



LATITUDE TREE HOLDINGS BERHAD (302829-W)

Condensed consolidated income statements
For 9 months ended 31 March 2010
(The figures have not been audited)

	Individual Period		Cumulative Period	
	Current year Quarter 31/3/2010 RM'000	Preceding year corresponding Quarter 31/3/2009 RM'000	Current year to Date 31/3/2010 RM'000	Preceding year corresponding Period 31/3/2009 RM'000
Continuing Operations				
Revenue	114,979	91,545	377,010	313,485
Cost of Sales	(102,918)	(81,089)	(319,008)	(277,670)
Gross Profit	12,061	10,456	58,002	35,815
Other income	1,104	815	5,204	1,742
Administrative expenses	(3,845)	(3,548)	(13,548)	(10,807)
Selling and marketing expenses	(2,400)	(1,444)	(8,025)	(7,232)
Other expenses	(592)	(682)	(1,730)	(3,082)
Finance Costs	(1,894)	(2,226)	(5,450)	(7,248)
Profit before taxation	4,434	3,371	34,453	9,188
Tax expense	(680)	(780)	(2,380)	(1,104)
Profit for the period	3,754	2,591	32,073	8,084
Attributable to :				
Equity holders of the parent	2,471	2,911	25,041	8,968
Minority interests	1,283	(320)	7,032	(884)
	3,754	2,591	32,073	8,084
Earnings / (Loss) per ordinary share (sen)				
(a) Basic	3.81	4.49	38.64	13.84
(b) Fully diluted	3.81	4.49	38.64	13.84

(The Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statement for the year ended 30 June 2009)



LATITUDE TREE HOLDINGS BERHAD (302829-W)

**Condensed consolidated balance sheet
As at 31 MARCH 2010
(The figures have not been audited)**

	31 March 2010	(Audited) 30 June 2009
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	202,765	191,949
Prepaid land lease payments	20,806	23,007
Investments	2,081	2,081
Share of Associate Co's Net Assets	1,448	-
Deferred tax assets	777	481
	<u>227,877</u>	<u>217,518</u>
Current assets		
Inventories	74,908	59,780
Trade And Other receivables	51,932	35,224
Deposits, cash and bank balances	85,883	50,464
	<u>212,723</u>	<u>145,468</u>
Non current assets held for sale	146	146
	<u>212,869</u>	<u>145,614</u>
TOTAL ASSETS	<u>440,746</u>	<u>363,132</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	64,805	64,805
Reserves	123,459	112,681
	<u>188,264</u>	<u>177,486</u>
Minority interest	40,689	13,439
Total equity	<u>228,953</u>	<u>190,925</u>
Non-current liabilities		
Borrowings	51,590	44,384
Deferred tax liabilities	300	-
	<u>51,890</u>	<u>44,384</u>
Current liabilities		
Trade and Other payables	69,113	59,307
Borrowings	90,790	68,516
	<u>159,903</u>	<u>127,823</u>
TOTAL LIABILITIES	<u>211,793</u>	<u>172,207</u>
TOTAL EQUITY AND LIABILITIES	<u>440,746</u>	<u>363,132</u>
Net assets per share attributable to ordinary equity holders of the parent (RM)	2.9051	2.7388

(The Condensed Consolidated Balance Sheets should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2009)



LATITUDE TREE HOLDINGS BERHAD (302829-W)

Condensed consolidated statement of changes in equity
For 9 months ended 31 March 2010
 (The figures have not been audited)

	Attributable to Equity Holders of the Parent							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	Total RM'000		
At 1 July 2008	64,805	1,225	-	1,114	(8,127)	101,336	160,353	6,374	166,727
Profit/(Loss) for the period	-	-	-	-	-	8,968	8,968	(885)	8,083
Foreign currency translation difference	-	-	-	-	10,688	-	10,688	-	10,688
Dividends - FY 2008	-	-	-	-	-	(2,597)	(2,597)	-	(2,597)
At 31 March 2009	64,805	1,225	-	1,114	2,561	107,707	177,412	5,489	182,901
At 1 July 2009	64,805	1,225	-	1,114	(2,411)	112,753	177,486	13,439	190,925
Change of interests in a subsidiary	-	-	-	-	-	-	-	20,956	20,956
Change in minority interests in reserves upon the issue of shares by subsidiary company	-	-	-	-	-	(2,213)	(2,213)	2,213	-
Profit for the period	-	-	-	-	-	27,606	27,606	4,466	32,072
Foreign currency translation difference	-	-	-	-	(10,856)	-	(10,856)	(385)	(11,241)
Dividends - FY 2009	-	-	-	-	-	(3,759)	(3,759)	-	(3,759)
At 31 March 2010	64,805	1,225	-	1,114	(13,267)	134,387	188,264	40,689	228,953

