



LATITUDE TREE HOLDINGS BERHAD (302829-W)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
(UNAUDITED) FOR THE PERIOD ENDED 30 JUNE 2020

	Individual quarter ended		Cumulative quarter ended	
	Current year quarter	Preceding year corresponding quarter	Current year quarter	Preceding year corresponding quarter
	30.06.2020 RM'000	30.06.2019 RM'000	30.06.2020 RM'000	30.06.2019 RM'000
Revenue	138,561	158,855	684,740	729,568
Cost of sales	(125,023)	(147,993)	(611,744)	(646,451)
Gross profit	13,538	10,862	72,996	83,117
Other income	2,336	2,304	8,788	7,156
Selling and marketing expenses	(4,597)	(5,211)	(20,679)	(22,725)
Administrative expenses	(3,995)	(5,046)	(22,866)	(24,910)
Other expenses	(4,319)	(4,146)	(11,385)	(6,620)
Operating profit/(loss)	2,963	(1,237)	26,854	36,018
Finance costs	(824)	(1,026)	(3,951)	(3,905)
Profit/(loss) before taxation	2,139	(2,263)	22,903	32,113
Taxation	(1,813)	(6,314)	(6,195)	(12,761)
Profit/(loss) for the period	326	(8,577)	16,708	19,352
Attributable to :				
Owners of the parent	326	(8,577)	16,708	19,352
Non-controlling interest	-	-	-	-
Profit/(loss) for the period	326	(8,577)	16,708	19,352
Earnings/(loss) per share (sen) :				
(a) Basic	0.34	(8.85)	17.47	19.96
(b) Diluted	0.34	(8.85)	17.47	19.96
Weighted average number of ordinary shares ('000)	95,617.0	96,940.2	95,617.0	96,940.2
Profit/(loss) for the period	326	(8,577)	16,708	19,352
Other comprehensive income/(loss):				
Foreign currency translation	(258)	4,432	8,415	8,255
Net gain on available-for-sale financial assets				
- Gain on fair value changes	-	(257)	-	-
Total comprehensive income/(loss) for the period	68	(4,402)	25,123	27,607
Total comprehensive income/(loss) attributable to :				
Owners of the parent	68	(4,402)	25,123	27,607
Non-controlling interest	-	-	-	-
Total comprehensive income/(loss) for the period	68	(4,402)	25,123	27,607

The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.



LATITUDE TREE HOLDINGS BERHAD (302829-W)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS AT 30 JUNE 2020**

	Unaudited 30.06.2020 RM'000	Audited 30.06.2019 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	256,393	247,603
Investment properties	59,216	21,491
Right of use assets	34,433	17,376
Other investments	81	81
Investment securities	12,223	2,213
Deferred tax assets	1,315	1,349
	<u>363,661</u>	<u>290,113</u>
Current assets		
Inventories	194,867	210,249
Trade and other receivables	71,593	76,261
Prepayments	1,199	870
Tax recoverable	1,792	1,663
Derivatives	-	165
Cash and bank balances	126,206	159,567
Investment securities	40,803	52,522
	<u>436,460</u>	<u>501,297</u>
TOTAL ASSETS	<u><u>800,121</u></u>	<u><u>791,410</u></u>

**LATITUDE TREE HOLDINGS BERHAD (302829-W)****CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS AT 30 JUNE 2020 (CONT'D)**

	Unaudited 30.06.2020 RM'000	Audited 30.06.2019 RM'000
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	98,433	98,433
Treasury shares	(5,798)	(870)
Retained earnings	410,231	397,848
Foreign currency translation reserve	77,439	69,024
	<u>580,305</u>	<u>564,435</u>
Non-controlling interest	-	-
Total equity	<u>580,305</u>	<u>564,435</u>
Non-current liabilities		
Bank borrowings	9,293	9,344
Lease liabilities	4,388	-
Provision for severance allowance	36	32
Retirement benefit obligation	202	194
Derivatives	764	-
Deferred tax liabilities	3,305	3,257
	<u>17,988</u>	<u>12,827</u>
Current liabilities		
Trade and other payables	98,845	91,704
Bank borrowings	95,595	104,248
Lease liabilities	126	-
Tax payable	6,874	18,196
Derivatives	388	-
	<u>201,828</u>	<u>214,148</u>
Total liabilities	<u>219,816</u>	<u>226,975</u>
TOTAL EQUITY AND LIABILITIES	<u>800,121</u>	<u>791,410</u>
Net assets per share attributable to owners of the parent (RM)	<u>6.09</u>	<u>5.82</u>

The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.



CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE PERIOD ENDED 30 JUNE 2020

	Share capital RM'000	Treasury shares RM'000	Non-distributable		Distributable Retained earnings RM'000	Total RM'000	Non-controlling interest RM'000	Total equity RM'000
			Fair value adjustment reserve RM'000	Foreign currency translation reserve RM'000				
At 1 July 2018	98,433	(851)	32	60,769	387,188	545,571	-	545,571
Effect of adoption of MFRS 9	-	-	(32)	-	32	-	-	-
At 1 July 2018 (Restated)	98,433	(851)	-	60,769	387,220	545,571	-	545,571
Total comprehensive income for the period	-	-	-	8,255	19,352	27,607	-	27,607
Dividend paid	-	-	-	-	(8,724)	(8,724)	-	(8,724)
Purchase of treasury shares	-	(19)	-	-	-	(19)	-	(19)
At 30 June 2019	98,433	(870)	-	69,024	397,848	564,435	-	564,435
At 1 July 2019 (as previously stated)	98,433	(870)	-	69,024	397,848	564,435	-	564,435
Effect of adoption of MFRS 16	-	-	-	-	1,393	1,393	-	1,393
At 1 July 2019 (restated)	98,433	(870)	-	69,024	399,241	565,828	-	565,828
Total comprehensive income for the period	-	-	-	8,415	16,708	25,123	-	25,123
Dividend paid	-	-	-	-	(5,718)	(5,718)	-	(5,718)
Purchase of treasury shares	-	(4,928)	-	-	-	(4,928)	-	(4,928)
At 30 June 2020	98,433	(5,798)	-	77,439	410,231	580,305	-	580,305

The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.



**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE PERIOD ENDED 30 JUNE 2020**

	30.06.2020 RM'000	30.06.2019 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	22,903	32,113
Adjustments for:		
Depreciation and amortisation	18,758	17,656
Inventories written down	-	411
Reversal of inventories written down	-	(84)
Property, plant and equipment written off	-	218
Impairment loss on trade receivables	4,009	1,258
Fair value loss on derivatives	1,317	70
Fair value gain on investment securities	(690)	(360)
Net unrealised foreign exchange gain	(586)	(2,059)
Gain on disposal of property, plant and equipment	(8)	(14)
Investment income from investment securities	(936)	(994)
Non cash items	2	7
Net financing costs	935	1,033
Operating profit before working capital changes	45,704	49,255
Changes in working capital		
Net change in current assets	12,168	(27,510)
Net change in current liabilities	8,943	(377)
Net income taxes paid	(3,583)	(6,871)
Net financing costs paid	(1,054)	(1,329)
Net cash flows from operating activities	62,178	13,168
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment income from investment securities	936	994
Purchase of property, plant and equipment	(35,792)	(30,576)
Purchase of investment properties	(30,585)	-
Proceeds from disposal of property, plant and equipment	51	77
(Increase)/decrease in deposits placed with licensed banks	(956)	1,280
Proceeds from of investment securities	2,787	155
Net cash flows used in investing activities	(63,559)	(28,070)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net (repayment)/drawdown of bank borrowings	(11,709)	20,424
Dividends paid on ordinary shares	(5,718)	(8,724)
Movement of deposits placed as securities for bank borrowings and guarantees	(1,611)	(364)
Treasury shares acquired	(4,928)	(19)
Net cash flows (used in)/from financing activities	(23,966)	11,317
NET CHANGE IN CASH AND CASH EQUIVALENTS	(25,347)	(3,585)
CASH & CASH EQUIVALENTS AT BEGINNING OF PERIOD	137,354	146,753
EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(10,581)	(5,814)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	101,426	137,354
Cash and cash equivalents included in the Consolidated Statement of Cash Flows comprise the following balance sheet amounts :		
Cash and bank balances	69,249	92,413
Term deposits	56,957	67,154
	126,206	159,567
Less:		
Deposits pledged as securities for bank borrowings and guarantees	(15,816)	(14,205)
Deposits with licensed banks with tenure more than three months	(8,964)	(8,008)
	101,426	137,354

