



**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 31 DECEMBER 2022**

	Individual quarter ended		Cumulative quarter ended	
	Current year quarter 31.12.2022 RM'000	Preceding year corresponding quarter 31.12.2021 RM'000	Current year quarter 31.12.2022 RM'000	Preceding year corresponding quarter 31.12.2021 RM'000
Revenue	186,296	152,544	420,540	321,351
Cost of sales	(159,389)	(134,077)	(365,099)	(287,839)
<b>Gross profit</b>	<b>26,907</b>	<b>18,467</b>	<b>55,441</b>	<b>33,512</b>
Other income	1,506	1,804	2,943	3,627
Selling and distribution expenses	(5,285)	(4,235)	(11,704)	(8,975)
Administrative expenses	(7,860)	(7,021)	(14,854)	(13,907)
Other expenses	(407)	(931)	(1,703)	(2,595)
<b>Operating profit</b>	<b>14,861</b>	<b>8,084</b>	<b>30,123</b>	<b>11,662</b>
Finance costs	(876)	(536)	(1,721)	(1,235)
<b>Profit before taxation</b>	<b>13,985</b>	<b>7,548</b>	<b>28,402</b>	<b>10,427</b>
Taxation	(2,717)	(1,802)	(6,741)	(3,197)
<b>Profit for the period</b>	<b>11,268</b>	<b>5,746</b>	<b>21,661</b>	<b>7,230</b>
Attributable to :				
Owners of the parent	11,268	5,746	21,661	7,230
Non-controlling interest	-	-	-	-
<b>Profit for the period</b>	<b>11,268</b>	<b>5,746</b>	<b>21,661</b>	<b>7,230</b>
<b>Earnings per share (sen) :</b>				
(a) Basic	5.81	2.96	11.16	3.72
(b) Diluted	5.81	2.96	11.16	3.72
Weighted average number of ordinary shares ('000)	194,050.9	194,310.0	194,050.9	194,310.0
Profit for the period	11,268	5,746	21,661	7,230
Other comprehensive (loss)/income:				
Foreign currency translation	(17,698)	(742)	(1,381)	169
<b>Total comprehensive (loss)/income for the period</b>	<b>(6,430)</b>	<b>5,004</b>	<b>20,280</b>	<b>7,399</b>
Total comprehensive (loss)/income attributable to :				
Owners of the parent	(6,430)	5,004	20,280	7,399
Non-controlling interest	-	-	-	-
<b>Total comprehensive (loss)/income for the period</b>	<b>(6,430)</b>	<b>5,004</b>	<b>20,280</b>	<b>7,399</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 31 DECEMBER 2022**

	<b>Unaudited</b>	<b>Audited</b>
	<b>31.12.2022</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	252,208	255,520
Investment properties	52,875	51,233
Right-of-use assets	31,980	32,691
Other investments	81	81
Deferred tax assets	1,048	1,057
	<u>338,192</u>	<u>340,582</u>
<b>Current assets</b>		
Inventories	169,010	253,411
Trade and other receivables	76,839	82,457
Prepayments	5,655	4,192
Tax recoverable	280	171
Cash and bank balances	184,743	182,374
Investment securities	84,934	85,012
	<u>521,461</u>	<u>607,617</u>
<b>TOTAL ASSETS</b>	<u><u>859,653</u></u>	<u><u>948,199</u></u>



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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)**  
**AS AT 31 DECEMBER 2022 (CONT'D)**

	<b>Unaudited</b>	<b>Audited</b>
	<b>31.12.2022</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	(167)	(155)
Retained earnings	492,955	471,294
Foreign currency translation reserve	84,307	85,688
	<u>675,528</u>	<u>655,260</u>
Non-controlling interest	-	-
<b>Total equity</b>	<u>675,528</u>	<u>655,260</u>
<b>Non-current liabilities</b>		
Loans and borrowings	17,979	26,026
Lease liabilities	4,871	4,975
Provision for severance allowance	228	227
Retirement benefit obligation	292	287
Deferred tax liabilities	3,618	3,260
	<u>26,988</u>	<u>34,775</u>
<b>Current liabilities</b>		
Trade and other payables	57,547	117,089
Loans and borrowings	64,791	103,285
Lease liabilities	159	158
Tax payable	34,570	37,225
Derivatives	70	407
	<u>157,137</u>	<u>258,164</u>
<b>Total liabilities</b>	<u>184,125</u>	<u>292,939</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>859,653</u>	<u>948,199</u>
Net assets per share attributable to owners of the parent (RM)	<u>3.48</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 31 DECEMBER 2022**

