



LATITUDE TREE HOLDINGS BERHAD (302829-W)

CONDENSED CONSOLIDATED INCOME STATEMENTS (UNAUDITED)  
FOR THE QUARTER ENDED 30 JUNE 2011

	Individual quarter ended		Cumulative quarter ended	
	Current year quarter 30.6.2011 RM'000	Preceding year corresponding quarter 30.6.2010 RM'000	Current year quarter 30.6.2011 RM'000	Preceding year corresponding quarter 30.6.2010 RM'000
Revenue	111,218	129,856	500,665	506,866
Cost of Sales	(99,668)	(109,349)	(443,008)	(428,357)
<b>Gross Profit</b>	<b>11,550</b>	<b>20,507</b>	<b>57,657</b>	<b>78,509</b>
Other income	1,153	1,323	4,808	6,527
Selling and marketing expenses	(1,604)	(1,376)	(10,611)	(11,794)
Administrative expenses	(3,833)	(3,808)	(14,446)	(14,962)
Other expenses	(2,529)	(8,997)	(8,965)	(10,727)
<b>Operating Profit</b>	<b>4,737</b>	<b>7,649</b>	<b>28,443</b>	<b>47,553</b>
Finance Costs	(1,525)	(1,606)	(6,058)	(7,056)
Share of loss of associate	(135)	(151)	(331)	(151)
<b>Profit before taxation</b>	<b>3,077</b>	<b>5,892</b>	<b>22,054</b>	<b>40,346</b>
Taxation	(81)	(1,482)	(2,006)	(3,863)
<b>Profit for the period</b>	<b>2,996</b>	<b>4,410</b>	<b>20,048</b>	<b>36,483</b>
Attributable to :				
Owners of the parent	1,698	2,689	12,778	27,730
Non-controlling interests	1,298	1,721	7,270	8,753
<b>Profit for the period</b>	<b>2,996</b>	<b>4,410</b>	<b>20,048</b>	<b>36,483</b>
<b>(Loss)/Earnings per share (sen) :</b>				
(a) Basic	2.34	4.15	19.14	42.79
(b) Diluted	2.34	4.15	19.14	42.79
Number of ordinary shares ('000)	72,638.6	64,805.0	66,758.0	64,805.0
Adjusted number of ordinary shares in issue ('000)	72,638.6	64,805.0	66,758.0	64,805.0

The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the annual audited financial statements for the year ended 30 June 2010 and the accompanying explanatory notes attached to the interim financial statements.



LATITUDE TREE HOLDINGS BERHAD (302829-W)

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)  
FOR THE QUARTER ENDED 30 JUNE 2011

	Individual quarter ended		Cumulative quarter ended	
	Current year quarter 30.6.2011 RM'000	Preceding year corresponding quarter 30.6.2010 RM'000	Current year quarter 30.6.2011 RM'000	Preceding year corresponding quarter 30.6.2010 RM'000
Profit for the period	2,996	4,410	20,048	36,483
Other comprehensive income				
Foreign currency translation	(1,394)	3,495	(5,322)	(7,361)
Total comprehensive (loss)/income for the period	<b>1,602</b>	<b>7,905</b>	<b>14,726</b>	<b>29,122</b>
Total comprehensive income attributable to :				
Owners of the parent	1,536	6,560	8,688	23,311
Non-controlling interest	66	1,345	6,038	5,811
Total comprehensive income for the period	<b>1,602</b>	<b>7,905</b>	<b>14,726</b>	<b>29,122</b>



**LATITUDE TREE HOLDINGS BERHAD (302829-W)**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)  
AS AT 30 JUNE 2011**

	<b>Unaudited 30.06.2011 RM'000</b>	<b>Audited 30.6.2010 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	229,760	220,087
Investment in associate	1,016	1,347
Other investments	521	1,301
Deferred tax assets	743	493
	<u>232,040</u>	<u>223,228</u>
<b>Current assets</b>		
Inventories	84,765	76,638
Trade and other receivables	39,292	40,440
Due from associate	21	20
Term deposits	29,795	28,338
Cash and bank balances	25,652	62,849
	<u>179,525</u>	<u>208,285</u>
<b>TOTAL ASSETS</b>	<u><u>411,565</u></u>	<u><u>431,513</u></u>

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the year ended 30 June 2010 and the accompanying explanatory notes attached to the interim financial statements.