Reconciliation of liabilities arising from financing activities:

	Carrying amount as at 1 July 2019 RM'000	Cash flows RM'000	Effects of foreign exchange RM'000	Carrying amount as at 30 June 2020 RM'000
<u>Group</u>				
Loans and borrowings	113,592	(11,709)	3,005	104,888

The unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.



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NOTES TO THE QUARTERLY REPORT – 30 JUNE 2020

A1. BASIS OF PREPARATION

The interim financial report is unaudited and have been prepared in accordance with the requirements of MFRS 134: Interim Financial Reporting and Chapter 9 paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and should be read in conjunction with the Group's audited financial statements for the year ended 30 June 2019.

The accounting policies and presentation adopted for this interim financial report are consistent with those adopted in the audited financial statements for the financial year ended 30 June 2019 except for the changes in accounting policies and presentation resulting from the adoption of relevant MFRSs, Amendment to MFRSs and IC Interpretations that are effective for the financial periods beginning on 1 July 2019.

The adoption of relevant MFRSs, Amendment to MFRSs and IC Interpretations did not have any material effect on the financial performance or position of the Group except as disclosed below:

MFRS 16 Leases

The Group has adopted the new standard on the required effective date using the modified retrospective transition approach, which measures the lease liabilities based on the present value of future lease payments calculated using the incremental borrowing rate and exchange rate at date of transition. Lease payments would be split into principal and interest payments, using the effective interest method.

Correspondingly, the right-of-use ("ROU") assets are based on the present value of the liability at the commencement date of the lease, adding any directly attributable costs. The ROU assets will be depreciated on a straight-line basis over the shorter of the lease term and the useful life of the leased assets.

On the date of initial application, the Group applied the simplified transition approach and did not restate comparative amounts for the period prior to first adoption.

The adoption of MFRS 16 has the following impact:

To the opening balances as at 1 July 2019:

	Audited 30.06.2019 RM'000	Adjustments RM'000	After MFRS 16 Adoption RM'000
Right of use assets	17,376	6,029	23,405
Lease liabilities	-	(4,636)	(4,636)
Retained earnings	(397,848)	(1,393)	(399,241)

A2. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The latest audited financial statements for the financial year ended 30 June 2019 were not subject to any qualification.



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NOTES TO THE QUARTERLY REPORT – 30 JUNE 2020

A3. UNUSUAL ITEMS AFFECTING ASSETS, LIABILITIES, EQUITY, NET INCOME OR CASH FLOWS

There were no items affecting assets, liabilities, equity, net income or cash flows that were unusual because of their nature, size or incidence for the current quarter and financial period ended 30 June 2020.

A4. VALUATION OF PROPERTY, PLANT & EQUIPMENT

There was no revaluation of properties of the Group during the financial period ended 30 June 2020.

A5. TAXATION

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

	Individual Quarter		Cumulative Quarter	
	30.06.2020	30.06.2019	30.06.2020	30.06.2019
	RM'000	RM'000	RM'000	RM'000
Current tax expense				
Malaysian	260	862	2,256	2,010
Overseas	1,383	5,410	3,449	10,179
Total	1,643	6,272	5,705	12,189
Deferred tax expense				
Malaysian	(183)	27	137	557
Overseas	353	15	353	15
Total	170	42	490	572
	1,813	6,314	6,195	12,761

A6. CHANGES IN THE COMPOSITION OF THE GROUP

There was no change to the composition of the Group in the quarter ended 30 June 2020.

