



LATITUDE TREE HOLDINGS BERHAD (302829-W)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
(UNAUDITED) FOR THE PERIOD ENDED 31 MARCH 2018

	Individual quarter ended		Cumulative quarter ended	
	Current year quarter 31.03.2018 RM'000	Preceding year corresponding quarter 31.03.2017 RM'000	Current year quarter 31.03.2018 RM'000	Preceding year corresponding quarter 31.03.2017 RM'000
Revenue	164,497	187,269	578,114	602,037
Cost of sales	(149,249)	(159,162)	(509,322)	(501,512)
Gross profit	15,248	28,107	68,792	100,525
Other income	2,269	378	4,990	10,512
Selling and marketing expenses	(4,610)	(4,690)	(15,521)	(14,719)
Administrative expenses	(6,490)	(7,561)	(17,838)	(18,230)
Other expenses	(5,259)	(931)	(10,718)	(2,391)
Operating profit	1,158	15,303	29,705	75,697
Finance costs	(801)	(657)	(2,324)	(1,916)
Profit before taxation	357	14,646	27,381	73,781
Taxation	2,042	(3,131)	(1,890)	(9,176)
Profit for the period	2,399	11,515	25,491	64,605
Attributable to :				
Owners of the parent	2,399	11,515	25,491	64,605
Non-controlling interest	-	-	-	-
Profit for the period	2,399	11,515	25,491	64,605
Earnings per share (sen) :				
(a) Basic	2.47	11.85	26.22	66.46
(b) Diluted	2.47	11.85	26.22	66.46
Number of ordinary shares ('000)	97,207.5	97,207.5	97,207.5	97,207.5
Profit for the period	2,399	11,515	25,491	64,605
Other comprehensive income:				
Foreign currency translation	(11,000)	(3,275)	(24,375)	27,339
Net gain on available-for-sale financial assets				
- Gain on fair value changes	98	-	159	-
Total comprehensive income for the period	(8,503)	8,240	1,275	91,944
Total comprehensive income attributable to :				
Owners of the parent	(8,503)	8,240	1,275	91,944
Non-controlling interest	-	-	-	-
Total comprehensive income for the period	(8,503)	8,240	1,275	91,944

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 31 MARCH 2018**

	Unaudited 31.03.2018 RM'000	Audited 30.06.2017 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	247,005	258,733
Land use rights	15,831	17,623
Other investments	81	81
Derivatives	18	18
Deferred tax assets	1,547	1,917
	<u>264,482</u>	<u>278,372</u>
Current assets		
Inventories	167,037	163,514
Trade and other receivables	75,164	79,194
Prepayments	949	2,539
Tax recoverable	4,858	417
Derivatives	2,103	241
Cash and bank balances	182,604	208,095
Investment securities	53,682	37,895
	<u>486,397</u>	<u>491,895</u>
TOTAL ASSETS	<u><u>750,879</u></u>	<u><u>770,267</u></u>



LATITUDE TREE HOLDINGS BERHAD (302829-W)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2018 (CONT'D)

	Unaudited 31.03.2018 RM'000	Audited 30.06.2017 RM'000
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	98,433	98,433
Retained earnings	400,644	386,776
Fair value adjustment reserve	268	109
Foreign currency translation reserve	50,764	75,132
	<u>550,109</u>	<u>560,450</u>
Non-controlling interest	-	-
Total equity	<u>550,109</u>	<u>560,450</u>
Non-current liabilities		
Bank borrowings	14,003	17,610
Provision for severance allowance	29	37
Retirement benefit obligation	135	138
Deferred tax liabilities	3,044	2,606
	<u>17,211</u>	<u>20,391</u>
Current liabilities		
Trade and other payables	85,648	96,342
Bank borrowings	97,443	78,907
Tax payable	449	14,158
Derivatives	19	19
	<u>183,559</u>	<u>189,426</u>
Total liabilities	<u>200,770</u>	<u>209,817</u>
TOTAL EQUITY AND LIABILITIES	<u>750,879</u>	<u>770,267</u>
Net assets per share attributable to equity holders of the Company (RM)	<u>5.66</u>	<u>5.77</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.



