



LATITUDE TREE HOLDINGS BERHAD (302829-W)

Condensed consolidated income statements
For 12 months ended 30 June 2009
(The figures have not been audited)

	Individual Period		Cumulative Period	
	Current year Quarter 30/6/2009 RM'000	Preceding year corresponding Quarter 30/6/2008 RM'000	Current year to Date 30/6/2009 RM'000	Preceding year corresponding Period 30/6/2008 RM'000
Continuing Operations				
Revenue	102,429	120,037	415,914	404,176
Cost of Sales	(90,905)	(103,521)	(368,575)	(361,959)
Gross Profit	11,524	16,516	47,339	42,217
Other income	3,434	3,646	5,176	4,837
Administrative expenses	(4,140)	(5,015)	(14,947)	(14,151)
Selling and marketing expenses	(3,396)	(4,271)	(10,628)	(9,358)
Other expenses	(1,720)	(1,013)	(4,802)	(5,497)
Finance Costs	(1,908)	(2,645)	(9,156)	(9,681)
Profit before taxation	3,794	7,218	12,982	8,367
Tax expense	2,711	74	1,607	118
Profit for the period	6,505	7,292	14,589	8,485
Attributable to :				
Equity holders of the parent	6,461	7,990	15,329	10,806
Minority interests	44	(698)	(740)	(2,321)
	6,505	7,292	14,589	8,485
Earnings / (Loss) per ordinary share (sen)				
(a) Basic	9.97	12.33	23.65	16.67
(b) Fully diluted	9.97	12.33	23.65	16.67

(The Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statement for the year ended 30 June 2008)



LATITUDE TREE HOLDINGS BERHAD (302829-W)

**Condensed consolidated balance sheet
As at 30 June 2009
(The figures have not been audited)**

	30 June 2009	(Audited) 30 June 2008
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	197,714	194,363
Prepaid land lease payments	19,063	21,689
Investments	2,000	2,831
Deferred tax assets	17	17
	<u>218,794</u>	<u>218,900</u>
Current assets		
Inventories	59,510	70,113
Trade And Other receivables	31,268	53,665
Deposits, cash and bank balances	47,823	30,180
	<u>138,601</u>	<u>153,958</u>
TOTAL ASSETS	<u>357,395</u>	<u>372,858</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	64,805	64,805
Reserves	112,447	95,548
	<u>177,252</u>	<u>160,353</u>
Minority interest	13,825	6,374
Total equity	<u>191,077</u>	<u>166,727</u>
Non-current liabilities		
Borrowings	47,999	61,375
Deferred tax liabilities	1,085	3,655
	<u>49,084</u>	<u>65,030</u>
Current liabilities		
Trade and Other payables	54,904	61,137
Borrowings	62,330	79,964
	<u>117,234</u>	<u>141,101</u>
TOTAL LIABILITIES	<u>166,318</u>	<u>206,131</u>
TOTAL EQUITY AND LIABILITIES	<u>357,395</u>	<u>372,858</u>
Net assets per share attributable to ordinary equity holders of the parent (RM)	2.7352	2.4744

(The Condensed Consolidated Balance Sheets should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2008)



LATITUDE TREE HOLDINGS BERHAD (302829-W)

**Condensed consolidated statement of changes in equity
For 12 months ended 30 June 2009
(The figures have not been audited)**

	Attributable to Equity Holders of the Parent								
	Non-distributable					Distributable Retained profits RM'000	Total RM'000	Minority Interest RM'000	Total Equity RM'000
Share capital RM'000	Share premium RM'000	Reserve on consolidation RM'000	Revaluation reserve RM'000	Foreign currency translation reserve RM'000	Minority Interest RM'000				
At 1 July 2007	64,805	1,225	-	1,514	(2,143)	92,787	158,188	8,695	166,883
Profit/(Loss) for the year	-	-	-	-	-	10,806	10,806	(2,321)	8,485
Realisation of revaluation reserve				(400)		400			
Foreign currency translation difference					(5,984)		(5,984)		(5,984)
Dividends - FY 2007						(2,657)	(2,657)		(2,657)
At 30 June 2008	64,805	1,225	-	1,114	(8,127)	101,336	160,353	6,374	166,727
At 1 July 2008	64,805	1,225	-	1,114	(8,127)	101,336	160,353	6,374	166,727
Increase in minority interest	-	-	-	-	-	-	-	8,191	8,191
Profit/(Loss) for the year	-	-	-	-	-	15,329	15,329	(740)	14,589
Foreign currency translation difference	-	-	-	-	4,167		4,167		4,167
Dividends - FY 2008	-	-	-	-	-	(2,597)	(2,597)	-	(2,597)
At 30 June 2009	64,805	1,225	-	1,114	(3,960)	114,068	177,252	13,825	191,077