A7. SUBSEQUENT EVENTS

There were no material events subsequent to the end of the current quarter that would have impact on the result that had been reflected in the quarter under review except for on 17 July 2020, Latitude Tree Furniture Sdn. Bhd. and Rhong Khen Timbers Sdn. Bhd., both wholly-owned subsidiaries of the Company entered into Memorandum of



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Understanding (“MOU”) with Advancecon Solar Sdn. Bhd. to install rooftop solar system under the Net Energy Metering scheme on the rooftop of our premises.

A8. CHANGES IN EQUITY AND LONG TERM DEBTS

There were no changes in equity and long term debts for the current quarter ended 30 June 2020.

A9. BORROWINGS AND DEBTS SECURITIES

Details of the Group’s borrowings were as follows:

	As at 30 June 2020					
	Long term		Short term		Total borrowings	
	RM equivalents of amount denominated in foreign currency (RM'000)	RM'000	RM equivalents of amount denominated in foreign currency (RM'000)	RM'000	RM equivalents of amount denominated in foreign currency (RM'000)	RM'000
Secured						
Term loan (USD)	-	-	856	-	856	-
Term loan (RM)	-	7,780	-	809	-	8,589
Term loan (THB)	1,513	-	463	-	1,976	-
Bankers' acceptances (RM)	-	-	-	1,243	-	1,243
Revolving credit (USD)	-	-	4,280	-	4,280	-
Unsecured						
Trust receipts (USD)	-	-	87,944	-	87,944	-
Total	1,513	7,780	93,543	2,052	95,056	9,832



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NOTES TO THE QUARTERLY REPORT – 30 JUNE 2020

	As at 30 June 2019					
	Long term		Short term		Total borrowings	
	RM equivalents of amount denominated in foreign currency (RM'000)	RM'000	RM equivalents of amount denominated in foreign currency (RM'000)	RM'000	RM equivalents of amount denominated in foreign currency (RM'000)	RM'000
Secured						
Term loan (USD)	828	-	3,314	-	4,142	-
Term loan (RM)	-	8,516	-	715	-	9,231
Bankers' acceptances (RM)	-	-	-	2,201	-	2,201
Revolving credit (USD)	-	-	2,071	-	2,071	-
Unsecured						
Trust receipts (USD)	-	-	95,947	-	95,947	-
Total	828	8,516	101,332	2,916	102,160	11,432

A10. FINANCIAL INSTRUMENTS - DERIVATIVES

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

	As at 30 June 2020			As at 30 June 2019		
	Contract/ Notional amount	Assets	Liabilities	Contract/ Notional amount	Assets	Liabilities
Non-hedging derivatives:						
Current						
Forward currency contracts	48,213	-	(388)	45,923	154	-
Interest rate swap	856	-	-	4,142	11	-
		-	(388)		165	-
Non-current						
Forward currency contracts	48,213	-	(762)	45,923	154	-
Interest rate swap	856	-	(2)		-	-
		-	(764)		154	-
Total non-hedging derivatives		-	(1,152)		165	-



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NOTES TO THE QUARTERLY REPORT – 30 JUNE 2020

The Group uses forward currency contracts to manage some of the transaction exposure. These contracts are not designated as cash flow or fair value hedges and are entered into for periods consistent with currency transaction exposure and fair value changes exposure. Such derivatives do not qualify for hedge accounting.

Forward currency contracts are used to hedge the Group's bank balance denominated in United States Dollar ("USD") for which Group's commitments existed at the reporting date, extending to February 2022 and March 2022. During the financial period under review, the Group recognised a loss of RM1,317,291 arising from fair value changes of forward currency contracts. The fair value changes are attributable to changes in foreign exchange closing and forward rate.

The Group has an interest rate swap agreement in place which is used to hedge cash flow interest rate risk arising from a floating rate bank loan. This interest rate swap receives floating interest equal to USD loan at Effective Cost Of Funds + 1.75% per annum, pays a fixed rate of interest of 3.31% p.a. and has the same maturity terms as the bank loan.

A11. CHANGES IN MATERIAL LITIGATION

There was no material litigation or any pending material litigation since the date of the last annual statement of financial position until 25 August 2020.

A12. SEGMENTAL INFORMATION

The Group's primary business segment, including its overseas subsidiaries is that of the manufacture and sale of wooden furniture and components.