**LATITUDE TREE HOLDINGS BERHAD (302829-W)**

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS AT 30 JUNE 2011 (cont'd)**

	<b>Unaudited 30.6.2011 RM'000</b>	<b>Audited 30.6.2010 RM'000</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share capital	97,207	64,805
Treasury shares	-	(35)
Reserves	99,007	127,087
	<hr/>	<hr/>
	196,214	191,857
<b>Non-controlling interest</b>	36,435	35,340
<b>Total equity</b>	<hr/> <b>232,649</b> <hr/>	<hr/> <b>227,197</b> <hr/>
<b>Non-current liabilities</b>		
Hire purchase payables	-	6
Bank borrowings	13,914	40,668
Provision for severance allowance	612	835
	<hr/>	<hr/>
	14,526	41,509
<b>Current liabilities</b>		
Trade and other payables	64,640	68,432
Hire purchase payables	-	119
Bank borrowings	99,388	93,284
Provision for taxation	362	972
	<hr/>	<hr/>
	164,390	162,807
<b>Total liabilities</b>	<hr/> <b>178,916</b> <hr/>	<hr/> <b>204,316</b> <hr/>
<b>TOTAL EQUITY AND LIABILITIES</b>	<hr/> <b>411,565</b> <hr/>	<hr/> <b>431,513</b> <hr/>
Net assets per share attributable to equity holders of the Company (RM)	2.0185	2.9605

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the year ended 30 June 2010 and the accompanying explanatory notes attached to the interim financial statements.



## LATITUDE TREE HOLDINGS BERHAD

### CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED) FOR THE PERIOD ENDED 30 June 2011

	Attributable to Equity Holders of the Company								
	Non-distributable			Foreign currency translation reserve	Distributable		Total	Minority Interest	Total Equity
	Share capital	Share premium	Revaluation reserve		Retained profits	Treasury shares			
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
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	-	-	-	301	(3,503)	-	(3,202)	22,592	19,390
Acquisition of Non-controlling interest	-	-	-	-	-	-	-	(2,636)	(2,636)
Subscription of shares in subsidiary	-	-	-	-	-	-	-	540	540
Total comprehensive income for the period	-	-	-	(4,419)	27,730	-	23,311	5,811	29,122
Treasury shares purchased	-	-	-	-	-	(35)	(35)	-	(35)
Dividends	-	-	-	-	(5,703)	-	(5,703)	-	(5,703)
Dividends to non-controlling interest	-	-	-	-	-	-	-	(4,406)	(4,406)
<b>At 30 June 2010</b>	<b>64,805</b>	<b>1,225</b>	<b>1,114</b>	<b>(6,529)</b>	<b>131,277</b>	<b>(35)</b>	<b>191,857</b>	<b>35,340</b>	<b>227,197</b>
At 1 July 2010	64,805	1,225	1,114	(6,529)	126,871	(35)	187,451	39,746	227,197
Adjustment of previous year's dividends	-	-	-	-	4,406	-	4,406	(4,406)	-
As restated	64,805	1,225	1,114	(6,529)	131,277	(35)	191,857	35,340	227,197
Adjustment relating to FRS 139	-	-	-	-	169	-	169	-	169
Restated opening balance	64,805	1,225	1,114	(6,529)	131,446	(35)	192,026	35,340	227,366
Issue of shares	32,403	-	-	-	-	-	32,403	-	32,403
Capitalisation for bonus issues	-	-	-	-	(32,403)	-	(32,403)	-	(32,403)
Total comprehensive income for the period	-	-	-	(4,090)	12,778	-	8,688	6,038	14,726
Treasury shares	-	-	-	-	-	35	35	-	35
Dividend	-	-	-	-	(4,535)	-	(4,535)	-	(4,535)
Dividend to non-controlling interest	-	-	-	-	-	-	-	(4,943)	(4,943)
<b>At 30 June 2011</b>	<b>97,208</b>	<b>1,225</b>	<b>1,114</b>	<b>(10,619)</b>	<b>107,286</b>	<b>-</b>	<b>196,214</b>	<b>36,435</b>	<b>232,649</b>

The condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the year ended 30 June 2010 explanatory notes attached and the accompanying to the interim financial statements.