LATITUDE TREE HOLDINGS BERHAD
(302829-W)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE PERIOD ENDED 31 MARCH 2018

	Attributable to Equity Holders of the Company							Total equity RM'000
	Non-distributable		Fair value adjustment reserve	Foreign currency translation reserve	Distributable Retained earnings	Total	Non-controlling interest	
	Share capital RM'000	Share premium RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 July 2016	97,208	1,225	-	56,996	329,376	484,805	-	484,805
Total comprehensive income for the period	-	-	-	27,339	64,605	91,944	-	91,944
Dividend paid	-	-	-	-	(11,665)	(11,665)	-	(11,665)
At 31 March 2017	97,208	1,225	-	84,335	382,316	565,084	-	565,084
At 1 July 2017	98,433	-	109	75,132	386,776	560,450	-	560,450
Total comprehensive income for the period	-	-	159	(24,375)	25,491	1,275	-	1,275
Dividend paid	-	-	-	-	(11,665)	(11,665)	-	(11,665)
Effects of liquidation of a subsidiary	-	-	-	7	42	49	-	49
At 31 March 2018	98,433	-	268	50,764	400,644	550,109	-	550,109

Note a

With the Companies Act 2016 ("New Act") coming into effect on 31 January 2017, the credit standing in the share premium account of RM1,225,000 has been transferred to the share capital account. Pursuant to Subsection 618(3) of the New Act, the Group may exercise its right to use the credit amount being transferred from share premium account within 24 months after the commencement of the New Act. The Board of Directors will make a decision thereon by 31 January 2019.

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 31 MARCH 2018**

	31.03.2018 RM'000	31.03.2017 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	27,381	73,781
Adjustments for:		
Depreciation and amortisation	13,611	15,027
Property, plant and equipment written off	8	19
(Gain)/loss on derivatives	(1,862)	40
Unrealised foreign exchange loss/(gain)	7,205	(2,603)
Gain on disposal of property, plant and equipment	(6)	(107)
Investment income	(1,065)	(959)
Non cash items	(10)	(171)
Net financing costs	1,042	519
Operating profit before working capital changes	<u>46,304</u>	<u>85,546</u>
Changes in working capital		
Net change in current assets	2,097	(57,228)
Net change in current liabilities	(10,694)	1,962
Net income taxes paid	(7,248)	(12,073)
Net financing costs paid	(1,042)	(519)
Net cash flows from operating activities	<u>29,417</u>	<u>17,688</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment income	1,065	959
Purchase of property, plant and equipment	(13,408)	(13,611)
Proceeds from disposal of property, plant and equipment	6	135
Decrease in deposits placed with licensed banks	3,556	8,040
(Purchase of)/proceeds from investment securities	(16,393)	4,129
Net cash flows used in investing activities	<u>(25,174)</u>	<u>(348)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net drawdown of bank borrowings	23,645	12,193
Dividends paid on ordinary shares	(11,665)	(11,665)
Movement of deposits placed as securities for bank borrowings and guarantees	(4,973)	(187)
Net cash flows from financing activities	<u>7,007</u>	<u>341</u>
Exchange difference in translation of financial statements of foreign subsidiaries	(21,672)	6,512
NET CHANGE IN CASH AND CASH EQUIVALENTS	(10,422)	24,193
CASH & CASH EQUIVALENTS AT BEGINNING OF PERIOD	195,741	165,758
EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(16,486)	11,734
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>168,833</u>	<u>201,685</u>
Cash and cash equivalents included in the Consolidated Statement of Cash Flows comprise the following balance sheet amounts :		
Cash and bank balances	134,886	144,378
Term deposits	47,718	66,746
Bank overdrafts	-	-
	<u>182,604</u>	<u>211,124</u>
Less:		
Deposits pledged as securities for bank borrowings and guarantees	(13,771)	(9,439)
Deposits with licensed banks with tenure more than three months	-	-
	<u>168,833</u>	<u>201,685</u>

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



LATITUDE TREE HOLDINGS BERHAD

(302829-W)

NOTES TO THE QUARTERLY REPORT – 31 MARCH 2018

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 2017.

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 2017 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 2017.

The adoption of relevant MFRSs, Amendment to MFRSs and IC Interpretations are not expected to have any significant financial impact on the financial statements of the Group.

A2. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The latest audited financial statements for the financial year ended 30 June 2017 were not subject to any qualification.

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 31 March 2018.

A4. VALUATION OF PROPERTY, PLANT & EQUIPMENT

There was no revaluation of properties of the Group during the financial period ended 31 March 2018.