(The Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2009)



**Condensed consolidated Cash Flow Statements
For 9 months ended 31 March 2010
(The figures have not been audited)**

	31 March 2010	31 March 2009
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	35,356	9,188
Adjustments for:		
Depreciation and amortisation	10,864	11,141
Non cash items	3,829	3,706
Net financing costs	4,870	7,046
Operating profit before working capital changes	54,919	31,081
Changes in working capital		
Net change in current assets	(32,404)	33,327
Net change in current liabilities	9,836	(26,472)
Net income taxes paid	(1,541)	(974)
Net financing costs paid	(4,870)	(7,046)
Net cash generated from operating activities	25,940	29,916
CASH FLOWS FROM INVESTING ACTIVITIES		
Other investments	(27,673)	(4,726)
Proceeds from disposal of non-current assets	567	424
Proceeds from placement of new shares	21,296	-
Net cash used in investing activities	(5,810)	(4,302)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net (repayment)/drawdown of borrowings	29,480	(14,418)
Dividend paid	(6,503)	(2,597)
Deposits (placed)/uplift as security for bank borrowings	(23,173)	2,837
Net cash generated/(used) in financing activities	(196)	(14,178)
NET CHANGE IN CASH AND CASH EQUIVALENTS	19,934	11,436
CASH & CASH EQUIVALENTS AT BEGINNING OF PERIOD	37,693	9,873
EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(7,369)	1,888
CASH AND CASH EQUIVALENTS AT END OF PERIOD	50,258	23,197

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

Cash and bank balances	49,647	25,317
Term deposits	36,236	10,474
Bank overdrafts	(3,301)	(2,120)
	82,582	33,671
Less: Term deposits not available for use	(32,324)	(10,474)
	50,258	23,197



LATITUDE TREE HOLDINGS BERHAD

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EXPLANATORY NOTES FOR THIRD QUARTER ENDED 31 MARCH 2010

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 2009.

Standards and Interpretation

At the date of authorization of this interim financial report, the following new FRSs and Issues Committee (“IC”) Interpretations were issued but not yet effective and have not been applied by the Group and the Company :

FRSs / Interpretation	Effective for financial periods beginning on or after
Amendments to FRS 1, First-time Adoption of Financial Reporting Standards and FRS 127, Consolidated and Separate Financial Statements : Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1 January 2010
Amendments to FRS 2, Share-based Payment : Vesting Conditions and Cancellations	1 January 2010
FRS 4 : Insurance Contracts	1 January 2010
FRS 7 : Financial Instruments - Disclosures	1 January 2010
FRS 8 : Operating Segment 1 July 2009	1 July 2009
FRS 123 : Borrowing Costs	1 January 2010
FRS 139 : Financial Instruments : Recognition and Measurement	1 January 2010
IC Interpretation 9 : Reassessment of Embedded Derivatives	1 January 2010
IC Interpretation 10 : Interim Financial Reporting and Impairment	1 January 2010
IC Interpretation 11 : FRS 2 - Group and Treasury Share Transactions	
IC Interpretation 13 : Customer Loyalty Programmes	1 January 2010
IC Interpretation 14 : FRS 119 – The Limit on a Defined Benefit Assets, Minimum Funding Requirements and Their Interaction	1 January 2010

The above new FRSs and Interpretations are expected to have no significant impact on the financial statements of the Group and the Company upon their initial application except for the changes in disclosures arising from the adoption of FRS 7 and FRS 8. The Group and the Company are exempted from disclosing the possible impact, if any, to the financial statements upon the initial application of FRS 139.

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.