**LATITUDE TREE HOLDINGS BERHAD (302829-W)**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)  
FOR THE PERIOD ENDED 30 JUNE 2011**

	30/06/2011 RM'000	30/06/2010 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	22,054	40,346
<b>Adjustments for:</b>		
Depreciation and amortisation	14,834	14,065
Allowance for diminution in value of investment	780	780
Share of loss of associate	331	151
(Gain)/loss on disposal of PPE	(396)	(334)
PPE written off	402	7
Unrealised (gain)/loss on forex	2,675	(33)
Non cash items	(496)	(96)
Net financing costs	5,453	6,308
<b>Operating profit before working capital changes</b>	<b>45,637</b>	<b>61,194</b>
<b>Changes in working capital</b>		
Net change in current assets	(6,710)	(22,598)
Net change in current liabilities	(6,468)	10,178
Net change in amount due from associate	(1)	(20)
Net income taxes paid	(2,912)	(2,595)
Net financing costs paid	(5,453)	(6,308)
<b>Net cash generated from operating activities</b>	<b>24,093</b>	<b>39,851</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of PPE	(33,760)	(31,070)
Proceeds from disposal of non-current assets	-	150
Proceeds from disposal of PPE	552	3,964
Proceeds from placement of new shares	-	(6,248)
<b>Net cash used in investing activities</b>	<b>(33,208)</b>	<b>(33,204)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net (repayment)/drawdown of borrowings	(20,323)	21,001
Dividend paid	(4,535)	(10,109)
Proceeds from placement of treasury shares	36	-
Purchase of treasury shares	-	(35)
Non-controlling interest	(4,943)	21,866
Deposits uplift/(placed) as security for bank borrowings	20,813	(17,558)
Effect of foreign exchange rate changes in investing activities	-	-
<b>Net cash generated/(used) in financing activities</b>	<b>(8,952)</b>	<b>15,165</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>(18,067)</b>	<b>21,812</b>
<b>CASH &amp; CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>60,682</b>	<b>37,693</b>
<b>EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>	<b>3,591</b>	<b>1,177</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>46,206</b>	<b>60,682</b>
<b>Cash and cash equivalents included in the consolidated cash flow statements comprise the following balance sheet amounts :</b>		
Cash and bank balances	25,652	62,849
Term deposits	29,795	28,338
Bank overdrafts	(3,344)	(3,796)
	52,103	87,391
Less: Term deposits not available for use	(5,897)	(26,709)
	46,206	60,682

The condensed consolidated statements of cash flows should be read in conjunction with the audited financial statements for the year ended 30 June 2010 and the accompanying explanatory notes attached to the interim financial statements.



# LATITUDE TREE HOLDINGS BERHAD

(302829-W)

## NOTES TO THE QUARTERLY REPORT – 30 JUNE 2011

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### 1. BASIS OF PREPARATION

The interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS 134: Interim Financial Reporting and Chapter 9 paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 30 June 2010. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 30 June 2010.

#### **Change in accounting policies**

The significant accounting policies adopted are consistent with those of the audited financial statements for the financial year ended 30 June 2010 except for the adoption of new or revised FRSs, Amendment to FRSs and IC Interpretations effective for financial year beginning 1 July 2010.

The adoption of the above new or revised FRSs, Amendment to FRSs and IC Interpretations do not have significant impact to the interim financial position and results of the Group except for the adoption of the following FRSs as set out below :

#### **(a) FRS 7 : Financial Instruments : Disclosures**

FRS 7 introduces new disclosures to improve the information about financial instruments. It requires the disclosure of qualitative and quantitative information about exposure to risk arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk, including sensitivity analysis of the market risk. However, FRS 7 disclosures are not required in the interim financial statements, and hence, no further disclosures has been made in these interim financial statements.

