks	(20,514)	(4,017)		
Net (purchase of)/proceed from investment securities	(8,018)	14,523		
Net cash flows used in investing activities	(32,028)	(1,431)		
CASH FLOWS FROM FINANCING ACTIVITIES				
Net repayments of loans and borrowings	(13,981)	(57,468)		
Repayments for principal portion of lease liabilities	(129)	(120)		
Dividends paid on ordinary shares	(5,849)	(9,713)		
Withdrawal/(placement) of deposits placed as securities for bank borrowings and guarantees	8,014	(862)		
Treasury shares acquired	-	(874)		
Net cash flows used in financing activities	(11,945)	(69,037)		
NET CHANGES IN CASH AND CASH EQUIVALENTS	(2,523)	7,726		
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	153,144	170,466		
EFFECTS OF EXCHANGE RATE CHANGES	2,656	(553)		
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	153,277	177,639		
Cash and cash equivalents included in the Consolidated Statement of Cash Flows comprise the following balance sheet amounts :				
Cash and bank balances	104,896	112,271		
Term deposits	102,671	82,155		
	207,567	194,426		
Less:				
Deposits pledged as securities for bank borrowings and guarantees	(4,960)	(12,095)		
Deposits with licensed banks with tenure more than three months	(49,330)	(4,692)		
	153,277	177,639		
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 March 2024 RM'000
Loans and borrowings	32,439	(13,981)	180	18,638
Lease liabilities	5,262	(129)	67	5,200
Total	37,701	(14,110)	247	23,838

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 MARCH 2024

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 March 2024.

A4. VALUATION OF PROPERTY, PLANT & EQUIPMENT

There was no revaluation of properties of the Group during the financial period ended 31 March 2024.

A5. TAXATION

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

	Individual Quarter		Cumulative Quarter	
	31.03.2024	31.03.2023	31.03.2024	31.03.2023
	RM'000	RM'000	RM'000	RM'000
Current tax expense				
Malaysian	1,571	11	3,027	1,844
Overseas	(748)	(42)	674	4,508
Total	823	(31)	3,701	6,352



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	Individual Quarter		Cumulative Quarter	
	31.03.2024	31.03.2023	31.03.2024	31.03.2023
	RM'000	RM'000	RM'000	RM'000
Deferred tax expense				
Malaysian	(73)	(96)	2	262
Overseas	-	-	-	-
Total	(73)	(96)	2	262
	750	(127)	3,703	6,614

A6. CHANGES IN THE COMPOSITION OF THE GROUP

There was no change to the composition of the Group in the quarter ended 31 March 2024.

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 2024.

A9. BORROWINGS AND DEBTS SECURITIES

Details of the Group's borrowings were as follows:

	As at 31 March 2024					
	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)	10,584	-	2,101	-	12,685	-
Term loan (RM)	-	4,725	-	858	-	5,583



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	As at 31 March 2024					
	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
Bankers' acceptances (RM)	-	-	-	370	-	370
Total	10,584	4,725	2,101	1,228	12,685	5,953

	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 MARCH 2024

A10. FINANCIAL INSTRUMENTS - DERIVATIVES

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

	As at 31 March 2024			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	2,647	4	4	-	-	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 October 2024. During the financial period under review, the Group recognised a gain of RM3,962 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 27 May 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 MARCH 2024

Results for the Individual Quarter ended 31 March

RM'000	Malaysia		Vietnam		Thailand		Others		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Total revenue	33,906	27,356	80,045	68,909	5,855	3,891	6,774	8,584	126,580	108,740
Inter-segment revenue	(4,394)	(2,633)	-	-	(1,409)	(96)	(6,000)	(8,100)	(11,803)	(10,829)
External revenue	29,512	24,723	80,045	68,909	4,446	3,795	774	484	114,777	97,911
Profit/(loss) before taxation	544	(4,209)	2,540	(2,639)	(1,460)	(344)	(633)	(1,589)	991	(8,781)
Segment assets	261,158	261,476	433,418	442,456	30,925	33,955	623,456	598,822	1,348,957	1,336,709
Segment liabilities	60,215	54,928	74,945	123,242	18,188	17,646	94,198	82,509	247,546	278,325

