



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 JUNE 2022

	Individual quarter ended		Cumulative quarter ended	
	Current year quarter 30.06.2022 RM'000	Preceding year corresponding quarter 30.06.2021 RM'000	Current year quarter 30.06.2022 RM'000	Preceding year corresponding quarter 30.06.2021 RM'000
Revenue	240,194	216,023	756,324	911,943
Cost of sales	(195,376)	(188,694)	(650,787)	(786,068)
Gross profit	44,818	27,329	105,537	125,875
Other income	1,288	1,156	5,959	13,198
Selling and distribution expenses	(7,634)	(7,829)	(21,788)	(26,978)
Administrative expenses	(6,572)	(7,870)	(29,254)	(30,466)
Other expenses	(5,900)	(1,923)	(9,037)	(7,091)
Operating profit	26,000	10,863	51,417	74,538
Finance costs	(822)	(827)	(2,605)	(2,954)
Profit before taxation	25,178	10,036	48,812	71,584
Taxation	(7,725)	(7,469)	(13,288)	(17,793)
Profit for the period	17,453	2,567	35,524	53,791
Attributable to :				
Owners of the parent	17,453	2,567	35,524	53,791
Non-controlling interest	-	-	-	-
Profit for the period	17,453	2,567	35,524	53,791
Earnings per share (sen) :				
(a) Basic	8.98	1.33 *	18.28	27.84 *
(b) Diluted	8.98	1.33 *	18.28	27.84 *
Weighted average number of ordinary shares ('000)	194,310.0	193,203.5	194,310.0	193,203.5
Profit for the period	17,453	2,567	35,524	53,791
Other comprehensive income:				
Foreign currency translation	13,933	9	17,268	(8,979)
Total comprehensive income for the period	31,386	2,576	52,792	44,812
Total comprehensive income attributable to :				
Owners of the parent	31,386	2,576	52,792	44,812
Non-controlling interest	-	-	-	-
Total comprehensive income for the period	31,386	2,576	52,792	44,812

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

* For comparative purpose, the EPS for the quarter and year to date ended 30 June 2021 have been adjusted to reflect the bonus issue of 1 bonus share for every 1 existing ordinary share which was completed on 16 March 2021.



RHONG KHEN INTERNATIONAL BERHAD
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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS AT 30 JUNE 2022

	Unaudited	Audited
	30.06.2022	30.06.2021
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	255,520	251,235
Investment properties	51,233	59,562
Right-of-use assets	32,691	34,510
Other investments	81	81
Deferred tax assets	1,057	907
	<u>340,582</u>	<u>346,295</u>
Current assets		
Inventories	253,411	228,979
Trade and other receivables	82,457	61,257
Prepayments	3,996	3,816
Tax recoverable	171	1,154
Cash and bank balances	182,374	196,602
Investment securities	85,012	55,452
	<u>607,421</u>	<u>547,260</u>
TOTAL ASSETS	<u><u>948,003</u></u>	<u><u>893,555</u></u>



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

	Unaudited	Audited
	30.06.2022	30.06.2021
	RM'000	RM'000
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	98,433	98,433
Treasury shares	(155)	(155)
Retained earnings	471,294	443,542
Foreign currency translation reserve	85,688	68,420
	<u>655,260</u>	<u>610,240</u>
Non-controlling interest	-	-
Total equity	<u>655,260</u>	<u>610,240</u>
Non-current liabilities		
Loans and borrowings	26,026	22,062
Lease liabilities	4,975	4,834
Provision for severance allowance	227	231
Retirement benefit obligation	287	224
Deferred tax liabilities	3,260	3,213
	<u>34,775</u>	<u>30,564</u>
Current liabilities		
Trade and other payables	116,893	111,664
Loans and borrowings	103,285	108,076
Lease liabilities	158	883
Tax payable	37,225	32,001
Derivatives	407	127
	<u>257,968</u>	<u>252,751</u>
Total liabilities	<u>292,743</u>	<u>283,315</u>
TOTAL EQUITY AND LIABILITIES	<u>948,003</u>	<u>893,555</u>
Net assets per share attributable to owners of the parent (RM)	<u>3.37</u>	<u>3.14</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 JUNE 2022