#### **(b) FRS 8 : Operating Segments**

FRS 8 requires identification and reporting of operating segments based on internal reports that are regularly reviewed by the entity's chief operating decision maker in order to allocate resources to the segment and to assess its performances. The Group presents its segment information based on its business segments as shown in Note 16.

#### **(c) FRS 101 : Presentation of Financial Statements (revised)**

The revised FRS 101 separate owner and non-owner changes in equity. Therefore, the consolidated statement of changes in equity will now included only details of transactions with owners. All non-owner changes in equity are presented as a single line labeled as total comprehensive income. The Standard also introduces the statement of comprehensive income : presenting all items of income and expenses recognised in the income statement, together with all other items of recognized income and expenses, either in one single statement, or in two linked statements.



# LATITUDE TREE HOLDINGS BERHAD

(302829-W)

## NOTES TO THE QUARTERLY REPORT – 30 JUNE 2011

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The Group had elected to present in two linked statements and applied this Standard retrospectively. There is no impact on the financial position and results of the Group.

### (d) FRS 139 : Financial Instruments : Recognition and Measurement

FRS 139 sets out the new requirements for the recognition and measurement of the Group's financial instruments. Financial instruments are recorded initially at fair value. Subsequent measurement of the financial instruments in the statement of financial position reflects the designation of the financial instruments. The effects arising from the adoption of this Standard has been accounted for by remeasurement on 1 July 2010 of the financial instruments brought forward from the previous financial year are adjusted to the opening retained profits as disclosed in the statement of changes in equity.

Prior to the adoption of FRS 139, financial derivatives of the Group were recognized on their settlement dates. Outstanding derivatives at the balance sheet date were not recognized. With the adoption of this Standard, the financial derivatives are stated at fair value which is equivalent to the marking of the financial derivatives to market, using prevailing market rates. Financial derivatives with positive market values (unrealized gains) are included under current assets and financial derivatives with negative market values (unrealized losses) are included under current liabilities in the statement of financial position. Any gains or losses arising from changes in fair value on financial derivatives during the financial period are taken directly to the statement of comprehensive income.

In accordance with the transitional provisions of FRS 139, the above changes in policy have been accounted for prospectively and the comparatives are not restated. The effects arising from the adoption of FRS 139 has been accounted for by restating the following opening balance of retained profits as at 1 July 2010 :

	Previously stated RM'000	Effects of FRS 139 RM'000	As restated RM'000
<b>Current Assets</b>			
Derivatives	-	169	169
<b>Equity</b>			
Retained profits	102,880	169	103,049

### (e) Amendments to FRS 117 : Leases

Prior to the adoption of the Amendment to FRS 117, leasehold land was treated as operating lease. The considerations paid were classified and presented as prepaid lease payments in the statement of financial position. With the adoption of the Amendment to FRS 117, leasehold land which in substance as a finance lease will be reclassified property, plant and equipment. This Amendment applied retrospectively and the comparative figure has been re-stated in the statements of financial position as below :





# LATITUDE TREE HOLDINGS BERHAD

(302829-W)

## NOTES TO THE QUARTERLY REPORT – 30 JUNE 2011

	As previously reported	Effects of FRS 117	As restated
	RM'000	RM'000	RM'000
<b>As at 30 June 2010</b>			
Property, plant and equipment	201,801	18,286	220,087
Prepaid land lease payments	18,286	(18,286)	-