(The Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2008)



Condensed consolidated Cash Flow Statements
For 12 months ended 30 June 2009
 (The figures have not been audited)

	30 June 2009 RM'000	30 June 2008 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	12,982	8,367
Adjustments for:		
Depreciation and amortisation	14,931	13,787
Non cash items	1,432	387
Net financing costs	8,745	8,944
Operating profit before working capital changes	38,090	31,485
Changes in working capital		
Net change in current assets	33,874	7,098
Net change in current liabilities	(6,233)	5,111
Net income taxes paid	(974)	(744)
Net financing costs paid	(8,745)	(8,944)
Net cash generated from operating activities	56,012	34,006
CASH FLOWS FROM INVESTING ACTIVITIES		
Other investments	(5,500)	(22,361)
Proceeds from disposal of non-current assets	471	3,609
Proceeds from disposal of shares	8,191	-
Net cash used in investing activities	3,162	(18,752)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net (repayment)/drawdown of borrowings	(31,010)	(14,961)
Dividend paid	(2,597)	(2,657)
Deposits (placed)/uplift as security for bank borrowings	(14,826)	2,351
Net cash generated/(used) in financing activities	(48,433)	(15,267)
NET CHANGE IN CASH AND CASH EQUIVALENTS	10,741	(13)
CASH & CASH EQUIVALENTS AT BEGINNING OF PERIOD	9,873	8,053
EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(928)	1,833
CASH AND CASH EQUIVALENTS AT END OF PERIOD	19,686	9,873

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

Cash and bank balances	22,239	16,869
Term deposits	28,137	13,311
Bank overdrafts	(2,553)	(6,996)
	47,823	23,184
Less: Term deposits not available for use	(28,137)	(13,311)
	19,686	9,873

(The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2008)



LATITUDE TREE HOLDINGS BERHAD

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EXPLANATORY NOTES FOR FOURTH QUARTER ENDED 30 JUNE 2009

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 2008.

- 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 2008 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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EXPLANATORY NOTES FOR FOURTH QUARTER ENDED 30 JUNE 2009

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 2008 are set out below. There were no effects on the consolidated income statement for the quarter ended 30 June 2009.

	As previously reported RM'000	Effect RM'000	As restated RM'000
Balance Sheet as at 30 June 2009			
Property, plant and equipment	216,777	(19,063)	197,714
Prepaid land lease payments	-	19,063	19,063

Balance Sheet as at 30 June 2008			
Property, plant and equipment	216,052	(21,689)	194,363
Prepaid land lease payments	-	21,689	21,689

b) FRSs issued but not yet adopted

The Company has not adopted the following FRS 139 which is possibly not relevant.

FRS 139	Financial Instruments : Recognition and Measurement	Effective date deferred to 1 Jan 2010
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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.



LATITUDE TREE HOLDINGS BERHAD

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EXPLANATORY NOTES FOR FOURTH QUARTER ENDED 30 JUNE 2009

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
	30 June 2009	30 June 2008	30 June 2009	30 June 2008
	RM'000	RM'000	RM'000	RM'000
Current tax expense				
Malaysian	8	-	100	42
Overseas	(446)	-	863	94
Total	(438)	-	963	136
Deferred taxation				
Malaysian	(2,273)	-	(2,570)	(254)
Overseas	-	-	-	-
Total	(2,273)	-	(2,570)	(254)
	(2,711)	-	(1,607)	(118)

Deferred taxation was provided after deduction of unabsorbed capital allowances of about **RM27.47 million** which had a tax impact of approximate **RM6.87 million**.