	Non-distributable						
		Foreign	Distributable		Non-	Total	
	Share	currency	Retained	Total	controlling	equity	
	capital	translation	earnings	Total	interest		
	RM'000	reserve	RM'000	RM'000	RM'000	RM'000	RM'000
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
As at 1 July 2020	98,433	(5,798)	77,399	407,967	578,001	-	578,001
Total comprehensive income for the period	-	-	(8,979)	53,791	44,812	-	44,812
Dividend paid	-	-	-	(12,573)	(12,573)	-	(12,573)
Share dividend	-	5,643	-	(5,643)	-	-	-
As at 30 June 2021	98,433	(155)	68,420	443,542	610,240	-	610,240
As at 1 July 2021	98,433	(155)	68,420	443,542	610,240	-	610,240
Total comprehensive income for the period	-	-	17,268	35,524	52,792	-	52,792
Dividend paid	-	-	-	(7,772)	(7,772)	-	(7,772)
As at 30 June 2022	98,433	(155)	85,688	471,294	655,260	-	655,260

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 JUNE 2022

	30.06.2022 RM'000	30.06.2021 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	48,812	71,584
Adjustments for:		
Reversal of allowance for expected credit losses on trade receivables	(65)	(169)
Allowance for expected credit losses on trade receivables	262	-
Depreciation and amortisation	19,257	19,660
Inventories written down	159	1,982
Reversal of inventories written down	(7)	-
Property, plant and equipment written off	-	57
Net fair value loss/(gain) on derivatives	280	(1,025)
Net fair value loss on investment securities	1,220	214
Net unrealised loss on foreign exchange	1,565	982
Loss/(gain) on disposal of property, plant and equipment	10	(122)
Gain on disposal of right-of-use assets	(639)	(602)
Distribution from investment securities	(1,098)	(790)
Non cash items	188	345
Net financing costs	983	1,246
Operating profit before working capital changes	70,927	93,362
Changes in working capital		
Net change in current assets	(31,858)	(35,093)
Net change in current liabilities	(910)	34,360
Net income taxes paid	(9,048)	(10,788)
Net financing costs paid	(961)	(1,370)
Net cash flows generated from operating activities	28,150	80,471
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(6,438)	(22,079)
Purchase of investment properties	(15)	-
Proceeds from disposal of property, plant and equipment	337	224
Proceeds from disposal of right-of-use assets	2,378	859
Withdrawal of deposits with licensed banks	686	4,707
Purchase of investment securities	(29,301)	(2,054)
Net cash flows used in investing activities	(32,353)	(18,343)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net (repayment)/drawdown of loans and borrowings	(8,012)	28,027
Repayments for principal portion of lease liabilities	(902)	(922)
Dividends paid on ordinary shares	(7,772)	(12,573)
(Placement)/withdrawal of deposits placed as securities for bank borrowings and guarantees	(64)	8,431
Net cash flows (used in)/generated from financing activities	(16,750)	22,963
NET CHANGES IN CASH AND CASH EQUIVALENTS	(20,953)	85,091
CASH & CASH EQUIVALENTS AT BEGINNING OF PERIOD	184,960	101,426
EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	7,347	(1,557)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	171,354	184,960
Cash and cash equivalents included in the Consolidated Statement of Cash Flows comprise the following balance sheet amounts :		
Cash and bank balances	134,223	151,442
Term deposits	48,151	45,160
	182,374	196,602
Less:		
Deposits pledged as securities for bank borrowings and guarantees	(7,449)	(7,385)
Deposits with licensed banks with tenure more than three months	(3,571)	(4,257)
	171,354	184,960

Reconciliation of liabilities arising from financing activities:

	Carrying amount as at 1 July 2021 RM'000	Cash flows RM'000	Effects of foreign exchange RM'000	Carrying amount as at 30 June 2022 RM'000
<u>Group</u>				
Loans and borrowings	130,138	(8,012)	7,185	129,311
Lease liabilities	5,717	(902)	318	5,133
Total	135,855	(8,914)	7,503	134,444

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 JUNE 2022

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 2021.

