



**RHONG KHEN INTERNATIONAL BERHAD**  
 (Formerly known as Latitude Tree Holdings Berhad)  
 (Registration No.: 199401017151 (302829-W))

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)**  
**FOR THE PERIOD ENDED 30 SEPTEMBER 2022**

	Individual quarter ended		Cumulative quarter ended	
	Current year quarter 30.09.2022 RM'000	Preceding year corresponding quarter 30.09.2021 RM'000	Current year quarter 30.09.2022 RM'000	Preceding year corresponding quarter 30.09.2021 RM'000
Revenue	234,244	168,807	234,244	168,807
Cost of sales	(205,710)	(153,762)	(205,710)	(153,762)
<b>Gross profit</b>	<b>28,534</b>	<b>15,045</b>	<b>28,534</b>	<b>15,045</b>
Other income	1,437	1,823	1,437	1,823
Selling and distribution expenses	(6,419)	(4,740)	(6,419)	(4,740)
Administrative expenses	(6,994)	(6,886)	(6,994)	(6,886)
Other expenses	(1,296)	(1,664)	(1,296)	(1,664)
<b>Operating profit</b>	<b>15,262</b>	<b>3,578</b>	<b>15,262</b>	<b>3,578</b>
Finance costs	(845)	(699)	(845)	(699)
<b>Profit before taxation</b>	<b>14,417</b>	<b>2,879</b>	<b>14,417</b>	<b>2,879</b>
Taxation	(4,024)	(1,395)	(4,024)	(1,395)
<b>Profit for the period</b>	<b>10,393</b>	<b>1,484</b>	<b>10,393</b>	<b>1,484</b>
Attributable to :				
Owners of the parent	10,393	1,484	10,393	1,484
Non-controlling interest	-	-	-	-
<b>Profit for the period</b>	<b>10,393</b>	<b>1,484</b>	<b>10,393</b>	<b>1,484</b>
<b>Earnings per share (sen) :</b>				
(a) Basic	5.35	0.76	5.35	0.76
(b) Diluted	5.35	0.76	5.35	0.76
Weighted average number of ordinary shares ('000)	194,310.0	194,310.0	194,310.0	194,310.0
Profit for the period	10,393	1,484	10,393	1,484
Other comprehensive income:				
Foreign currency translation	16,317	911	16,317	911
<b>Total comprehensive income for the period</b>	<b>26,710</b>	<b>2,395</b>	<b>26,710</b>	<b>2,395</b>
Total comprehensive income attributable to :				
Owners of the parent	26,710	2,395	26,710	2,395
Non-controlling interest	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>26,710</b>	<b>2,395</b>	<b>26,710</b>	<b>2,395</b>

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



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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)**  
**AS AT 30 SEPTEMBER 2022**

	<b>Unaudited</b>	<b>Audited</b>
	<b>30.09.2022</b>	<b>30.06.2022</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	260,622	255,520
Investment properties	52,941	51,233
Right-of-use assets	33,907	32,691
Other investments	81	81
Deferred tax assets	1,145	1,057
	<u>348,696</u>	<u>340,582</u>
<b>Current assets</b>		
Inventories	224,100	253,411
Trade and other receivables	91,601	82,457
Prepayments	5,990	4,192
Tax recoverable	243	171
Cash and bank balances	167,616	182,374
Investment securities	88,549	85,012
	<u>578,099</u>	<u>607,617</u>
<b>TOTAL ASSETS</b>	<u>926,795</u>	<u>948,199</u>



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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)**  
**AS AT 30 SEPTEMBER 2022 (CONT'D)**

	<b>Unaudited</b>	<b>Audited</b>
	<b>30.09.2022</b>	<b>30.06.2022</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the parent</b>		
Share capital	98,433	98,433
Treasury shares	(155)	(155)
Retained earnings	481,687	471,294
Foreign currency translation reserve	102,005	85,688
	<u>681,970</u>	<u>655,260</u>
Non-controlling interest	-	-
<b>Total equity</b>	<u>681,970</u>	<u>655,260</u>
<b>Non-current liabilities</b>		
Loans and borrowings	19,375	26,026
Lease liabilities	5,188	4,975
Provision for severance allowance	240	227
Retirement benefit obligation	282	287
Deferred tax liabilities	3,887	3,260
	<u>28,972</u>	<u>34,775</u>
<b>Current liabilities</b>		
Trade and other payables	91,411	117,089
Loans and borrowings	87,098	103,285
Lease liabilities	167	158
Tax payable	36,612	37,225
Derivatives	565	407
	<u>215,853</u>	<u>258,164</u>
<b>Total liabilities</b>	<u>244,825</u>	<u>292,939</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>926,795</u>	<u>948,199</u>
Net assets per share attributable to owners of the parent (RM)	<u>3.51</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.