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EXPLANATORY NOTES FOR THIRD QUARTER ENDED 31 MARCH 2010

4. VALUATION OF PROPERTY, PLANT & EQUIPMENT

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

5. TAXATION

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

	Individual Quarter		Cumulative Quarter	
	Current Quarter	Year Preceding Corresponding Quarter	Current To Date	Year Preceding Corresponding Period
	31 March 2010	31 March 2009	31 March 2010	31 March 2009
	RM'000	RM'000	RM'000	RM'000
Current tax expense				
Malaysian	-	52	79	92
Overseas	380	776	2,001	1,309
Total	380	828	2,080	1,401
Deferred taxation				
Malaysian	300	(48)	300	(297)
Overseas	-	-	-	-
Total	300	(48)	300	(297)
	680	780	2,380	1,104

Deferred taxation was provided after deduction of unabsorbed capital allowances of about **RM14.6 million** which had a tax impact of approximate **RM3.8 million**.

6. SALES OF UNQUOTED INVESTMENTS AND PROPERTIES

There were no sales of unquoted investments or properties for the quarter ended 31 March 2010.

7. QUOTED SECURITIES

There were no purchase or disposal of quoted securities for the quarter ended 31 March 2010.

8. CHANGES IN THE COMPOSITION OF THE GROUP

There was no change to the composition of the Group in the quarter ended 31 March 2010 except for the following :

On 8 February 2010, Uptown Promenade Sdn. Bhd. ("UPSB"), a 100% owned subsidiary of the Group has subscribed 35% shareholding in Win Yuan Bio Tech Co.



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Ltd. (A company incorporated in Taiwan R.O.C.) under a joint venture agreement between UPSB, Mr Chen Cheng-Ping and Madam Chou Feng-Yin.

9. STATUS OF CORPORATE PROPOSAL

There were no corporate proposals announced during the quarter ended 31 March 2010.

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 2010.

11. BORROWINGS AND DEBTS SECURITIES

Details of the Group's borrowings were as follows:

	Total (RM'000)	RM equivalents of amount denominated in foreign currency included in the borrowings (RM'000)
Long Term Liabilities		
Unsecured :		
Long term loans	20,000	-
Portion repayable within twelve months	-	-
	20,000	-
Secured :		
Hire Purchase payables	-	
Long term loans	36,104	33,964
Portion repayable within twelve months	(4,514)	(2,514)
	31,590	31,450
Total Long Term Liabilities	51,590	31,450
Short Term Liabilities		
Unsecured :		
Current portion of long term loans	-	-
Short term loans	-	-
	-	-
Secured :		
Hire Purchase payables	192	26
Current portion of long term loans	4,515	2,514
Short term loan	82,782	70,679
Bank overdraft	3,301	2,522



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Total	Short	Term	90,790	75,741
Liabilities				

12. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Group

As at 31 March 2010, there were no contingent liabilities and contingent assets for the Group.

Company

As at 31 March 2010, 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 RM100,091,415.

13. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

The Group did not have any financial instruments with off balance sheet risk as at 31 March 2010, 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	2,061	2,061	-	-
Contracted Rate (RM)	3.4336	3.4336	-	-
RM Equivalents (RM'000)	7,076	7,076	-	-

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 2010.

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, Singapore and Thailand.



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EXPLANATORY NOTES FOR THIRD QUARTER ENDED 31 MARCH 2010

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	THAILAND	S'PORE	OTHERS	GROUP
TOTAL REVENUE	116,779	269,370	19,345	-	-	405,494
INTER-SEGMENT REVENUE	(18,931)	(128)	(9,425)	-	-	(28,484)
EXTERNAL REVENUE	97,848	269,242	9,920	-	-	377,010
PROFIT/(LOSS) BEFORE TAXATION	(738)	40,045	(816)	(4,038)	-	34,453

RM'000	MALAYSIA	VIETNAM	THAILAND	S'PORE	OTHERS	GROUP
CARRYING AMOUNT OF SEGMENT ASSETS	163,164	230,022	24,502	23,009	49	440,746
CAPITAL EXPENDITURE	11,611	14,600	14	-	-	26,225