LATITUDE TREE HOLDINGS BERHAD

(302829-W)

NOTES TO THE QUARTERLY REPORT – 31 MARCH 2018

A5. TAXATION

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

	Individual Quarter		Cumulative Quarter	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017
	RM'000	RM'000	RM'000	RM'000
Current tax expense				
Malaysian	(3,280)	1,255	(1,296)	2,800
Overseas	434	1,737	2,424	6,237
Total	(2,846)	2,992	1,128	9,037
Deferred tax expense				
Malaysian	804	139	762	139
Overseas	-	-	-	-
Total	804	139	762	139
	(2,042)	3,131	1,890	9,176

A6. CHANGES IN THE COMPOSITION OF THE GROUP

There was no change to the composition of the Group in the quarter ended 31 March 2018 except for on 21 December 2017, Linkage Creation International Co. Ltd. ("Linkage Creation"), a wholly-owned subsidiary of the Company has been struck off from Register of Companies pursuant to the requirement of the International Business Companies Order 2000 in Brunei Darussalam. On even date, Linkage Creation has ceased to be a wholly-owned subsidiary of the Company. The striking off of Linkage Creation has no material financial and operational impact on the Company and its subsidiaries.

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 5 April 2018, a fire incident had occurred at one factory building belonging to RK Resources Co. Ltd. ("RKR"), an indirect wholly-owned subsidiary of the Company. The initial estimated loss of this fire incident is USD5.5 million. A Notice of Loss of USD5.50 million (equivalent to RM21.45 million) was submitted to the insurance company, Military Insurance Corporation ("MIC") on 5 April 2018.

The total net book value of the damaged factory building, ancillary structures and installation is approximately USD0.64 million (equivalent to RM2.50 million) whereas the total net book value of the damaged plant and machinery and office equipment is approximately USD0.28 (equivalent to RM1.09 million). The total net book value of work-in-progress furniture parts, packing materials, hardware and finished goods



LATITUDE TREE HOLDINGS BERHAD

(302829-W)

NOTES TO THE QUARTERLY REPORT – 31 MARCH 2018

(completed furniture) damaged by the fire is approximately USD3.19 million (equivalent to RM12.44 million).

A8. CHANGES IN EQUITY AND LONG TERM DEBTS

There were no changes in equity and long term debts for the current quarter ended 31 March 2018.

A9. BORROWINGS AND DEBTS SECURITIES

Details of the Group's borrowings were as follows:

	As at 31 March 2018					
	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)	4,632	-	3,088	-	7,720	-
Term loan (RM)	-	9,371	-	678	-	10,049
Bankers' acceptances (RM)	-	-	-	6,967	-	6,967
Unsecured						
Trust receipts (USD)	-	-	86,710	-	86,710	-
Total	4,632	9,371	89,798	7,645	94,430	17,016



LATITUDE TREE HOLDINGS BERHAD

(302829-W)

NOTES TO THE QUARTERLY REPORT – 31 MARCH 2018

	As at 30 June 2017					
	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)	7,727	-	3,434	-	11,161	-
Term loan (RM)	-	9,883	-	656	-	10,539
Bankers' acceptances (RM)	-	-	-	2,811	-	2,811
Unsecured						
Trust receipts (USD)	-	-	72,006	-	72,006	-
Total	7,727	9,883	75,440	3,467	83,167	13,350

A10. FINANCIAL INSTRUMENTS - DERIVATIVES

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

	As at 31 March 2018			As at 30 June 2017		
	RM'000 Contract/ Notional amount	Assets	Liabilities	RM'000 Contract/ Notional amount	Assets	Liabilities
Non-hedging derivatives:						
Current						
Forward currency contracts	44,098	2,103	-	31,362	241	-
Interest rate swap	7,720	-	(19)	11,161	-	(19)
Non-current						
Interest rate swap	7,720	18	-	11,161	18	-
Total non-hedging derivatives		<u>2,121</u>	<u>(19)</u>		<u>259</u>	<u>(19)</u>

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.



LATITUDE TREE HOLDINGS BERHAD

(302829-W)

NOTES TO THE QUARTERLY REPORT – 31 MARCH 2018

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 August 2018. During the financial period under review, the Group recognised a gain of RM1,862,372 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 21 May 2018.

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.