	Non-distributable						
		Foreign	Distributable		Non-		
	Share	Treasury	currency	Retained	controlling	Total	
	capital	shares	translation	earnings	interest	equity	
	RM'000	RM'000	reserve	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	-	-	169	7,230	7,399	-	7,399
<b>As at 31 December 2021</b>	<b>98,433</b>	<b>(155)</b>	<b>68,589</b>	<b>450,772</b>	<b>617,639</b>	<b>-</b>	<b>617,639</b>
As at 1 July 2022	98,433	(155)	85,688	471,294	655,260	-	655,260
Total comprehensive income for the period	-	-	(1,381)	21,661	20,280	-	20,280
Dividend paid	-	-	-	-	-	-	-
Purchase of treasury shares	-	(874)	-	-	(874)	-	(874)
Transfer to Employees' Share Scheme	-	862	-	-	862	-	862
<b>As at 31 December 2022</b>	<b>98,433</b>	<b>(167)</b>	<b>84,307</b>	<b>492,955</b>	<b>675,528</b>	<b>-</b>	<b>675,528</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 31 DECEMBER 2022**

	31.12.2022 RM'000	31.12.2021 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Profit before taxation</b>	28,402	10,427
<b>Adjustments for:</b>		
Depreciation and amortisation	9,560	9,948
Net fair value gain on derivatives	(337)	(423)
Net fair value (gain)/loss on investment securities	(284)	171
Net unrealised loss on foreign exchange	1,017	561
Loss/(gain) on disposal of property, plant and equipment	102	(75)
Distribution from investment securities	(741)	(532)
Non cash items	934	50
Net financing costs	682	176
<b>Operating profit before working capital changes</b>	<u>39,335</u>	<u>20,303</u>
<b>Changes in working capital</b>		
Net change in current assets	89,657	20,967
Net change in current liabilities	(60,680)	(27,176)
Net taxes paid	(9,074)	(5,499)
Interest paid	(1,666)	(1,215)
<b>Net cash flows generated from operating activities</b>	<u>57,572</u>	<u>7,380</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
<b>Interest received</b>		
Interest received	957	892
Purchase of property, plant and equipment	(5,927)	(3,611)
Purchase of investment properties	(1,800)	(15)
Proceeds from disposal of property, plant and equipment	129	84
(Placement)/withdrawal of deposits with licensed banks	(3)	769
Net proceed from/(purchase of) investment securities	1,070	(39,714)
<b>Net cash flows used in investing activities</b>	<u>(5,574)</u>	<u>(41,595)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net repayments of loans and borrowings	(47,577)	(31,284)
Repayments for principal portion of lease liabilities	(81)	(535)
Placement of deposits placed as securities for bank borrowings and guarantees	(42)	(32)
Treasury shares acquired	(874)	-
<b>Net cash flows used in financing activities</b>	<u>(48,574)</u>	<u>(31,851)</u>
<b>NET CHANGES IN CASH AND CASH EQUIVALENTS</b>	3,424	(66,066)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>	170,466	184,960
<b>EFFECTS OF EXCHANGE RATE CHANGES</b>	(1,100)	1,167
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<u>172,790</u>	<u>120,061</u>
<b>Cash and cash equivalents included in the Consolidated Statement of Cash Flows comprise the following balance sheet amounts :</b>		
Cash and bank balances	121,469	83,622
Term deposits	63,274	47,344
	<u>184,743</u>	<u>130,966</u>
<b>Less:</b>		
Deposits pledged as securities for bank borrowings and guarantees	(11,275)	(7,417)
Deposits with licensed banks with tenure more than three months	(678)	(3,488)
	<u>172,790</u>	<u>120,061</u>

**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 31 December 2022 RM'000
<u>Group</u>				
Loans and borrowings	129,311	(47,577)	1,036	82,770
Lease liabilities	5,133	(81)	(22)	5,030
Total	<u>134,444</u>	<u>(47,658)</u>	<u>1,014</u>	<u>87,800</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 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 31 December 2022.