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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)**  
**FOR THE PERIOD ENDED 30 SEPTEMBER 2022**

	<u>Share capital</u>	<u>Treasury shares</u>	<u>Non-distributable Foreign currency translation reserve</u>	<u>Distributable Retained earnings</u>	<u>Total</u>	<u>Non-controlling interest</u>	<u>Total equity</u>
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
As at 1 July 2021	98,433	(155)	68,420	443,542	610,240	-	610,240
Total comprehensive income for the period	-	-	911	1,484	2,395	-	2,395
As at 30 September 2021	<b>98,433</b>	<b>(155)</b>	<b>69,331</b>	<b>445,026</b>	<b>612,635</b>	-	<b>612,635</b>
As at 1 July 2022	98,433	(155)	85,688	471,294	655,260	-	655,260
Total comprehensive income for the period	-	-	16,317	10,393	26,710	-	26,710
Dividend paid	-	-	-	-	-	-	-
As at 30 September 2022	<b>98,433</b>	<b>(155)</b>	<b>102,005</b>	<b>481,687</b>	<b>681,970</b>	-	<b>681,970</b>

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 30 SEPTEMBER 2022**

	30.09.2022 RM'000	30.09.2021 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Profit before taxation</b>	14,417	2,879
<b>Adjustments for:</b>		
Depreciation and amortisation	4,741	5,119
Net fair value loss/(gain) on derivatives	158	(157)
Net fair value (gain)/loss on investment securities	(2)	52
Net unrealised (gain)/loss on foreign exchange	(2)	446
Loss on disposal of property, plant and equipment	191	-
Distribution from investment securities	(333)	(227)
Non cash items	47	25
Net financing costs	409	215
<b>Operating profit before working capital changes</b>	<b>19,626</b>	<b>8,352</b>
<b>Changes in working capital</b>		
Net change in current assets	30,977	67,771
Net change in current liabilities	(30,425)	(55,274)
Net taxes paid	(5,881)	(4,571)
Interest paid	(813)	(679)
<b>Net cash flows generated from operating activities</b>	<b>13,484</b>	<b>15,599</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
<b>Interest received</b>		
Interest received	386	431
Purchase of property, plant and equipment	(3,160)	(1,266)
Purchase of investment properties	(1,800)	(15)
Proceeds from disposal of property, plant and equipment	39	-
(Placement)/withdrawal of deposits with licensed banks	(38)	3,616
Net purchase of investment securities	(2,935)	(17,799)
<b>Net cash flows used in investing activities</b>	<b>(7,508)</b>	<b>(15,033)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net repayments of loans and borrowings	(27,568)	(3,236)
Repayments for principal portion of lease liabilities	(40)	(267)
Placement of deposits placed as securities for bank borrowings and guarantees	(5,020)	(16)
<b>Net cash flows used in financing activities</b>	<b>(32,628)</b>	<b>(3,519)</b>
<b>NET CHANGES IN CASH AND CASH EQUIVALENTS</b>	<b>(26,652)</b>	<b>(2,953)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>	<b>170,466</b>	<b>184,960</b>
<b>EFFECTS OF EXCHANGE RATE CHANGES</b>	<b>6,836</b>	<b>1,092</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b>150,650</b>	<b>183,099</b>
<b>Cash and cash equivalents included in the Consolidated Statement of Cash Flows comprise the following balance sheet amounts :</b>		
<b>Cash and bank balances</b>	<b>119,829</b>	<b>137,118</b>
<b>Term deposits</b>	<b>47,787</b>	<b>54,023</b>
	<b>167,616</b>	<b>191,141</b>
<b>Less:</b>		
<b>Deposits pledged as securities for bank borrowings and guarantees</b>	<b>(16,253)</b>	<b>(7,401)</b>
<b>Deposits with licensed banks with tenure more than three months</b>	<b>(713)</b>	<b>(641)</b>
	<b>150,650</b>	<b>183,099</b>

