



LATITUDE TREE HOLDINGS BERHAD (302829-W)

Condensed consolidated income statements
For the 9 months ended 31 March 2008
(The figures have not been audited)

	Individual Period		Cumulative Period	
	Current year Quarter	Preceding year corresponding Quarter	Current year to Date	Preceding year corresponding Period
	31/3/2008 RM'000	31/3/2007 RM'000	31/3/2008 RM'000	31/3/2007 RM'000
Continuing Operations				
Revenue	67,582	88,690	284,139	307,235
Cost of Sales	(62,566)	(82,215)	(262,438)	(278,225)
Gross Profit	5,016	6,475	21,701	29,010
Other income	355	583	1,192	2,730
Administrative expenses	(2,654)	(3,814)	(9,136)	(10,397)
Selling and marketing expenses	(353)	(691)	(1,087)	(1,923)
Other expenses	(3,222)	(1,186)	(4,485)	(4,895)
Finance Costs	(1,813)	(2,344)	(7,036)	(6,648)
Profit before taxation	(2,671)	(977)	1,149	7,877
Tax expense	-	-	44	208
Profit for the period	(2,671)	(977)	1,193	8,085
Attributable to :				
Equity holders of the parent	(2,267)	(706)	2,816	8,833
Minority interests	(404)	(271)	(1,623)	(748)
	(2,671)	(977)	1,193	8,085
Earnings / (Loss) per ordinary share (sen)				
(a) Basic	(3.50)	(1.09)	4.35	13.63
(b) Fully diluted	(3.50)	(1.09)	4.35	13.63

(The Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statement for the year ended 30 June 2007)



LATITUDE TREE HOLDINGS BERHAD (302829-W)

Condensed consolidated balance sheet
At 31 March 2008
(The figures have not been audited)

	31 March 2008	(Audited) 30 June 2007 (Restated)
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	196,902	192,766
Prepaid land lease payments	22,835	24,358
Investments	2,938	3,581
Deferred tax assets	2,647	2,211
	<u>225,322</u>	<u>222,916</u>
Current assets		
Inventories	70,734	82,239
Trade receivables	17,910	18,712
Other receivables	18,554	22,836
Deposits, cash and bank balances	21,119	39,350
	<u>128,317</u>	<u>163,137</u>
Non current assets held for sale	8,200	8,200
	<u>136,517</u>	<u>171,337</u>
TOTAL ASSETS	<u>361,839</u>	<u>394,253</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	64,805	64,805
Reserves	91,766	93,383
	<u>156,571</u>	<u>158,188</u>
Minority interest	7,617	8,695
Total equity	<u>164,188</u>	<u>166,883</u>
Non-current liabilities		
Borrowings	64,862	70,873
Deferred tax liabilities	6,796	6,540
	<u>71,658</u>	<u>77,413</u>
Current liabilities		
Trade payables	25,343	30,192
Other payables	21,363	26,268
Borrowings	79,287	93,497
	<u>125,993</u>	<u>149,957</u>
TOTAL LIABILITIES	<u>197,651</u>	<u>227,370</u>
TOTAL EQUITY AND LIABILITIES	<u>361,839</u>	<u>394,253</u>
Net assets per share attributable to ordinary equity holders of the parent (RM)	2.4160	2.4410

(The Condensed Consolidated Balance Sheets should be read in conjunction with the Audited

Financial Statements for the year ended 30 June 2007)



LATITUDE TREE HOLDINGS BERHAD (302829-W)

Condensed consolidated statement of changes in equity For 9 months ended 31 March 2008 (The figures have not been audited)