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

There was no revaluation of properties of the Group during the financial period ended 31 December 2022.

**A5. TAXATION**

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

	Individual Quarter		Cumulative Quarter	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	RM'000	RM'000	RM'000	RM'000
Current tax expense				
Malaysian	973	892	1,833	1,079
Overseas	2,013	952	4,550	1,702
<b>Total</b>	<b>2,986</b>	<b>1,844</b>	<b>6,383</b>	<b>2,781</b>



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**NOTES TO THE QUARTERLY REPORT – 31 DECEMBER 2022**

	Individual Quarter		Cumulative Quarter	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	RM'000	RM'000	RM'000	RM'000
Deferred tax expense				
Malaysian	(269)	(51)	358	398
Overseas	-	9	-	18
<b>Total</b>	<b>(269)</b>	<b>(42)</b>	<b>358</b>	<b>416</b>
	<b>2,717</b>	<b>1,802</b>	<b>6,741</b>	<b>3,197</b>

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

There was no change to the composition of the Group in the quarter ended 31 December 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 except for on 18 January 2023, Rhong Khen Industries Sdn. Bhd. ("RKI"), a wholly-owned subsidiary of the Company entered into a joint venture agreement ("JVA") with Ng Yang Peng and Chong Ching Fen for the manufacture and sales of furniture, panel board furniture and components in and from Malaysia through the medium of Excite Group Sdn. Bhd. ("the JVC"). The JVC had on 31 January 2023 increased its issued and paid-up capital from RM1.00 to RM1,000,000.00 in accordance with the terms of the JVA. On the even date, RKI has subscribed 510,000 shares in the JVC and the JVC becomes a 51%-owned subsidiary of RKI.

**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 2022, other than the following repurchase of shares by the Company and distribution of treasury shares of the Company to eligible employees under the Employees' Share Scheme.

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
October 2022	627,700	1.32	1.41	1.39	873,621.65



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**NOTES TO THE QUARTERLY REPORT – 31 DECEMBER 2022**

During the quarter under review, the Company transferred 570,000 treasury shares to eligible employees under the Employees' Share Scheme at an average market price of RM1.39 per share. The total transferred treasury shares net of transaction costs was RM862,390. The cost of the transferred treasury shares which amounted to RM862,390 was recognised in the Statement of Comprehensive Income.

As at the end of the quarter under review, out of the total 194,362,500 issued and fully paid ordinary shares, 110,200 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 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)	12,192	-	1,948	-	14,140	-
Term loan (RM)	-	5,787	-	819	-	6,606
Bankers' acceptances (RM)	-	-	-	2,934	-	2,934
<b>Unsecured</b>						
Trust receipts (USD)	-	-	52,332	-	52,332	-
Debentures (USD)	-	-	6,758	-	6,758	-
<b>Total</b>	12,192	5,787	61,038	3,753	73,230	9,540





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**NOTES TO THE QUARTERLY REPORT – 31 DECEMBER 2022**

	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>

**A10. FINANCIAL INSTRUMENTS - DERIVATIVES**

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

	As at 31 December 2022			As at 30 June 2022		
	Contract/ Notional amount RM'000	Liabilities RM'000	Fair value gain RM'000	Contract/ Notional amount RM'000	Liabilities RM'000	Fair value loss RM'000

**Non-hedging derivatives:**

Forward currency contracts	6,288	70	337	15,872	407	(280)
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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 April 2023. During the financial period under review, the Group recognised a



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**NOTES TO THE QUARTERLY REPORT – 31 DECEMBER 2022**

gain of RM336,541 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 23 February 2023.