**Reconciliation of liabilities arising from financing activities:**

	Carrying amount as at 1 July 2022 RM'000	Cash flows RM'000	Effects of foreign exchange RM'000	Carrying amount as at 30 September 2022 RM'000
<u>Group</u>				
Loans and borrowings	129,311	(27,568)	4,730	106,473
Lease liabilities	5,133	(40)	262	5,355
<b>Total</b>	<b>134,444</b>	<b>(27,608)</b>	<b>4,992</b>	<b>111,828</b>

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 – 30 SEPTEMBER 2022**

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**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 2022.

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 2022 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 2022.

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 2022 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 30 September 2022.

**A4. VALUATION OF PROPERTY, PLANT & EQUIPMENT**

There was no revaluation of properties of the Group during the financial period ended 30 September 2022.

**A5. TAXATION**

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

	Individual Quarter		Cumulative Quarter	
	30.09.2022	30.09.2021	30.09.2022	30.09.2021
	RM'000	RM'000	RM'000	RM'000
Current tax expense				
Malaysian	860	187	860	187
Overseas	2,537	750	2,537	750
<b>Total</b>	<b>3,397</b>	<b>937</b>	<b>3,397</b>	<b>937</b>



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**NOTES TO THE QUARTERLY REPORT – 30 SEPTEMBER 2022**

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	Individual Quarter		Cumulative Quarter	
	30.09.2022	30.09.2021	30.09.2022	30.09.2021
	RM'000	RM'000	RM'000	RM'000
Deferred tax expense				
Malaysian	627	449	627	449
Overseas	-	9	-	9
<b>Total</b>	<b>627</b>	<b>458</b>	<b>627</b>	<b>458</b>
	<b>4,024</b>	<b>1,395</b>	<b>4,024</b>	<b>1,395</b>

**A6. CHANGES IN THE COMPOSITION OF THE GROUP**

There was no change to the composition of the Group in the quarter ended 30 September 2022.

**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 30 September 2022.

**A9. BORROWINGS AND DEBTS SECURITIES**

Details of the Group's borrowings were as follows:



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**NOTES TO THE QUARTERLY REPORT – 30 SEPTEMBER 2022**

	As at 30 September 2022					
	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
<b>Secured</b>						
Term loan (USD)	13,377	-	2,039	-	15,416	-
Term loan (RM)	-	5,998	-	808	-	6,806
Bankers' acceptances (RM)	-	-	-	3,742	-	3,742
<b>Unsecured</b>						
Trust receipts (USD)	-	-	73,983	-	73,983	-
Debentures (USD)	-	-	6,526	-	6,526	-
<b>Total</b>	<b>13,377</b>	<b>5,998</b>	<b>82,548</b>	<b>4,550</b>	<b>95,925</b>	<b>10,548</b>

	As at 30 June 2022					
	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
<b>Secured</b>						
Term loan (USD)	13,199	-	1,922	-	15,121	-
Term loan (RM)	-	6,184	-	824	-	7,008
Bankers' acceptances (RM)	-	-	-	2,397	-	2,397
<b>Unsecured</b>						
Trust receipts (USD)	-	-	98,142	-	98,142	-
Debentures (USD)	6,643	-	-	-	6,643	-
<b>Total</b>	<b>19,842</b>	<b>6,184</b>	<b>100,064</b>	<b>3,221</b>	<b>119,906</b>	<b>9,405</b>





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**NOTES TO THE QUARTERLY REPORT – 30 SEPTEMBER 2022**

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**A10. FINANCIAL INSTRUMENTS - DERIVATIVES**

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

	As at 30 September 2022			As at 30 June 2022		
	Contract/ Notional amount RM'000	Liabilities RM'000	Fair value loss RM'000	Contract/ Notional amount RM'000	Liabilities RM'000	Fair value loss RM'000
<b>Non-hedging derivatives:</b>						
Forward currency contracts	8,004	565	(158)	15,872	407	(280)

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 2023. During the financial period under review, the Group recognised a loss of RM158,304 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 29 November 2022.