	Attributable to Equity Holders of the Parent						Total RM'000	Minority Interest RM'000	Total Equity RM'000
	Non-distributable			Distributable					
	Share capital RM'000	Share premium RM'000	Reserve on consolidation RM'000	Revaluation reserve RM'000	Foreign currency translation reserve RM'000	Retained profits RM'000			
At 1 July 2006									
As previously stated	64,805	1,225	1,370	2,284	-	86,809	156,493	9,056	165,549
Effect of Adopting FRS 3			(1,370)			1,370	-		-
As restated	64,805	1,225	-	2,284	-	88,179	156,493	9,056	165,549
Profit/(Loss) for the financial quarters	-	-	-	-	-	8,833	8,833	(620)	8,213
Amortisation of reserve on consolidation	-	-	-	-	-	-	-	-	-
Dividends - FY 2006	-	-	-	-	-	(5,832)	(5,832)	-	(5,832)
Increase in share capital : ESOS	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
At 31 March 2007	64,805	1,225	-	2,284	-	91,180	159,494	8,436	167,930
At 1 July 2007	64,805	1,225	-	1,514	(2,143)	92,787	158,188	8,695	166,883
Profit/(Loss) for the financial quarters	-	-	-	-	-	2,816	2,816	(1,623)	1,193
Foreign currency translation difference	-	-	-	-	(1,775)	-	(1,775)	545	(1,230)
Increase/(Reversal) of revaluation reserve	-	-	-	-	-	-	-	-	-
Dividends - FY 2007	-	-	-	-	-	(2,658)	(2,658)	-	(2,658)
	-	-	-	-	-	-	-	-	-
At 31 March 2008	64,805	1,225	-	1,514	(3,918)	92,945	156,571	7,617	164,188

(The Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2007)



LATITUDE TEE HOLDINGS BERHAD (302829-w)

Condensed consolidated Cash Flow Statements
For 9 months ended 31 March 2008
(The figures have not been audited)

	31 Mar 2008 RM'000	31 Mar 2007 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	1,149	7,877
Adjustments for:		
Depreciation and amortisation	10,560	11,125
Non cash items	(402)	(875)
Net financing costs	6,418	6,126
Operating profit before working capital changes	17,725	24,253
Changes in working capital		
Net change in current assets	17,244	(2,334)
Net change in current liabilities	(9,895)	(8,664)
Net income taxes paid	(17)	(33)
Other operating income received	640	4,110
Net financing costs paid	(6,418)	(6,126)
Net cash generated from operating activities	19,279	11,206
CASH FLOWS FROM INVESTING ACTIVITIES		
Equity investments	-	-
Other investments	(18,747)	(35,216)
Net cash used in investing activities	(18,747)	(35,216)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net drawdown of borrowings	(5,660)	24,750
Minority interest	(1,077)	-
Dividend payment	(2,657)	(5,832)
Proceeds from issuance of share capital	-	-
Net cash generated/(used) in financing activities	(9,394)	18,918
NET CHANGE IN CASH AND CASH EQUIVALENTS	(8,862)	(5,092)
CASH & CASH EQUIVALENTS AT BEGINNING OF PERIOD	8,053	3,755
EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	404	(578)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	(405)	(1,915)

Cash and cash equivalents included in the consolidated cash flow statements comprise the following balance sheet amounts :

Cash and bank balances	7,060	10,891
Term deposits	14,060	15,563
Bank overdrafts	(7,465)	(12,806)
	13,655	13,648
Less: Term deposits not available for use	(14,060)	(15,563)
	(405)	(1,915)

(The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2007)



LATITUDE TREE HOLDINGS BERHAD

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EXPLANATORY NOTES FOR THIRD QUARTER ENDING 31 MARCH 2008

1. BASIS OF PREPARATION

The interim financial report is unaudited and has been prepared in accordance with Financial Reporting Standards ("FRS") 134 "Interim Financial Reporting" and the applicable disclosure provisions of the Listing Requirements of Bursa Malaysia Securities Berhad and should be read in conjunction with the Group's audited financial statements for the financial year ended 30 June 2007.

- a) The significant accounting policies adopted for this interim financial report are consistent with those of the audited financial statements for the financial year ended 30 June 2007 except for the adoption of the new and revised Financial Reporting Standards ("FRS") as stated below :

		Effective for period beginning on or after
FRS 117	Leases	1 October 2006
FRS 124	Related Party Disclosures	1 October 2006
FRS 6	Exploration for and Evaluation of Mineral Resources	1 January 2007
FRS 119 ₂₀₀₄	Amendment to Financial Reporting Standard FRS 119 ₂₀₀₄ Employees Benefits - Actuarial Gains and Losses, Group Plans and Disclosures	1 January 2007

The new and revised FRS 6 and 119₂₀₀₄ are not relevant to the operation of the Group. The adoption of the revised FRS 124 does not have significant financial impact on the Group.