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 2021 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 2021.

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 2021 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 June 2022.

A4. VALUATION OF PROPERTY, PLANT & EQUIPMENT

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

A5. TAXATION

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

	Individual Quarter		Cumulative Quarter	
	30.06.2022	30.06.2021	30.06.2022	30.06.2021
	RM'000	RM'000	RM'000	RM'000
Current tax expense				
Malaysian	1,033	(46)	3,167	2,554
Overseas	7,118	7,488	10,124	14,924
Total	8,151	7,442	13,291	17,478



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	Individual Quarter		Cumulative Quarter	
	30.06.2022	30.06.2021	30.06.2022	30.06.2021
	RM'000	RM'000	RM'000	RM'000
Deferred tax expense				
Malaysian	(355)	858	47	1,134
Overseas	(71)	(831)	(50)	(819)
Total	(426)	27	(3)	315
	7,725	7,469	13,288	17,793

A6. CHANGES IN THE COMPOSITION OF THE GROUP

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

A9. BORROWINGS AND DEBTS SECURITIES

Details of the Group's borrowings were as follows:



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

	As at 30 June 2021					
	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)	14,218	-	1,801	-	16,019	-
Term loan (RM)	-	7,007	-	768	-	7,775
Term loan (THB)	837	-	576	-	1,413	-
Bankers' acceptances (RM)	-	-	-	2,228	-	2,228
Bankers' acceptances (USD)	-	-	941	-	941	-
Revolving credit (USD)	-	-	2,075	-	2,075	-



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NOTES TO THE QUARTERLY REPORT – 30 JUNE 2022

	As at 30 June 2021					
	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
<i>Unsecured</i>						
Trust receipts (USD)	-	-	99,687	-	99,687	-
Total	15,055	7,007	105,080	2,996	120,135	10,003

A10. FINANCIAL INSTRUMENTS - DERIVATIVES

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

	As at 30 June 2022 RM'000			As at 30 June 2021 RM'000		
	Contract/ Notional amount	Liabilities	Fair value loss	Contract/ Notional amount	Liabilities	Fair value gain
Non-hedging derivatives:						
Non-current						
Forward currency contracts	-	-	-	-	-	762
Current						
Forward currency contracts	15,872	(407)	(280)	38,137	(127)	261
Interest rate swap	-	-	-	-	-	2
	<u>15,872</u>	<u>(407)</u>	<u>(280)</u>	<u>38,137</u>	<u>(127)</u>	<u>263</u>
Total derivatives	15,872	(407)	(280)	38,137	(127)	1,025

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 RM280,346 arising from fair value changes of forward currency contracts. The fair value changes are attributable to changes in foreign exchange closing and forward rate.



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NOTES TO THE QUARTERLY REPORT – 30 JUNE 2022

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 30 August 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.

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 Quarter ended 30 June

RM'000	Malaysia		Vietnam		Thailand		Others		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Total revenue	43,207	31,665	196,193	183,470	5,836	5,446	2,539	5,423	247,775	226,004
Inter-segment revenue	(4,770)	(3,770)	(2)	(141)	(1,309)	(1,570)	(1,500)	(4,500)	(7,581)	(9,981)
External revenue	38,437	27,895	196,191	183,329	4,527	3,876	1,039	923	240,194	216,023
Profit/(loss) before taxation	2,417	(2,882)	24,705	14,960	(782)	(1,395)	(1,162)	(647)	25,178	10,036
Segment assets	260,119	250,332	556,041	508,332	33,427	33,767	592,977	603,221	1,442,564	1,395,652
Segment liabilities	50,723	49,689	240,133	232,318	17,105	14,414	82,471	259,389	390,432	555,810



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Results for the Cumulative Quarter ended 30 June