16. SIGNIFICANT RELATED PARTY TRANSACTIONS

Transacting Parties	Related Party	Nature of Interest	Nature of Transaction	Current Quarter ended 31.3.2010 RM'000	Current Year To Date 31.3.2010 RM'000
GHCL and the LTHB Group	Mr. Yek Siew Liong and Konsortium Kontrek Sdn Bhd	GHCL is a 51% owned subsidiary of LTHB. Mr. Yek Siew Liong, a director of LTHB and substantial shareholder of LTHB holds 15.03% equity interest in GHCL (via Konsortium Kontrek Sdn Bhd).	Purchases of raw materials and supplies, laminated boards and furniture components by the LTHB Group from GHCL.	2,147	9,524



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The LTIGL Group and the LTHB Group	Mr. Yek Siew Liong	LTHB is the holding company of LTIGL. Mr Yek Siew Liong is a director of both LTIGL (since 21 May 2009) and LTHB (since 18 May 2007). As at 30 October 2009, he owns approximately 3.73% direct equity interest in LTIGL (since 21 October 2009) and 15.03% indirect equity interest in LTHB (since 18 May 2007) via Konsortium Kontrek Sdn Bhd	Purchases of raw materials and supplies, furniture components and finished goods by LTIGL Group from the LTHB Group.	497	3,367
			Purchases of raw materials and supplies, furniture components and finished goods by LTHB Group from the LTIGL Group.	-	128

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

RM Million	Current Quarter 31 March 2010	Preceding Quarter 31 December 2009
Revenue	114.979	135.192
Consolidated Profit before taxation	4.434	15.734

The Group's revenues dropped approximately 15.0% to RM115.0 million for the quarter ended 31 March 2010, as compared to the preceding quarter's RM135.2 million. The decline was mainly due to lower production output impacted by the festive holidays in the third quarter of the financial year and the weakening of the US dollars.

The Group recorded a profit before taxation of RM4.4 million as compared to the profit before taxation of RM15.7 million in the preceding quarter. The drop was mainly due to lower revenue and lower gross profit resulted by the increase in prices of certain raw materials, weakening of US Dollars against Ringgit Malaysia and higher labour costs.



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EXPLANATORY NOTES FOR THIRD QUARTER ENDED 31 MARCH 2010

18. REVIEW OF PERFORMANCE

RM Million	Current Quarter 31 March 2010	Preceding Year Corresponding Quarter 31 March 2009
Revenue	114.979	91.545
Consolidated profit before taxation	4.434	3.371

The Group recorded revenues of RM115.0 million for the quarter ended 31 March 2010 representing an increase of 25.6% as compared to the preceding year corresponding quarter of RM91.5 million. The increase was attributable to higher orders received and increase in production output from the second factory in Vietnam.

The Group's profit before taxation for the quarter ended 31 March 2010 increased to RM4.4 million from profit before taxation of RM3.4 million of preceding year corresponding quarter. The increase was mainly due to higher revenue and lower losses incurred by its factories in Malaysia.

19. 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.

20. 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.

21. CURRENT YEAR PROSPECT

The Group expects to remain positive despite the prevailing uncertainty in the recovery of the US economy. Continuous efforts will be taken to strengthen and streamline its operations to remain profitable.

22. 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 2010.

23. DIVIDEND

At the 15th Annual General Meeting held on 16 December 2009, a first and final dividend of 5.8 sen per share (tax exempt) (30 June 2008 : 4.0 sen, tax exempt) in respect of the financial year ended 30 June 2009 had been approved by shareholders. It was paid on 28



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January 2010 to shareholders whose names appear on the Record of Depositors as at 6 January 2010.

An interim dividend of 3.0 sen per share (tax exempt) for the financial year ending 30 June 2010 was paid on 30 April 2010.

24. EARNINGS PER SHARE

	Current Quarter	Current Year-To-Date
Basic EPS		
Net profit attributable to shareholders (RM'000)	2,471	25,041
Weighted average no. of shares ('000)	64,805	64,805
Basic EPS (sen)	3.81	38.64

Basic EPS

The calculation of basic EPS for the current quarter is based on the net profit attributable to equity holders of the parent of RM2.47 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 RM25.04 million and the weighted average number of ordinary shares outstanding of 64,805,000.

Diluted EPS

Not applicable.

25. CAPITAL COMMITMENTS

Capital commitments for property, plant and equipment not provided for in the financial statements as at 31 March 2010 were as follows :

	RM'000
Authorised by Directors and contracted	14,057
Authorised by Directors and not contracted	-
	14,057