Business segmental information has not been prepared as the Group's revenue, operating profit, assets and liabilities, capital expenditure, depreciation and amortisation and non-cash expenses are mainly confined to one business segment.

Geographical segments

The Group's business segment operates principally in Malaysia, Vietnam and Thailand.

In presenting information on the basis of geographical segments, segment revenue and profit before taxation, segment assets and liabilities were based on the geographical location of assets.



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Results for the Individual Quarter ended 30 June

	Malaysia		Vietnam		Thailand		Others		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Total revenue	23,540	35,047	113,947	123,026	3,951	5,941	581	1,147	142,019	165,161
Inter-segment revenue	(2,776)	(5,136)	(6)	(224)	(676)	(1,028)	-	82	(3,458)	(6,306)
External revenue	20,764	29,911	113,941	122,802	3,275	4,913	581	1,229	138,561	158,855
(Loss)/profit before taxation	(2,748)	1,370	5,088	(5,338)	(40)	442	(161)	1,263	2,139	(2,263)
Segment assets	248,726	227,966	428,908	427,368	36,875	35,600	580,728	547,087	1,295,237	1,238,021
Segment liabilities	50,101	26,639	184,450	197,334	15,132	13,932	250,765	216,765	500,448	454,670

Results for the Cumulative Quarter ended 30 June

	Malaysia		Vietnam		Thailand		Others		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Total revenue	141,671	157,634	541,391	565,742	21,003	27,023	27,449	42,494	731,514	792,893
Inter-segment revenue	(18,708)	(20,666)	(391)	(817)	(4,085)	(4,331)	(23,590)	(37,511)	(46,774)	(63,325)
External revenue	122,963	136,968	541,000	564,925	16,918	22,692	3,859	4,983	684,740	729,568
Profit/(loss) before taxation	3,860	7,080	18,862	18,506	(556)	2,454	737	4,073	22,903	32,113
Segment assets	248,726	227,966	428,908	427,368	36,875	35,600	580,728	547,087	1,295,237	1,238,021
Segment liabilities	50,101	26,639	184,450	197,334	15,132	13,932	250,765	216,765	500,448	454,670



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

	30.06.2020	30.06.2019
	RM'000	RM'000
Inter-segment assets	<u>495,116</u>	<u>446,611</u>
Inter-segment liabilities	<u>280,632</u>	<u>227,695</u>

ADDITIONAL INFORMATION REQUIRED BY MAIN MARKET LISTING REQUIREMENT (APPENDIX 9B)

B1. MATERIAL CHANGE IN PROFIT BEFORE TAXATION COMPARED TO IMMEDIATE PRECEDING QUARTER

RM' Million	Individual quarter		Changes (%)
	30.06.2020	31.03.2020	
Revenue	138.6	142.2	-2.5%
Gross profit	13.5	14.8	-8.8%
Profit before taxation	2.1	3.5	-40.0%
Profit after taxation	0.3	2.6	-88.5%

Revenue

For the quarter under review, the Group's revenue declined 2.5% to RM138.6 million as compared to the preceding quarter of RM142.2 million. The decrease was mainly attributable to the followings:

- lower sales recorded by furniture plants amounting to RM4.6 million in the quarter under review as shipments of goods to buyers in United States ("US") were on hold or delayed due to Covid-Wuhan ("Covid-19") pandemic;
- lower sales recorded by panel board lamination plant amounting to RM1.9 million due to lockdown during Movement Control Order ("MCO") in Malaysia; offset with
- strengthening of US Dollar ("USD") against Ringgit Malaysia ("RM") by 0.9%

Gross profit

The Group has recorded lower gross profit from RM14.8 million in preceding quarter compared to RM13.5 million in current quarter, representing a decrease of 8.8%. The decrease in gross profit was mainly attributable to the followings:

- Vietnam plants recorded higher sales of better margin products during the quarter; offset with
- operation losses registered by all factories of the Group in Malaysia during the MCO period; and



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- impairment loss on inventories amounting to RM2.1 million.