### 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.

### 5. TAXATION

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

	Individual Quarter		Cumulative Quarter	
	30.6.2011	30.6.2010	30.6.2011	30.6.2010
	RM'000	RM'000	RM'000	RM'000
Current tax expense				
Malaysian	(22)	(35)	20	44
Overseas	353	1,830	2,236	3,832
<b>Total</b>	<b>331</b>	<b>1,795</b>	<b>2,256</b>	<b>3,876</b>
Deferred taxation				
Malaysian	-	(300)	-	-
Overseas	(250)	(13)	(250)	(13)
<b>Total</b>	<b>(250)</b>	<b>(313)</b>	<b>(250)</b>	<b>(13)</b>
	<b>81</b>	<b>1,482</b>	<b>2,006</b>	<b>3,863</b>



# LATITUDE TREE HOLDINGS BERHAD

(302829-W)

## NOTES TO THE QUARTERLY REPORT – 30 JUNE 2011

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### 6. SALES OF UNQUOTED INVESTMENTS AND PROPERTIES

There were no sales of unquoted investments or properties for the quarter ended 30 June 2011.

### 7. QUOTED SECURITIES

There were no purchase or disposal of quoted securities for the quarter ended 30 June 2011.

### 8. CHANGES IN THE COMPOSITION OF THE GROUP

There was no change to the composition of the Group in the quarter ended 30 June 2011.

### 9. CORPORATE PROPOSAL

On 25 February 2011, the Company announced that the Company proposes to undertake the bonus issue of 32,402,500 new ordinary shares of RM1.00 each in Latitude Tree Holdings Berhad (“LTHB”) on the basis of one (1) Bonus Share for every two (2) existing ordinary shares of RM1.00 each held in LTHB. (“the Proposal”).

On 25 May 2011, the Company obtained the approval from the Shareholders of the Company to undertake the Proposal.

The bonus issues exercise has been completed on 9 June 2011.

Other than the above, there were no other corporate proposals announced but not completed as at 25 August 2011.

### 10. CHANGES IN EQUITY AND LONG TERM DEBTS

(a) On 8 April 2011, the Company sold 19,900 treasury shares and the details of the transaction are as follows :

Month	Price per Share (RM)			Number of shares	Total Consideration RM'000
	Lowest	Highest	Average		
April 2011	1.81	1.87	1.84	19,900	36.4

(b) On 9 June 2011, the Company had successfully allotted the bonus issue of 32,402,500 new ordinary shares of RM1.00 each to all its shareholders. The details of the changes in share capital arising from bonus issue as follows :



# LATITUDE TREE HOLDINGS BERHAD

(302829-W)

## NOTES TO THE QUARTERLY REPORT – 30 JUNE 2011

	No. of shares	RM
Issued and fully paid shares as at 30 June 2010	64,805,000	64,805,000
Issued and fully paid shares as at 30 June 2011	97,207,500	97,207,500

Other than the above, there were no other changes in equity and long term debts for the current quarter ended 30 June 2011.

### 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)
<b>Long Term Liabilities</b>		
Unsecured :		
Long term loans	13,200	-
Portion repayable within twelve months	(13,200)	-
	-	-
Secured :		
Hire Purchase payables	-	-
Long term loans	21,516	15,725
Portion repayable within twelve months	(7,602)	(7,059)
	13,914	<b>8,666</b>
<b>Total Long Term Liabilities</b>	<b>13,914</b>	<b>8,666</b>
<b>Short Term Liabilities</b>		
Unsecured :		
Current portion of long term loans	13,200	-
Short term loans	-	-
	-	-
Secured :		
Hire Purchase payables	48	-
Current portion of long term loans	7,602	7,059
Short term loan	75,194	64,597
Bank overdraft	3,344	2,240
<b>Total Short Term Liabilities</b>	<b>99,388</b>	<b>73,896</b>



# LATITUDE TREE HOLDINGS BERHAD

(302829-W)

## NOTES TO THE QUARTERLY REPORT – 30 JUNE 2011

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### 12. REALISED AND UNREALISED PROFITS/LOSSES

The breakdown of the retained profits of the Group as at 30 June 2011, into realised and unrealised profits/losses, pursuant to a directive issued by Bursa Securities on 25 March 2010 and 20 December 2010 is as follows:

	<b>As at the end of current quarter RM'000</b>
Total retained profits/(accumulated losses) of Latitude Tree Holdings Berhad and its subsidiaries:	
- Realised	183,165
- Unrealised	(2,027)
	<hr/> 181,138
Total share of retained profits/(accumulated losses) from associated companies:	
- Realised	(331)
	<hr/> 180,807
Less: Consolidation adjustments	(73,521)
Total group retained profits as per consolidated accounts	<hr/> <hr/> 107,286

The determination of realised and unrealised profits is compiled based on Guidance of Special Matter No. 1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Securities Listing Requirements*, issued by the Malaysian Institute of Accountants on 20 December 2010.