Results for the Cumulative Quarter ended 31 March

RM'000	Malaysia		Vietnam		Thailand		Others		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Total revenue	102,941	118,327	287,421	397,025	15,218	15,768	23,045	24,130	428,625	555,250
Inter-segment revenue	(12,721)	(11,393)	-	(71)	(4,154)	(3,562)	(20,208)	(21,773)	(37,083)	(36,799)
External revenue	90,220	106,934	287,421	396,954	11,064	12,206	2,837	2,357	391,542	518,451
Profit/(loss) before taxation	1,741	2,066	19,245	20,770	(2,312)	(553)	(1,349)	(2,662)	17,325	19,621
Segment assets	261,158	261,476	433,418	442,456	30,925	33,955	623,456	598,822	1,348,957	1,336,709
Segment liabilities	60,215	54,928	74,945	123,242	18,188	17,646	94,198	82,509	247,546	278,325



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

	31.03.2024 RM'000	31.03.2023 RM'000
Inter-segment assets	<u>533,798</u>	<u>504,200</u>
Inter-segment liabilities	<u>131,250</u>	<u>106,131</u>

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

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

RM' Million	Individual quarter		Changes (%)
	31.03.2024	31.12.2023	
Revenue	114.8	156.1	-26.5%
Gross profit	12.7	24.4	-48.0%
Profit before taxation	1.0	13.6	-92.6%
Profit after taxation	0.2	10.0	-98.0%

Revenue

For the quarter under review, the Group's revenue dipped by 26.5% to RM114.8 million as compared to the preceding quarter of RM156.1 million. The decrease was mainly attributable to the followings:

- lower sales recorded by furniture plants in Vietnam due to lesser operation days in current quarter in conjunction with Chinese Lunar New Year holiday;
- lower sales recorded by Malaysia sawmill plant and panel board lamination plant due to lower demand from local and export markets in current quarter; offset with
- strengthening of US Dollar ("USD") against Ringgit Malaysia ("RM") by 0.4%.

Gross profit

The Group has recorded lower gross profit from RM24.4 million in preceding quarter compared to RM12.7 million in current quarter, representing a decline of 48.0%. The decrease in gross profit was mainly attributable to the followings:

- in line with the decrease in revenue; and



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- higher manufacturing cost incurred by Vietnam furniture plants due to lesser production days in current quarter in conjunction with Chinese Lunar New Year holiday resulting in lower production output.

Profit before taxation (“PBT”)

The Group has recorded a substantial decline in PBT from RM13.6 million in preceding quarter to RM1.0 million in current quarter, representing a decrease of 92.6%. The decrease in PBT was in line with the decrease in gross profit, higher administrative expenses and higher foreign exchange losses recorded in current quarter compared to preceding quarter.

Profit after taxation (“PAT”)

The Group recorded PAT of RM0.2 million in current quarter, representing a decrease of 98.0% from RM10.0 million in preceding quarter was in line with the decrease in PBT offset with reversal of over provision of tax expense in prior years in current quarter compared to preceding quarter.

B2. REVIEW OF PERFORMANCE

RM' Million	Cumulative quarter		Changes (%)
	31.03.2024	31.03.2023	
Revenue	391.5	518.5	-24.5%
Gross profit	48.3	58.6	-17.6%
Profit before taxation	17.3	19.6	-11.7%
Profit after taxation	13.6	13.0	+4.6%

Revenue

The Group recorded revenue of RM391.5 million for the nine months financial period ended 31 March 2024 (“FP2024”), representing a decrease of 24.5% as compared to the nine months financial period ended 31 March 2023 (“FP2023”) of RM518.5 million. The decrease was mainly due to lower sales recorded by all divisions of the Group as demand from our main export market i.e United States remained slow and weak.