Profit before taxation (“PBT”)

The Group has recorded a decrease in PBT from RM3.5 million in preceding quarter to RM2.1 million in current quarter, representing a decrease of 40.0%. The change in PBT was in line with the decrease in gross profit.

Profit after taxation (“PAT”)

The Group recorded PAT of RM0.3 million in current quarter, representing a significant decrease of 88.5% from RM2.6 million in preceding quarter was mainly due to higher tax provision in current quarter compared to preceding quarter.

B2. REVIEW OF PERFORMANCE

RM' Million	Cumulative quarter		Changes (%)
	30.06.2020	30.06.2019	
Revenue	684.7	729.6	-6.2%
Gross profit	73.0	83.1	-12.2%
Profit before taxation	22.9	32.1	-28.7%
Profit after taxation	16.7	19.4	-13.9%

Revenue

The Group recorded revenue of RM684.7 million for the financial year ended 30 June 2020 (“FY2020”), representing a decrease of 6.2% as compared to the financial year ended 30 June 2019 (“FY2019”) of RM729.6 million. The decrease was mainly attributable to lower sales recorded by all divisions of the Group generally due to overall slowing down in demand impacted by the Covid-19 pandemic. However, the decrease was offset by strengthening of US Dollar (“USD”) against Ringgit Malaysia (“RM”) by 2.0%.

Gross profit

Gross profit of the Group amounted to RM73.0 million in FY2020, representing a decrease of 12.2% from RM83.1 million in FY2019. The decrease in gross profit was mainly attributable to the followings:

- in line with the decrease in revenue;
- higher production costs due to lesser production output across all divisions;
- higher labour costs in Vietnam and Malaysia plants due to increase in minimum wages;
- and
- impairment loss on inventories amounting to RM2.1 million.



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Profit before taxation (“PBT”)

PBT of the Group amounted to RM22.9 million in FY2020, representing a decrease of 28.7% from RM32.1 million in FY2019 was mainly attributable to the followings:

- in line with decrease in gross profit;
- registered foreign exchange loss of RM0.5 million in FY2020 compared to foreign exchange gain of RM0.4 million in FY2019;
- impairment loss on trade receivables amounting to RM4.0 million in FY2020 compared to RM1.3 million in FY2019;
- higher fair value loss on derivatives of RM1.2 million in FY2020 compared to FY2019; offset with
- interim insurance compensation of RM2.7 million received by a furniture plant in Vietnam in FY2020 for a fire incident occurred in FY2018.

Profit after taxation (“PAT”)

PAT of the Group amounted to RM16.7 million in FY2020, representing a decrease of 13.9% from RM19.4 million in FY2019 was in line with decrease in PBT and lower tax provision recorded by a Vietnam plant in FY2020 compared to FY2019.

B3. PROFIT FOR THE PERIOD

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

	Individual quarter ended		Cumulative quarter ended	
	30.06.2020	30.06.2019	30.06.2020	30.06.2019
	RM'000	RM'000	RM'000	RM'000
Interest income	(649)	(835)	(3,016)	(2,872)
Interest expense	824	1,026	3,951	3,905
Investment income from investment securities	(223)	(196)	(936)	(994)
Depreciation and amortization	5,015	3,707	18,758	17,656
Gain on disposal of property, plant and equipment	-	10	(8)	(14)
Property, plant and equipment written off	-	213	-	218
Impairment loss on trade receivables	1,498	595	4,009	1,258
Unrealised foreign exchange gain	(437)	(1,892)	(586)	(2,059)
Realised foreign exchange loss	611	1,836	1,052	1,627
Fair value (gain)/loss on derivatives	(25)	232	1,317	70



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Fair value gain on investment securities	(678)	(59)	(690)	(360)
Inventories written down	-	411	-	411
Reversal of inventories written down	-	(84)	-	(84)
Insurance compensation	(23)	-	(2,710)	-