**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 31 December**

RM'000	Malaysia		Vietnam		Thailand		Others		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Total revenue	41,037	47,231	144,672	105,771	5,395	6,198	14,519	9,080	205,623	168,280
Inter-segment revenue	(4,118)	(5,579)	-	(114)	(1,536)	(1,629)	(13,673)	(8,414)	(19,327)	(15,736)
External revenue	36,919	41,652	144,672	105,657	3,859	4,569	846	666	186,296	152,544
Profit/(loss) before taxation	2,066	4,505	12,616	4,286	239	(628)	(936)	(615)	13,985	7,548
Segment assets	267,291	263,575	452,471	432,926	33,680	34,324	605,962	602,212	1,359,404	1,333,037
Segment liabilities	53,667	57,766	133,034	160,990	17,289	17,220	82,744	84,857	286,734	320,833



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**NOTES TO THE QUARTERLY REPORT – 31 DECEMBER 2022**

**Results for the Cumulative Quarter ended 31 December**

RM'000	Malaysia		Vietnam		Thailand		Others		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Total revenue	90,971	70,764	328,116	249,220	11,877	10,917	15,546	9,714	446,510	340,615
Inter-segment revenue	(8,760)	(8,010)	(71)	(114)	(3,466)	(2,726)	(13,673)	(8,414)	(25,970)	(19,264)
External revenue	82,211	62,754	328,045	249,106	8,411	8,191	1,873	1,300	420,540	321,351
Profit/(loss) before taxation	6,275	6,497	23,409	5,108	(209)	(1,479)	(1,073)	301	28,402	10,427
Segment assets	267,291	263,575	452,471	432,926	33,680	34,324	605,962	602,212	1,359,404	1,333,037
Segment liabilities	53,667	57,766	133,034	160,990	17,289	17,220	82,744	84,857	286,734	320,833

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

	<b>31.12.2022</b>	<b>31.12.2021</b>
	<b>RM'000</b>	<b>RM'000</b>
Inter-segment assets	<u>499,751</u>	<u>492,394</u>
Inter-segment liabilities	<u>102,609</u>	<u>97,829</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 (%)
	31.12.2022	30.09.2022	
Revenue	186.3	234.2	-20.5%
Gross profit	26.9	28.5	-5.6%
Profit before taxation	14.0	14.4	-2.8%
Profit after taxation	11.3	10.4	+8.7%



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**NOTES TO THE QUARTERLY REPORT – 31 DECEMBER 2022**

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**Revenue**

For the quarter under review, the Group's revenue dipped 20.5% to RM186.3 million as compared to the preceding quarter of RM234.2 million. The decrease was mainly attributable to the followings:

- lower sales recorded by furniture plants due to continuous slowdown in shipment in current quarter as no sign of easing of over-inventoried situation in United States ("US"); and
- lower sales recorded by sawmill plants and panel board lamination plant due to prolonged softer demand from local and export markets in current quarter.

**Gross profit**

The Group has recorded lower gross profit from RM28.5 million in preceding quarter compared to RM26.9 million in current quarter, representing a decline of 5.6%. The decrease in gross profit was due to margin compression as discounts were given to our customers to boost shipments during the quarter.

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

The Group has recorded a decline in PBT from RM14.4 million in preceding quarter to RM14.0 million in current quarter, representing a decrease of 2.8%. The decrease in PBT was in line with the decrease in gross profit offset with lower selling and distribution expenses.

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

The Group recorded PAT of RM11.3 million in current quarter, representing an increase of 8.7% from RM10.4 million in preceding quarter was due to lower tax provision made in current quarter compared to preceding quarter.

**B2. REVIEW OF PERFORMANCE**

RM' Million	Cumulative quarter		Changes (%)
	31.12.2022	31.12.2021	
Revenue	420.5	321.4	+30.8%
Gross profit	55.4	33.5	+65.4%
Profit before taxation	28.4	10.4	>+100.0%
Profit after taxation	21.7	7.2	>+100.0%



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**Revenue**

The Group recorded revenue of RM420.5 million for the six months financial period ended 31 December 2022 (“FP2023”), representing an increase of 30.8% as compared to the six months financial period ended 31 December 2021 (“FP2022”) of RM321.4 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 8.0%.

**Gross profit**

Gross profit of the Group amounted to RM55.4 million in FP2023, representing a significant increase of 65.4% from RM33.5 million in FP2022. The substantial increase in gross profit was mainly attributable to the followings:

- in line with the increase in revenue;
- lower manufacturing costs due to Vietnam plants were operated at optimum capacity in FP2023 compared to minimal operation in FP2022 as a result of lockdown in Vietnam; and
- strengthening of USD against RM.