RM'000	Malaysia		Vietnam		Thailand		Others		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Total revenue	168,518	176,618	584,301	737,297	23,380	24,334	13,130	33,131	789,329	971,380
Inter-segment revenue	(17,385)	(21,384)	(116)	(412)	(5,590)	(8,470)	(9,914)	(29,171)	(33,005)	(59,437)
External revenue	151,133	155,234	584,185	736,885	17,790	15,864	3,216	3,960	756,324	911,943
Profit/(loss) before taxation	13,173	5,695	40,542	67,269	(2,387)	(958)	(2,516)	(422)	48,812	71,584
Segment assets	260,119	250,332	556,041	508,332	33,427	33,767	592,977	603,221	1,442,564	1,395,652
Segment liabilities	50,723	49,689	240,133	232,318	17,105	14,414	82,471	259,389	390,432	555,810

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

	30.06.2022	30.06.2021
	RM'000	RM'000
Inter-segment assets	<u>494,561</u>	<u>502,097</u>
Inter-segment liabilities	<u>97,689</u>	<u>272,495</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 (%)
	30.06.2022	31.03.2022	
Revenue	240.2	194.8	+23.3%
Gross profit	44.8	27.2	+64.7%
Profit before taxation	25.2	13.2	+90.9%
Profit after taxation	17.5	10.8	+62.0%



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NOTES TO THE QUARTERLY REPORT – 30 JUNE 2022

Revenue

For the quarter under review, the Group's revenue surged by 23.3% to RM240.2 million as compared to the preceding quarter of RM194.8 million. The increase was mainly attributable to the followings:

- higher sales recorded by furniture plants in Vietnam due to higher shipment in current quarter; and
- strengthening of US Dollar ("USD") against Ringgit Malaysia ("RM") by 1.1%.

Gross profit

The Group has recorded higher gross profit from RM27.2 million in preceding quarter compared to RM44.8 million in current quarter, representing an increase of 64.7%. The increase in gross profit was mainly attributable to the followings:

- in line with the increase in revenue; and
- lower manufacturing costs benefitted from higher production output across all division in current quarter compared to preceding quarter due to more production days.

Profit before taxation ("PBT")

The Group has recorded a significant increase in PBT from RM13.2 million in preceding quarter to RM25.2 million in current quarter, representing an increase of 90.9%. The increase in PBT was in line with the increase in gross profit offset with higher other expenses.

Profit after taxation ("PAT")

The Group recorded PAT of RM17.5 million in current quarter, representing a significant increase of 62.0% from RM10.8 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 (%)
	30.06.2022	30.06.2021	
Revenue	756.3	911.9	-17.1%
Gross profit	105.5	125.9	-16.2%
Profit before taxation	48.8	71.6	-31.8%
Profit after taxation	35.5	53.8	-34.0%



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NOTES TO THE QUARTERLY REPORT – 30 JUNE 2022

Revenue

The Group recorded revenue of RM756.3 million for the financial year ended 30 June 2022 (“FY2022”), representing a decline of 17.1% as compared to the financial year ended 30 June 2021 (“FY2021”) of RM911.9 million. The decrease was mainly attributable to the followings:

- lesser production days due to lockdown in Malaysia and Vietnam to contain outbreak of Covid-19 pandemic;
- lower sales and production output recorded by a furniture plant in Vietnam due to manpower shortage issue after resumption of operation from lockdown in Vietnam;
- lower shipments due to congestion at US ports and limited shipping vessels; offset with
- strengthening of USD against RM by 2.7%.

Gross profit

Gross profit of the Group amounted to RM105.5 million in FY2022, representing a decrease of 16.2% from RM125.9 million in FY2021. The decline in gross profit was mainly attributable to the followings:

- in line with the decrease in revenue;
- higher operating cost resulting from closure of furniture and sawmill plants in Malaysia caused by strict lockdown measures during MCO in FY2022;
- higher operating expenses due to the implementation of “3 on the spot” approach by furniture plants in Vietnam during lockdown enforced by Vietnam authorities; and
- escalating raw material prices due to surge in oil price and high logistic cost.

Profit before taxation (“PBT”)

PBT of the Group amounted to RM48.8 million in FY2022, representing a decrease of 31.8% from RM71.6 million in FY2021 was in line with the decrease in gross profit and higher fair value loss on derivatives and investment securities in FY2022 compared to FY2021.

Profit after taxation (“PAT”)

PAT of the Group amounted to RM35.5 million in FY2022, representing a decline of 34.0% from RM53.8 million in FY2021 was in line with decrease in PBT.