B4. TRADE AND OTHER RECEIVABLES

	30.06.2020	30.06.2019
	RM'000	RM'000
Trade receivables		
Third parties	60,337	51,985
Less: Allowance for impairment	<u>(5,632)</u>	<u>(1,509)</u>
Trade receivables, net	<u>54,705</u>	<u>50,476</u>
Other receivables		
Deposits	1,097	1,394
Staff loans	182	119
Goods and services tax receivable	513	907
Sundry receivables	<u>15,394</u>	<u>23,654</u>
	17,186	26,074
Less: Allowance for impairment-sundry receivables	<u>(298)</u>	<u>(289)</u>
Other receivables, net	<u>16,888</u>	<u>25,785</u>
Total trade and other receivables	<u>71,593</u>	<u>76,261</u>

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

	30.06.2020	30.06.2019
	RM'000	RM'000
Neither past due nor impaired	49,811	36,621
Past due not impaired:		
1 - 30 days	3,202	12,716
31 - 60 days	113	568
61 - 90 days	1,539	472
> 91 days	40	99
Impaired	<u>5,632</u>	<u>1,509</u>
Gross trade receivables	<u>60,337</u>	<u>51,985</u>

Trade receivables

Trade receivables are non-interest bearing and are generally on 7 to 90 days terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.



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Other receivables

Included in sundry receivables of the Group are:

- i) Import duty and other direct taxes receivable in foreign subsidiaries of RM7,831,000 (30.06.2019: RM8,350,000); and
- ii) Advance to suppliers of RM3,819,000 (30.06.2019: RM2,312,000) that mainly relates to payment in advance for raw materials.
- iii) Advance payment of RM Nil (30.06.2019: RM8,848,000) for leasing a parcel of land.

B5. CORPORATE PROPOSAL

There were no corporate proposals announced but not completed as at 25 August 2020.

B6. SEASONAL OR CYCLICAL FACTORS

The Group operation is seasonal in nature whereby the turnover for the first three months of a calendar year is slightly lower due to long festive holidays which fall on the first quarter of the calendar year and also the lower demand in the United States which normally slows down after Christmas and New Year.

B7. CURRENT YEAR PROSPECT

The outbreak of the Covid-19 continues to wreak havoc in many countries and the rising number of infections has threatened global economic recovery. The Group's 2020 results have been disrupted by the restricted movement control orders at all our operating factories in Malaysia, Vietnam and Thailand. Sales orders have also been disrupted due to movement restrictions of good in our international markets in US and Europe. This has resulted in a muted 4th quarter and cumulative results for 2020 financial year.

The effects of the Covid-19 global pandemic are still unfolding and we are unable to ascertain its full impact into the current year 2020.

In spite of the "Covid-19 storms" home lifestyle furniture segment remains the Group's core business. With the Group's cost reduction strategies in place, enhancing production efficiency, re-engineering higher margin products including R&D of new products and continuous engagement with our international customers the Group will endeavor to remain profitable in the coming 2021 financial year.

B8. VARIANCE BETWEEN ACTUAL RESULT AND FORECAST PROFIT OR PROFIT GUARANTEE

The Group did not issue any profit forecast or profit guarantee for the quarter ended 30 June 2020.



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B9. DIVIDEND

The Company had on 15 May 2020 paid a first interim single tier dividend of 3.0 sen per ordinary share for the financial year ending 30 June 2020.

The Directors have recommended a final single tier dividend of 3.0 sen per ordinary share for the financial year ended 30 June 2020 subject to shareholders' approval at the forthcoming Annual General Meeting of the Company. The dividend entitlement and payment date for the proposed dividend will be determined, and thereafter announced at a later date.

B10. EARNINGS/(LOSS) PER SHARE (“EPS”/“(LPS”))

Basic EPS	Individual Quarter		Cumulative Quarter	
	30.06.2020	30.06.2019	30.06.2020	30.06.2019
Net profit/(loss) attributable to owners the parent (RM'000)	326	(8,577)	16,708	19,352
Weighted average number of shares ('000)	95,617.0	96,940.2	95,617.0	96,940.2
Basic EPS/(LPS) (sen)	0.34	(8.85)	17.47	19.96

B11. CAPITAL COMMITMENTS

Capital commitments for property, plant and equipment not provided for in the financial statements as at 30 June 2020 were as follows:

	RM'000
Authorised by Directors and contracted	6,188
Authorised by Directors and not contracted	-
	6,188