**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.



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**NOTES TO THE QUARTERLY REPORT – 30 SEPTEMBER 2022**

***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.

**Results for the Individual and Cumulative Quarter ended 30 September**

RM'000	Malaysia		Vietnam		Thailand		Others		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Total revenue	49,934	23,533	183,444	143,449	6,482	4,719	1,027	634	240,887	172,335
Inter-segment revenue	(4,642)	(2,431)	(71)	-	(1,930)	(1,097)	-	-	(6,643)	(3,528)
External revenue	45,292	21,102	183,373	143,449	4,552	3,622	1,027	634	234,244	168,807
Profit/(loss) before taxation	4,209	1,992	10,793	822	(448)	(851)	(137)	916	14,417	2,879
Segment assets	267,238	256,579	528,251	441,172	33,234	37,590	596,034	595,086	1,424,757	1,330,427
Segment liabilities	55,054	54,509	187,525	162,758	17,647	19,936	84,232	85,880	344,458	323,083

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

	<b>30.09.2022</b>	<b>30.09.2021</b>
	<b>RM'000</b>	<b>RM'000</b>
Inter-segment assets	497,962	493,892
Inter-segment liabilities	99,633	99,183

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

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



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**NOTES TO THE QUARTERLY REPORT – 30 SEPTEMBER 2022**

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RM' Million	Individual quarter		Changes (%)
	30.09.2022	30.06.2022	
Revenue	234.2	240.2	-2.5%
Gross profit	28.5	44.8	-36.4%
Profit before taxation	14.4	25.2	-42.9%
Profit after taxation	10.4	17.5	-40.6%

**Revenue**

For the quarter under review, the Group's revenue dipped 2.5% to RM234.2 million as compared to the preceding quarter of RM240.2 million. The decrease was mainly attributable to the followings:

- lower sales recorded by furniture plants in Vietnam due to slowdown in shipment in current quarter as a result of high inventory level at our customers' warehouses in United States ("US"); and
- lower sales recorded by panel board lamination plant due to slowdown in local market demand in current quarter.

**Gross profit**

The Group has recorded lower gross profit from RM44.8 million in preceding quarter compared to RM28.5 million in current quarter, representing a decline of 36.4%. The decrease in gross profit was mainly attributable to the followings:

- higher operating costs due to shortage of workers; and
- discounts given to our customers to boost shipments during the quarter.

**Profit before taxation ("PBT")**

The Group has recorded a decline in PBT from RM25.2 million in preceding quarter to RM14.4 million in current quarter, representing a decrease of 42.9%. The decrease in PBT was in line with the decrease in gross profit and higher administrative expenses.

**Profit after taxation ("PAT")**

The Group recorded PAT of RM10.4 million in current quarter, representing a decrease of 40.6% from RM17.5 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.



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**NOTES TO THE QUARTERLY REPORT – 30 SEPTEMBER 2022**

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**B2. REVIEW OF PERFORMANCE**

RM' Million	Cumulative quarter		Changes (%)
	30.09.2022	30.09.2021	
Revenue	234.2	168.8	+38.7%
Gross profit	28.5	15.0	+90.0%
Profit before taxation	14.4	2.9	>+100.0%
Profit after taxation	10.4	1.5	>+100.0%

**Revenue**

The Group recorded revenue of RM234.2 million for the three months financial period ended 30 September 2022 (“FP2023”), representing an increase of 38.7% as compared to the three months financial period ended 30 September 2021 (“FP2022”) of RM168.8 million. The increase was mainly attributable to the followings:

- higher sales and production output recorded by all divisions of the Group in FP2023 due to lockdowns imposed by Malaysian and Vietnamese governments to contain outbreak of Covid-19 pandemic in both countries in FP2022; and
- strengthening of United States Dollar (“USD”) against Ringgit Malaysia (“RM”) by 6.9%.

**Gross profit**

Gross profit of the Group amounted to RM28.5 million in FP2023, representing a significant increase of 90.0% from RM15.09 million in FP2022. The substantial increase in gross profit was mainly attributable to the followings:

- in line with the increase in revenue; and
- lower manufacturing costs due to all plants were operated at optimum capacity in FP2023 compared to minimal operation in FP2022 as a result of lockdowns in Malaysia and Vietnam.