Gross profit

Gross profit of the Group amounted to RM48.3 million in FP2024, representing a decline of 17.6% from RM58.6 million in FP2023. The decrease in gross profit was in line with the decrease in revenue. However, gross profit margin improved from 11.3% to 12.3% mainly due to better cost control and strengthening of USD against RM.



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Profit before taxation (“PBT”)

PBT of the Group amounted to RM17.3 million in FP2024, representing a decrease of 11.7% from RM19.6 million in FP2023 was in line with the decrease in gross profit offset by higher other income, lower overall operating expenses and finance costs.

Profit after taxation (“PAT”)

PAT of the Group amounted to RM13.6 million in FP2024, representing an increase of 4.6% from RM13.0 million in FP2023 was due to 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	
	31.03.2024	31.03.2023	31.03.2024	31.03.2023
	RM'000	RM'000	RM'000	RM'000
Interest income	(1,073)	(991)	(3,223)	(2,030)
Interest expense	325	926	1,047	2,647
Distribution from investment securities	(481)	(345)	(1,388)	(1,086)
Depreciation and amortisation	4,880	4,750	14,621	14,310
(Gain)/loss on disposal of property, plant and equipment	(120)	-	(127)	102
Gain on disposal of investment properties	(346)	-	(346)	-
Net unrealised loss/(gain) on foreign exchange	417	(552)	(58)	465
Net realised loss on foreign exchange	399	1,667	567	1,680
Net fair value loss/(gain) on derivatives	33	(73)	(4)	(410)
Net fair value gain on investment securities	(196)	(67)	(536)	(351)
Insurance compensation	-	-	(259)	-



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B4. TRADE AND OTHER RECEIVABLES

	31.03.2024 RM'000	30.06.2023 RM'000
Trade receivables		
Third parties	43,424	36,288
Less: Allowance for expected credit losses	<u>(6,387)</u>	<u>(6,319)</u>
Trade receivables, net	<u>37,037</u>	<u>29,969</u>
Other receivables		
Import duty and other indirect taxes	5,842	10,119
Sundry receivables	13,671	2,683
Deposits	<u>815</u>	<u>706</u>
	20,328	13,508
Less: Allowance for expected credit losses-sundry receivables	<u>(279)</u>	<u>(282)</u>
Other receivables, net	<u>20,049</u>	<u>13,226</u>
Total trade and other receivables	<u>57,086</u>	<u>43,195</u>

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

	31.03.2024 RM'000	30.06.2023 RM'000
Neither past due nor impaired	31,177	23,582
Past due not impaired:		
1 - 30 days	3,586	5,256
31 - 60 days	1,632	242
61 - 90 days	8	59
91 - 120 days	203	110
> 121 days	431	720
Impaired	<u>6,387</u>	<u>6,319</u>
Gross trade receivables	<u>43,424</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 27 May 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



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warehouse. As at 27 May 2024, there has been no material development on the status of this MOU.

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 March 2024.

B9. DIVIDEND

The Company had on 10 May 2024 paid a first interim single-tier dividend of 1.0 sen per ordinary share for the financial year ending 30 June 2024.

The Board of directors did not recommend any interim dividend for the current quarter ended 31 March 2024.



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

Basic EPS/(LPS)	Individual Quarter		Cumulative Quarter	
	31.03.2024	31.03.2023	31.03.2024	31.03.2023
Net profit/(loss) attributable to owners the Company (RM'000)	659	(8,278)	14,795	13,383
Weighted average number of shares ('000)	194,549.2	194,117.1	194,549.2	194,117.1
Basic EPS/(LPS) (sen)	0.34	(4.26)	7.60	6.89

B11. CAPITAL COMMITMENTS

Capital commitments for property, plant and equipment not provided for in the financial statements as at 31 March 2024 were as follows:

	RM'000
Authorised by Directors and contracted	1,763
Authorised by Directors and not contracted	-
	1,763