6. SALES OF UNQUOTED INVESTMENTS AND PROPERTIES

There were no sales of unquoted investments or properties for the quarter ended 30 June 2009

The Company had on 29 April 2009 announced that it had on the same date, entered into four (4) identical conditional share sale agreements of 6,000,000 ordinary shares each with Mr Ng Sen Fatt @ Ng Hong Chee, Mr Kao, Kuo-Chen, Mr Cheong Chee Hwa and Mr Kiu Chong Pong, for the proposed disposal of a total of 24,000,000 Ordinary Shares in Latitude Tree International Group Ltd. ("LTIG") ("LTIG Shares") representing 12% of the total issued and paid-up share capital of LTIG for a total cash consideration of SGD4.56 million (equivalent to approximately RM11.03 million).

The proposed disposal of the 6,000,000 ordinary shares each to Mr Ng Sen Fatt @ Ng Hong Chee, Mr Kao, Kuo-Chen and Mr Kiu Chong Pong representing 18,000,000 Ordinary Shares or 9% of the total issued and paid-up share capital of LTIG was completed on 1 June 2009.

The share sale agreement entered with Mr Cheong Chee Hwa for the proposed 6,000,000 ordinary shares of LTIG was mutually terminated on 3 June 2009.

7. QUOTED SECURITIES



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EXPLANATORY NOTES FOR FOURTH QUARTER ENDED 30 JUNE 2009

There were no purchase or disposal of quoted securities for the quarter ended 30 June 2009.

8. CHANGES IN THE COMPOSITION OF THE GROUP

On 20 April 2009 the Company had entered into a Restructuring Agreement with LTPL in respect of the following:-

- (a) the disposal by the Company of its entire equity interest in Latitude Tree International Ltd ("LTIL") and Linkage Creation International Co., Ltd ("LCI") to LTPL for an aggregate cash consideration of USD2.00 and assumption by LTPL of the debt owing by LTHB to LTIL of USD49,999 (equivalent to approximately RM181,496) ("**Proposed Internal Restructuring**");
- (b) the sub-division by LTPL of its existing one (1) ordinary share into ten (10) ordinary shares in the capital of LTPL ("**Sub-Division**"); and
- (c) the capitalization and the subscription by the Company of 199,999,990 new LTPL Shares by the setting-off of amounts due by LTPL to LTHB equivalent to SGD19,999,999 (equivalent to approximately RM48.36 million) ("**Subscription**").

The Sub-Division and the Subscription was effected on 20 April 2009 whilst the Proposed Internal Restructuring was completed on 13 May 2009.

36,000,000 Placement Shares of LTIG at S\$0.22 per share was fully taken up as at the close of the application list at 10.00 am on 17 August 2009.

On 4 August 2009, 3,636,000 new shares of LTIG at S\$0.22 per share was issued to Prime Partners Corporate Finance for settlement of the advisory fees of S\$799,920.

Subsequent to the new issue of LTIG's shares of 3,636,000 and 36,000,000 on 4 August 2009 and 18 August 2009 respectively, the equity interest of LTHB in LTIG had reduced from 91.00% to 76.04% and LTIG remains a subsidiary of LTHB.

9. STATUS OF CORPORATE PROPOSAL

There were no corporate proposals announced during the quarter ended 30 June 2009 except for the following.

The proposed disposal by the Company of 24,000,000 ordinary shares in LTIG was completed on 1 June 2009. (Please refer to Note 6)

The proposed listing of and quotation for the entire enlarged issued and paid up share capital of LTIG on the Singapore Exchange Securities Trading Ltd was completed on 19 August 2009.

10. CHANGES IN EQUITY AND LONG TERM DEBTS



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EXPLANATORY NOTES FOR FOURTH QUARTER ENDED 30 JUNE 2009

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 30 June 2009.

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	374	-
Long term loans	40,057	35,159
Portion repayable within twelve months	(12,432)	(8,606)
	27,625	26,553
Total Long Term Liabilities	47,999	26,553
Short Term Liabilities		
Unsecured :		
Current portion of long term loans	-	-
Short term loans	45,972	40,995
	45,972	40,995
Secured :		
Hire Purchase payables	310	39
Current portion of long term loans	12,432	8,606
Bank overdraft	3,616	2,553
Total Short Term Liabilities	62,330	52,193

12. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Group



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EXPLANATORY NOTES FOR FOURTH QUARTER ENDED 30 JUNE 2009

As at 30 June 2009, there were no contingent liabilities and contingent assets for the Group.