The disclosure of realised and unrealised profits above is solely for the purposes of complying with the disclosure requirements stipulated in the directive of Bursa Securities and should not be applied for any other purposes.

### 13. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

#### Group

As at 30 June 2011, there were no contingent liabilities and contingent assets for the Group.

#### Company

As at 30 June 2011, 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 RM43,100,000.



# LATITUDE TREE HOLDINGS BERHAD

(302829-W)

## NOTES TO THE QUARTERLY REPORT – 30 JUNE 2011

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### 14. FINANCIAL INSTRUMENTS - DERIVATIVES

As at 30 June 2011, the outstanding derivative financial instrument, which have been entered into by the Group are as follows:

<u>Foreign Currency Contracts</u>	<b>Contract Value</b> RM'000	<b>Fair Value</b> RM'000	<b>Changes in Fair Value</b> RM'000
US dollar - less than 1 year	<b>31,202.3</b>	<b>30,547.2</b>	<b>655.1</b>

The Group's derivatives are principally in respect of forward foreign currency contracts used to hedge its foreign currency sales.

Derivative financial assets and liabilities are initially recognised, and subsequently measured at fair value. The fair value of the foreign currency contracts is determined using a forward market rate at the end of report period and changes in the fair value are recognised in statement of comprehensive income.

#### Credit Risk

The above financial instruments were executed with creditworthy financial institutions in line with the Group's policy.

#### Cash requirements

The Group will fund the cash requirements of these derivatives from its net cash flow from operating activities when the payments fall due.

### 15. 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 2011.

### 16. 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.

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.



# LATITUDE TREE HOLDINGS BERHAD

(302829-W)

## NOTES TO THE QUARTERLY REPORT – 30 JUNE 2011

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

RM'000	MALAYSIA	VIETNAM	THAILAND	SINGAPORE	OTHERS	GROUP
TOTAL REVENUE	182,291	351,048	26,936	16,205	-	576,480
INTER-SEGMENT REVENUE	(49,294)	-	(10,316)	(16,205)	-	(75,815)
EXTERNAL REVENUE	132,997	351,048	16,620	-	-	500,665
PROFIT/(LOSS) BEFORE TAXATION	(10,304)	37,686	(1,235)	(4,089)	(4)	22,054

### 17. SIGNIFICANT RELATED PARTY TRANSACTIONS

Transacting Parties	Related Party	Nature of Interest	Nature of Transaction	Current Quarter ended 30.6.2011 RM'000	Current Year To Date 30.6.2011 RM'000
GHCL and the LTHB Group	Mr. Yek Siew Liong and Konsortium Kontrek Sdn Bhd	GHCL is a 85.00% 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.	3,210	10,316



# LATITUDE TREE HOLDINGS BERHAD

(302829-W)

## NOTES TO THE QUARTERLY REPORT – 30 JUNE 2011

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 and LTHB. Mr Yek Siew Liong owns approximately 4.85% direct equity interest and 0.96% indirect equity interest in LTIGL (since 21 October 2009) via his spouse and 15.03% indirect equity interest in LTHB via Konsortium Kontrek Sdn Bhd	Purchases of raw materials and supplies, furniture components and finished goods by LTIGL Group from the LTHB Group.	654	2,365
			Purchases of raw materials and supplies, furniture components and finished goods by LTHB Group from the LTIGL Group.	-	-

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

RM Million	30.6.2011	31.3.2011
Revenue	111.2	98.5
Consolidated Profit before taxation	3.0	0.8

Despite the weakening of US Dollar against Ringgit Malaysia, the Group managed to increase its revenues by approximately 12.9% to RM111.2 million for the quarter ended 30 June 2011 as compared to the preceding quarter's RM98.5 million. The increase was mainly attributable to higher orders received and higher production output as the preceding quarter is usually a low quarter.