**Profit before taxation (“PBT”)**

PBT of the Group amounted to RM14.4 million in FP2023, representing a significant increase of more than 100.0% from RM2.9 million in FP2022 was in line with the increase in gross profit and lower foreign exchange losses in FP2023 compared to FP2022.

**Profit after taxation (“PAT”)**

PAT of the Group amounted to RM10.4 million in FP2023, representing a significant increase of more than 100.0% from RM1.5 million in FP2022 was in line with increase in PBT.



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**NOTES TO THE QUARTERLY REPORT – 30 SEPTEMBER 2022**

**B3. PROFIT FOR THE PERIOD**

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

	Individual quarter ended		Cumulative quarter ended	
	30.09.2022	30.09.2021	30.09.2022	30.09.2021
	RM'000	RM'000	RM'000	RM'000
Interest income	(436)	(484)	(436)	(484)
Interest expense	845	699	845	699
Distribution from investment securities	(333)	(227)	(333)	(227)
Depreciation and amortisation	4,741	5,119	4,741	5,119
Loss on disposal of property, plant and equipment	191	-	191	-
Net unrealised (gain)/loss on foreign exchange	(2)	446	(2)	446
Net realised loss on foreign exchange	555	1,238	555	1,238
Net fair value loss/(gain) on derivatives	158	(157)	158	(157)
Net fair value (gain)/loss on investment securities	(2)	52	(2)	52
Insurance compensation	-	(372)	-	(372)

**B4. TRADE AND OTHER RECEIVABLES**

	30.09.2022 RM'000	30.06.2022 RM'000
<b>Trade receivables</b>		
Third parties	73,343	63,118
Less: Allowance for expected credit losses	(6,045)	(5,780)
Trade receivables, net	<u>67,298</u>	<u>57,338</u>
<b>Other receivables</b>		
Import duty and other indirect taxes	17,691	18,688
Sundry receivables	6,202	6,105
Deposits	674	594
	<u>24,567</u>	<u>25,387</u>
Less: Allowance for expected credit losses-sundry receivables	(264)	(268)
Other receivables, net	<u>24,303</u>	<u>25,119</u>
Total trade and other receivables	<u>91,601</u>	<u>82,457</u>



**RHONG KHEN INTERNATIONAL BERHAD**  
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The ageing analysis of the Group's trade receivables is as follows:

	<b>30.09.2022</b>	<b>30.06.2022</b>
	<b>RM'000</b>	<b>RM'000</b>
Neither past due nor impaired	56,585	43,890
Past due not impaired:		
1 - 30 days	8,770	11,746
31 - 60 days	1,138	957
61 - 90 days	143	104
> 91 days	662	641
Impaired	6,045	5,780
Gross trade receivables	<u>73,343</u>	<u>63,118</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 29 September 2022.

**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 market remains challenging with the prolonged ongoing war between Russia and Ukraine, escalating US and China tensions and heightened risk of global recession caused by rapid and aggressive rise in interest rates in US may slow down US economy.

Regardless of the operating environment in this trying time especially the risk of global recession and geopolitical uncertainties, the Group will remain resilient and vigilant in addressing these uncertainties in all levels of decision making. The Group remains resolute in its long-term strategies of cost controlling, enhancing production efficiency, development of new products and new designs in the "new normal" environment and effective cost management across all functions.

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 2023.



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**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 30 September 2022.

**B9. DIVIDEND**

The Company has declared a final single-tier dividend of 5.0 sen per ordinary share for the financial year ended 30 June 2022 subject to shareholders' approval at the forthcoming Annual General Meeting.

The Board of Directors did not recommend any interim dividend for the current quarter ended 30 September 2022.

**B10. EARNINGS PER SHARE ("EPS")**

	Individual Quarter		Cumulative Quarter	
	30.09.2022	30.09.2021	30.09.2022	30.09.2021
<b>Basic EPS</b>				
Net profit attributable to owners the parent (RM'000)	10,393	1,484	10,393	1,484
Weighted average number of shares ('000)	194,310.0	194,310.0	194,310.0	194,310.0
Basic EPS (sen)	5.35	0.76	5.35	0.76

**B11. CAPITAL COMMITMENTS**

Capital commitments for property, plant and equipment not provided for in the financial statements as at 30 September 2022 were as follows:

	RM'000
Authorised by Directors and contracted	8,199
Authorised by Directors and not contracted	-
	<b>8,199</b>