Company

As at 30 June 2009, 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 RM129,575,729.

13. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

The Group did not have any financial instruments with off balance sheet risk as at 30 June 2009, 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	1,427	627	800	-
Contracted Rate (RM)	3.5721	3.5543	3.5860	-
RM Equivalents (RM'000)	5,097.1	2,228.3	2,868.8	-

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 30 June 2009.

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:



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EXPLANATORY NOTES FOR FOURTH QUARTER ENDED 30 JUNE 2009

RM'000	Malaysia	Vietnam	Indonesia	Thailand	Total
Total revenue	158,713	292,370	-	17,083	468,166
Inter-Segment Revenue	(42,350)	(182)	-	(9,720)	(52,252)
External Revenue	116,363	292,188	-	7,363	415,914
Profit/(Loss) before tax	(8,116)	23,021	(3)	(1,920)	12,982

RM'000	Malaysia	Vietnam	Indonesia	Thailand	Total
Carrying amount of Segment Assets	140,108	190,077	57	27,153	359,395
Capital expenditure	856	4,219	-	425	5,500

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

RM Million	Current Quarter 30 June 2009	Preceding Quarter 30 June 2009
Revenue	102.429	91.545
Consolidated Profit/(Loss) before taxation	3.794	3.371

The Group's revenues increased approximately 11.9% to RM102.43 million for the quarter ended 30 June 2009, as compared to the preceding quarter's RM91.55 million. The increase for the quarter was mainly attributable to higher orders received and higher production output as the preceding quarter has lesser number of production days due to festive holidays.

The Group has recorded a slight increase in profit before taxation from RM3.37 million in the preceding quarter to RM3.79 million. The increase in profit before taxation was in line with the higher revenue registered for the quarter.

17. REVIEW OF PERFORMANCE

RM Million	Current Quarter 30 June 2009	Preceding Year Corresponding Quarter 30 June 2008
Revenue	102.429	120,037



LATITUDE TREE HOLDINGS BERHAD

(302829-W)

EXPLANATORY NOTES FOR FOURTH QUARTER ENDED 30 JUNE 2009

Consolidated profit before taxation	3.794	7.218
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The Group recorded revenues of RM102.43 million for the quarter ended 30 June 2009 representing an decrease of 14.7% as compared to the preceding year corresponding quarter of RM120.04 million. The decrease was attributable to the lower orders received and lower production output arising from the global economic slowdown.

The Group's profit before taxation for the quarter ended 30 June 2009 decreased to RM3.79 million from profit before taxation of RM7.22 million of preceding year corresponding quarter. The decrease was in line with the lower revenue.

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 remains profitable despite the challenges of the world economic slowdown. This is due to the Group is able to shift their production pattern.

Continuous efforts will be taken to strengthen and streamline its operations 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 30 June 2009.

22. DIVIDEND

At the 14th Annual General Meeting held on 18 December 2008, a first and final dividend of 4.0 sen per share (tax exempt) (30 June 2007 : 4.1 sen, tax exempt) in respect of the financial year ended 30 June 2008 had been approved by shareholders. It was paid on 20 January 2009.

The Board of Directors did not recommend any interim dividend for the current quarter ended 30 June 2009.



LATITUDE TREE HOLDINGS BERHAD

(302829-W)

EXPLANATORY NOTES FOR FOURTH QUARTER ENDED 30 JUNE 2009

23. EARNINGS PER SHARE

	Current Quarter	Current Year-To-Date
Basic EPS		
Net profit attributable to shareholders (RM'000)	6,461	15,329
Weighted average no. of shares ('000)	64,805	64,805
Basic EPS (sen)	9.97	23.65

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 RM6.46 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 RM15.33 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 30 June 2009 were as follows :

	RM'000
Authorised by Directors and contracted	2,224
Authorised by Directors and not contracted	-
	2,224