The Group has recorded an increase in profit before taxation from RM0.8 million in the preceding quarter to RM3.0 million. The increase in profit before taxation was in line with the increase in revenue.



# LATITUDE TREE HOLDINGS BERHAD

(302829-W)

## NOTES TO THE QUARTERLY REPORT – 30 JUNE 2011

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### 19. REVIEW OF PERFORMANCE

RM Million	30.6.2011	30.6.2010
Revenue	111.2	129.9
Consolidated profit before taxation	3.0	5.9

The Group recorded revenues of RM111.2 million for the quarter ended 30 June 2011 representing a decrease of 14.4% as compared to the preceding year corresponding quarter of RM129.9 million. The decrease was attributable to the weakening of US Dollar against Ringgit Malaysia and lower production output as a result of shortage of workers.

The Group's profit before taxation for the quarter ended 30 June 2011 decreased from RM5.9 million of preceding year corresponding quarter to RM3.0 million. The decrease was mainly due to the decline in gross profit resulted by the weakening of US Dollar against Ringgit Malaysia and the increase in prices of raw materials especially wooden, coating and packaging materials.

### 20. 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.

### 21. 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.

### 22. CURRENT YEAR PROSPECT

In view of the uncertainty of the global economy, the Group will adopt a cautious approach in its business strategy especially in managing rising costs and the weak US Dollar.

Continuous efforts will also be taken to strengthen its operations to remain profitable.

Going forward and barring unforeseen circumstances, the Board believes that the Group will continue to remain profitable for the financial year ending 30 June 2012.





# LATITUDE TREE HOLDINGS BERHAD

(302829-W)

## NOTES TO THE QUARTERLY REPORT – 30 JUNE 2011

### 23. 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 2011.

### 24. DIVIDEND

The Board of Directors did not recommend any interim dividend for the current quarter ended 30 June 2011.

### 25. EARNINGS PER SHARE

Basic EPS	Individual Quarter		Cumulative Quarter	
	30.6.11	30.6.10	30.6.11	30.6.10
Net (loss)/profit attributable to equity holders of the Company (RM'000)	1,697	2,689	12,778	27,730
Weighted average no. of shares ('000)	72,638.6	64,805	66,758.0	64,805
Basic EPS (sen)	2.34	4.15	19.14	42.79
Illustrative purpose No. of shares ('000)	97,207.5	97,207.5	97,207.5	97,207.5
Basic EPS (sen)	1.75	2.77	13.14	28.53

EPS for the quarter and cumulative period ended 30 June 2011 were computed based on the weighted average issued share capital of 72,638,571 and 66,758,027 ordinary shares respectively.

EPS for the quarter and cumulative period ended 30 June 2010 were computed based on issued share capital of 64,805,000 ordinary shares.

The basic and diluted EPS were the same as there were no potential dilutive ordinary shares outstanding as at 30 June 2011 and 30 June 2010.

For illustrative purposes, and based on the post-bonus issuance share capital of 32,402,500 shares, the EPS for the quarter ended 30 June 2011 and quarter ended 30 June 2010 were 1.75 cents and 2.77 cents respectively, the EPS for the cumulative period ended 30 June 2011 and 30 June 2010 were 13.14 cents and 28.53 cents respectively.



# LATITUDE TREE HOLDINGS BERHAD

(302829-W)

## NOTES TO THE QUARTERLY REPORT – 30 JUNE 2011

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### 26. CAPITAL COMMITMENTS

Capital commitments for property, plant and equipment not provided for in the financial statements as at 30 June 2011 were as follows :

	RM'000
Authorised by Directors and contracted	9,808
Authorised by Directors and not contracted	-
	<b>9,808</b>