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B3. PROFIT FOR THE PERIOD

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

	Individual quarter ended		Cumulative quarter ended	
	30.06.2022	30.06.2021	30.06.2022	30.06.2021
	RM'000	RM'000	RM'000	RM'000
Interest income	(135)	98	(1,623)	(1,708)
Interest expense	824	828	2,606	2,954
Distribution from investment securities	(281)	(179)	(1,098)	(790)
Depreciation and amortisation	4,814	4,883	19,257	19,660
Loss/(gain) on disposal of property, plant and equipment	24	(19)	10	(122)
Gain on disposal of right-of-use assets	(8)	(602)	(639)	(602)
Property, plant and equipment written off	-	-	-	57
Reversal of allowance for expected credit losses on trade receivables	(50)	10	(65)	(169)
Allowance for expected credit losses on trade receivables	262	-	262	-
Net unrealised loss on foreign exchange	1,043	236	1,565	982
Net realised (gain)/loss on foreign exchange	(257)	464	1,800	1,927
Net fair value loss/(gain) on derivatives	528	58	280	(1,025)
Net fair value loss on investment securities	741	411	1,220	214
Insurance compensation	16	-	(569)	(7,744)
Inventories written down	159	1,982	159	1,982
Reversal of inventories written down	(7)	-	(7)	-



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B4. TRADE AND OTHER RECEIVABLES

	30.06.2022	30.06.2021
	RM'000	RM'000
Trade receivables		
Third parties	63,118	48,512
Less: Allowance for expected credit losses	<u>(5,780)</u>	<u>(5,286)</u>
Trade receivables, net	<u>57,338</u>	<u>43,226</u>
Other receivables		
Import duty and other indirect taxes	18,688	10,669
Advance to suppliers	4,677	5,047
Sundry receivables	1,428	1,629
Deposits	<u>594</u>	<u>964</u>
	25,387	18,309
Less: Allowance for expected credit losses-sundry receivables	<u>(268)</u>	<u>(278)</u>
Other receivables, net	<u>25,119</u>	<u>18,031</u>
Total trade and other receivables	<u>82,457</u>	<u>61,257</u>

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

	30.06.2022	30.06.2021
	RM'000	RM'000
Neither past due nor impaired	43,890	34,533
Past due not impaired:		
1 - 30 days	11,746	6,245
31 - 60 days	957	1,522
61 - 90 days	104	779
> 91 days	641	147
Impaired	<u>5,780</u>	<u>5,286</u>
Gross trade receivables	<u>63,118</u>	<u>48,512</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 30 August 2022.



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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 market remains challenging with the prolonged ongoing war between Russia and Ukraine, extended lockdown in major cities in China on resurgence of Covid-19 cases, escalating US China tensions causing further uncertainties and rapid rise in interest rates in US may slow down US economy.

Regardless of the operating environment in this trying time especially the global economic 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 able to manage the challenges of the current market environment and will remain profitable for the financial year ending 30 June 2023.

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 June 2022.

B9. DIVIDEND

The Company had on 13 May 2022 paid a first interim single-tier dividend of 1.0 sen per ordinary share for the financial year ending 30 June 2022.

The Directors have recommended 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 of the Company. The dividend entitlement and payment date for the proposed dividend will be determined, and thereafter announced at a later date.



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B10. EARNINGS PER SHARE (“EPS”)

Basic EPS	Individual Quarter		Cumulative Quarter	
	30.06.2022	30.06.2021	30.06.2022	30.06.2021
Net profit attributable to owners the parent (RM'000)	17,453	2,567	35,524	53,791
Weighted average number of shares ('000)	194,310.0	193,203.5	194,310.0	193,203.5
Basic EPS (sen)	8.98	1.33*	18.28	27.84*

* For comparative purpose, the EPS for the quarter and year to date ended 30 June 2021 have been adjusted to reflect the bonus issue of 1 bonus share for every 1 existing ordinary share which was completed on 16 March 2021.

B11. CAPITAL COMMITMENTS

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

	RM'000
Authorised by Directors and contracted	8,250
Authorised by Directors and not contracted	-
	8,250