The principal effects of the change in accounting policies resulting for the adoption of FRS 117 disclosed as follows :

Leasehold land held for own use (FRS 117 : Leases)

Prior to 1 July 2007, leasehold land held for own use was classified as property, plant and equipment and was stated at revalued amount less accumulated depreciation and impairment losses. Surpluses arising from revaluation are dealt with in the revaluation reserve accounts. Any deficit arising is offset against the revaluation reserve to the extent of a previous increase for the same property. In all other cases, a decrease in carrying amount is charged to the income statement.

The adoption of the revised FRS 117 has resulted in a change in the accounting policy relating to the classification of leasehold land. Such leasehold land will no longer be revalued. Leases of land are classified as operating or finance leases in the same way as leases of other assets and the land and buildings elements of a lease of land and buildings are considered separately for the purpose of lease classification. Leasehold land held for own use is now classified as operating lease and where necessary, the minimum lease payments or the up-front payments made are allocated between the land and the buildings elements in proportion to the relative fair values for leasehold interests in the land elements and buildings elements of the lease at the inception of the lease.



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The up-front payment represents prepaid lease payments and are amortised on a straight-line basis over the lease term.

The Group has applied the change in accounting policy in respect of leasehold land in accordance with the transitional provisions of FRS 117. At 1 July 2007, the unamortised amount of leasehold land is retained as the surrogate carrying amount of prepaid lease payments as allowed by the transitional provisions. The reclassification of leasehold land as prepaid lease payments has been accounted for retrospectively and certain comparatives have been restated. The effects on the consolidated balance sheet as at 31 December 2007 are set out below. There were no effects on the consolidated income statement for the quarter ended 31 March 2008.

	As previously reported RM'000	Effect RM'000	As restated RM'000
Balance Sheet as at 31 March 2008			
Property, plant and equipment	219,738	(22,835)	196,903
Prepaid land lease payments	-	22,835	22,835

Balance Sheet as at 30 June 2007			
Property, plant and equipment	217,124	(24,358)	192,766
Prepaid land lease payments	-	24,358	24,358

b) FRSs issued but not yet adopted

The Company have not adopted the following FRS 139 which are possibly not relevant.

FRS 139	Financial Instruments : Recognition and Measurement	Effective date deferred
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2. STATUS OF AUDIT QUALIFICATION

The preceding audited financial statements were not subject to any qualification.

3. EXCEPTIONAL/EXTRAORDINARY/INDIVIDUALLY SIGNIFICANT ITEMS

There were no exceptional/extraordinary/individually significant items during the period under review.

4. VALUATION OF PROPERTY, PLANT & EQUIPMENT

Valuations of property, plant and equipment have been brought forward without amendment from the previous audited financial statements.



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5. TAXATION

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

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	31 Mar 08	31 Mar 07	31 Mar 08	31 Mar 07
	RM'000	RM'000	RM'000	RM'000
Current tax expense				
Malaysian	-	-	42	26
Overseas	-	-	94	-
Total	-	-	136	26
Deferred taxation				
Malaysian	-	-	(180)	(234)
Overseas	-	-	-	-
Total	-	-	(180)	(234)
	-	-	(44)	(208)

Deferred taxation was provided after deduction of unabsorbed capital allowances of about RM9.37 million which had a tax impact of approximate RM2.62 million.

6. SALES OF UNQUOTED INVESTMENTS AND PROPERTIES

There were no sales of unquoted investments or properties for the quarter ended 31 March 2008.

7. QUOTED SECURITIES

There were no purchase or disposal of quoted securities for the quarter ended 31 March 2008.

8. CHANGES IN THE COMPOSITION OF THE GROUP

There was no change to the composition of the Group in the quarter ended 31 March 2008 except as disclosed in Note 9.