**Profit before taxation (“PBT”)**

PBT of the Group amounted to RM28.4 million in FP2023, representing a significant increase of more than 100.0% from RM10.4 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 RM21.7 million in FP2023, representing a significant increase of more than 100.0% from RM7.2 million in FP2022 was in line with increase in PBT.

**B3. PROFIT FOR THE PERIOD**

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

	Individual quarter ended		Cumulative quarter ended	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	RM'000	RM'000	RM'000	RM'000
Interest income	(603)	(575)	(1,039)	(1,059)
Interest expense	876	536	1,721	1,235
Distribution from investment securities	(408)	(305)	(741)	(532)



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	Individual quarter ended		Cumulative quarter ended	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	RM'000	RM'000	RM'000	RM'000
Depreciation and amortisation	4,819	4,829	9,560	9,948
(Gain)/Loss on disposal of property, plant and equipment	(89)	(75)	102	(75)
Net unrealised loss on foreign exchange	1,019	115	1,017	561
Net realised (gain)/loss on foreign exchange	(542)	363	13	1,601
Net fair value gain on derivatives	(495)	(266)	(337)	(423)
Net fair value (gain)/loss on investment securities	(282)	119	(284)	171
Insurance compensation	-	(170)	-	(542)

**B4. TRADE AND OTHER RECEIVABLES**

	<b>31.12.2022</b>	<b>30.06.2022</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Trade receivables</b>		
Third parties	62,172	63,118
Less: Allowance for expected credit losses	<u>(5,759)</u>	<u>(5,780)</u>
Trade receivables, net	<u>56,413</u>	<u>57,338</u>
<b>Other receivables</b>		
Import duty and other indirect taxes	13,036	18,688
Sundry receivables	7,015	6,105
Deposits	<u>648</u>	<u>594</u>
	20,699	25,387
Less: Allowance for expected credit losses-sundry receivables	<u>(273)</u>	<u>(268)</u>
Other receivables, net	<u>20,426</u>	<u>25,119</u>
Total trade and other receivables	<u>76,839</u>	<u>82,457</u>



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

	<b>31.12.2022</b>	<b>30.06.2022</b>
	<b>RM'000</b>	<b>RM'000</b>
Neither past due nor impaired	46,329	43,890
Past due not impaired:		
1 - 30 days	7,582	11,746
31 - 60 days	923	957
61 - 90 days	143	104
> 91 days	1,436	641
Impaired	5,759	5,780
Gross trade receivables	<u>62,172</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 23 February 2023.

**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 and affecting US home sales. The furniture industry also has to manage the over-inventoried situation in US and rising labour costs in Malaysia and Vietnam.

In view of 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 will align its strategies of cost controlling, enhancing production efficiency, development of new products and new designs with the prevailing market situation.



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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.

**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 2022.

**B9. DIVIDEND**

The Company had on 13 January 2023 paid a final single-tier dividend of 5.0 sen per ordinary share for the financial year ended 30 June 2022.

On 23 February 2023, the Board of Directors approved and declared a first interim single-tier dividend of 1.0 sen per ordinary share in respect of the financial year ending 30 June 2023 which will be paid on 12 May 2023. The entitlement date is on 14 April 2023.

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

- a) Shares transferred to the Depositor's Securities Account before 4.30 p.m. on 14 April 2023 in respect of transfers; and
- b) Shares bought on Bursa Malaysia Securities Berhad ("Bursa Securities") on a cum entitlement basis according to the Rules of Bursa Securities.

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

	Individual Quarter		Cumulative Quarter	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Basic EPS				
Net profit attributable to owners the parent (RM'000)	11,268	5,746	21,661	7,230
Weighted average number of shares ('000)	194,050.9	194,310.0	194,050.9	194,310.0
Basic EPS (sen)	5.81	2.96	11.16	3.72





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**B11. CAPITAL COMMITMENTS**

Capital commitments for property, plant and equipment not provided for in the financial statements as at 31 December 2022 were as follows:

	RM'000
Authorised by Directors and contracted	7,511
Authorised by Directors and not contracted	-
	<b>7,511</b>