9. STATUS OF CORPORATE PROPOSAL

There were no corporate proposals announced during the quarter ended 31 March 2008 except for the followings:

- (i) Proposed internal restructuring involving the proposed disposal of LTV (including RK Resources Co., Ltd ("RKR"), a wholly-owned subsidiary of LTV) by Latitude



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Tree Sdn. Bhd. ("LTSB") to wholly-owned subsidiaries of LTHB ("Proposed Internal Restructuring") and proposed conversion of LTV into a Joint Stock Company ("Proposed Conversion").

The Proposed Internal Restructuring and the Proposed Conversion were approved by the Department of Planning and Investments of Binh Duong Province and completed on 11 January 2008.

- (ii) Proposed listing of Latitude Tree (Vietnam) Co., Ltd ("LTV"), an indirect wholly-owned foreign subsidiary of LTHB on Ho Chi Minh City Stock Exchange ("HOSE"). The Group is still in the process of preparing the listing proposal. The details of the proposed listing will be announced upon finalisation of the listing proposal.

10. CHANGES IN EQUITY AND LONG TERM DEBTS

There were no issuance and repayment of equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the current quarter ended 31 March 2008.

The Employees' Share Option Scheme has expired on 4 October 2006.

The drawdown and repayment of long term debts for current quarter and the current year-to-date were as follows :

(RM'000)	Current Quarter	Current Year-to-date
Repayment of long term loan as follows		
Secured	2,669	5,156
Unsecured	-	-
Hire Purchase (Secured)	118	1,352
Drawdown of long term loan as follows :		
Secured	-	2,165
Unsecured	-	-
Hire Purchase (Secured)	-	1,392

11. BORROWINGS AND DEBTS SECURITIES

Details of the Group's borrowings were as follows:



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	Total (RM'000)	RM equivalents of amount denominated in foreign currency included in the borrowings (RM'000)
Long Term Liabilities		
Unsecured :		
Long term loans	35,000	-
Portion repayable within twelve months	-	-
	35,000	-
Secured :		
Hire Purchase payables	791	161
Long term loans	38,029	35,252
Portion repayable within twelve months	(8,958)	(6,936)
	29,862	28,316
Total Long Term Liabilities	64,862	28,316
Short Term Liabilities		
Unsecured :		
Current portion of long term loans	-	-
Short term loans	62,261	48,883
Bank overdraft	7,465	-
	69,726	48,883
Secured :		
Hire Purchase payables	603	98
Current portion of long term loans	8,958	6,936
Total Short Term Liabilities	94,287	55,917

12. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Group

As at 31 March 2008, there were no contingent liabilities and contingent assets for the Group, other than as disclosed below.

Company

As at 31 March 2008, the Company had contingent liabilities in the form of corporate guarantees given to financial institutions in respect of facilities granted to subsidiary companies amounting to RM220,642,497.



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13. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

The Group did not have any financial instruments with off balance sheet risk as at 31 March 2008, other than the following forward contracts to sell US Dollar in relation to the Group's sales:

	Total	Maturity : Less than 3 months	Maturity : Within 3 to 6 months	Maturity : More than 6 months
USD'000	3,624	1,674	1,950	-
Contracted Rate (RM)	3.2188	3.2113	3.2253	-
RM Equivalents (RM'000)	11,665.1	5,375.7	6,289.4	-

The Group had entered into forward foreign exchange contracts and options contracts as a hedge against anticipated unfavourable foreign currency fluctuation's impact on accounts receivable.

14. CHANGES IN MATERIAL LITIGATION

There was no material litigation or any pending material litigation during and at the end of the quarter ended 31 March 2008.

15. 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, Indonesia and Thailand.

In presenting information on the basis of geographical segments, segment revenue and profit/(loss) before taxation, segment assets and capital expenditure were based on the geographical location of assets.

The segment information for the current year-to-date was as follows:

RM'000	Malaysia	Vietnam	Indonesia	Thailand	Total
Total revenue	133,180	174,561	-	8,753	316,494
Inter-Segment Revenue	-	(24,441)	-	(7,914)	(32,355)
External Revenue	133,180	150,121	-	839	284,139
Profit/(Loss) before tax	(5,612)	10,077	(4)	(3,312)	1,149



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RM'000	Malaysia	Vietnam	Indonesia	Thailand	Total
Carrying amount of Segment Assets	162,514	166,563	72	30,477	359,626
Capital expenditure	3,187	14,412	-	2,751	20,350

16. MATERIAL CHANGE IN PROFIT/(LOSS) BEFORE TAXATION COMPARED TO IMMEDIATE PRECEDING QUARTER

RM Million	Current Quarter 31 March 2008	Preceding Quarter 31 December 2007
Revenue	67.582	114.302
Consolidated (Loss)/Profit before taxation	(2.671)	4.606

The Group's revenues for the quarter ended 31 March 2008 declined to RM67.58 million from RM114.30 million of the preceding quarter. The decline was mainly due to lower production output impacted by the festive holidays in the third quarter of the financial year, lower orders received and the weakening of the US dollars. (Refer Note 19)

The Group recorded a loss before taxation of RM2.67 million as compared to the profit before taxation of RM4.61 million in the preceding quarter. The losses were mainly due to lower revenue registered for the quarter, higher operating costs as a result of lower production output and increase in the prices of materials, especially the Vietnam operations. The losses are also partly attributable to the forex losses resulted by the weakening of the US Dollars.

17. REVIEW OF PERFORMANCE

RM Million	Current Quarter 31 March 2008	Preceding Year Corresponding Quarter 31 March 2007
Revenue	67.582	88.690
Consolidated (Loss) before taxation	(2.671)	(0.977)

The Group recorded revenues of RM67.58 million for the quarter ended 31 March 2008 representing a decrease of 23.8% as compared to the preceding year corresponding quarter of RM88.69 million. The decrease was mainly due to trimming down of Malaysian operations and the weakening of the US Dollars.



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EXPLANATORY NOTES FOR THIRD QUARTER ENDING 31 MARCH 2008

The Group's loss before taxation for the quarter ended 31 March 2008 increased to RM2.67 million from RM0.98 million of preceding year corresponding quarter. The increase was mainly attributable to forex losses from the weakening of the US Dollars during the quarter, higher losses registered by the Thailand operations, escalating in operating costs and prices of materials especially the Vietnam operations.

18. 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.

19. SEASONAL OR CYCLICAL FACTORS

The Group operation is seasonal in nature whereby the turnover for the first three months of a calendar year (January to March) is slightly lower than the rest of the quarters (April to December). This is mainly due to long festive holidays which fall on the first quarter of the calendar year and also the demand for furniture in the United States which normally slows down after Christmas and New Year.

20. CURRENT YEAR PROSPECT

The Group will continue to enhance its Vietnam operations, strengthening the local operations and improving the Thailand operations.

Given the weakening housing market in the United States, the Group will endeavour to strengthen its operations to deal with the challenges and to remain profitable.

21. 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 2008.

22. DIVIDEND

At the recent Annual General Meeting held on 19 December 2007, a first and final dividend of 4.1 sen per share (tax exempt) (30 June 2006 : 9.0 sen, tax exempt) in respect of the financial year ended 30 June 2007 had been approved by shareholders. The dividend was paid on 23 January 2008.

The Board of Directors did not recommend any interim dividend for the current quarter ended 31 March 2008.

23. EARNINGS PER SHARE

	Current Quarter	Current Year-To-Date
Basic EPS		
Net (loss)/profit attributable to shareholders (RM'000)	(2,267)	2,816
Weighted average no. of shares	64,805	64,805



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('000)		
Basic EPS (sen)	(3.50)	4.35

Basic EPS

The calculation of basic EPS for the current quarter is based on the net loss attributable to equity holders of the parent of RM2.267 million and the weighted average number of ordinary shares outstanding of 64,805,000.

The calculation of basic EPS for the current year-to-date is based on the cumulative net profit attributable to equity holders of the parent of RM2.816 million and the weighted average number of ordinary shares outstanding of 64,805,000.

Diluted EPS

Not applicable.

24. CAPITAL COMMITMENTS

Capital commitments for property, plant and equipment not provided for in the financial statements as at 31 March 2008 were as follows :

	RM'000
Authorised by Directors and contracted	-
Authorised by Directors and not contracted	-
	-