LATITUDE TREE HOLDINGS BERHAD

(302829-W)

NOTES TO THE QUARTERLY REPORT – 31 MARCH 2018

Results for the Individual Quarter ended 31 March

RM'000	Malaysia		Vietnam		Thailand		Others		Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Total revenue	39,327	39,510	121,741	144,789	9,523	8,291	19,511	17,437	190,102	210,027
Inter-segment revenue	(5,740)	(5,402)	(227)	(21)	(738)	(1,375)	(18,900)	(15,960)	(25,605)	(22,758)
External revenue	33,587	34,108	121,514	144,768	8,785	6,916	611	1,477	164,497	187,269
Profit before taxation	692	3,504	3,184	11,512	804	417	(4,323)	(787)	357	14,646
Segment assets	249,300	216,533	397,132	457,962	26,509	27,308	354,699	322,716	1,027,640	1,024,519
Segment liabilities	168,491	146,904	166,136	166,956	9,528	12,259	55,189	51,797	399,344	377,916

Results for the Cumulative Quarter ended 31 March

RM'000	Malaysia		Vietnam		Thailand		Others		Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Total revenue	123,953	110,494	445,414	481,757	28,535	24,007	78,582	71,767	676,484	688,025
Inter-segment revenue	(18,737)	(14,274)	(557)	(191)	(3,534)	(3,821)	(75,542)	(67,702)	(98,370)	(85,988)
External revenue	105,216	96,220	444,857	481,566	25,001	20,186	3,040	4,065	578,114	602,037
Profit/(loss) before taxation	7,468	13,121	24,745	50,489	1,598	2,332	(6,430)	7,839	27,381	73,781
Segment assets	249,300	216,533	397,132	457,962	26,509	27,308	354,699	322,716	1,027,640	1,024,519
Segment liabilities	168,491	146,904	166,136	166,956	9,528	12,259	55,189	51,797	399,344	377,916



LATITUDE TREE HOLDINGS BERHAD

(302829-W)

NOTES TO THE QUARTERLY REPORT – 31 MARCH 2018

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

	31.03.2018	31.03.2017
	RM'000	RM'000
Inter-segment assets	<u>276,761</u>	<u>263,434</u>
Inter-segment liabilities	<u>198,574</u>	<u>181,915</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 (%)
	31.03.2018	31.12.2017	
Revenue	164.5	196.8	-16.4%
Gross profit	15.2	23.1	-34.2%
Profit before taxation	0.4	9.5	-95.8%
Profit after taxation	2.4	7.7	-68.8%

Revenue

For the quarter under review, the Group's revenue declined 16.4% to RM164.5 million as compared to the preceding quarter of RM196.8 million. The substantial decrease was mainly attributable to the followings:

- lower orders received by approximately 11.7% or USD5.0 million in the quarter under review;
- weakening of US Dollar against Ringgit Malaysia by 2.3%; and
- lesser production days as the quarter under review is a low season due to festive holidays.

Gross profit

The Group has recorded lower gross profit from RM23.1 million in the preceding quarter to RM15.2 million in current quarter, representing a decrease of 34.2%. The substantial decrease was mainly due to the followings:

- in line with the decrease in revenue;
- higher sales of lower margin products; and
- increase in minimum wages by approximately 6.1% per worker in Vietnam effective 1 January 2018 .



LATITUDE TREE HOLDINGS BERHAD

(302829-W)

NOTES TO THE QUARTERLY REPORT – 31 MARCH 2018

Profit before taxation (“PBT”)

The Group has recorded a significant decline in PBT from RM9.5 million in preceding quarter to RM0.4 million in current quarter, representing a decrease of 95.8%. The substantial decrease in PBT was mainly attributable to the followings:

- in line with the decrease in gross profit; and
- higher foreign exchange losses by RM1.9 million in current quarter compared to preceding quarter due to weakening of US Dollar; offset with
- higher gain on derivatives by RM0.6 million.

Profit after taxation (“PAT”)

PAT of the Group amounted to RM2.4 million in current quarter, representing a decrease of 68.8% from RM7.7 million in preceding quarter was in line with decrease in PBT offset with reversal of over-provision of tax expense in prior year.

B2. REVIEW OF PERFORMANCE

RM' Million	Cumulative quarter		Changes (%)
	31.03.2018	31.03.2017	
Revenue	578.1	602.0	-4.0%
Gross profit	68.8	100.5	-31.5%
Profit before taxation	27.4	73.8	-62.9%
Profit after taxation	25.5	64.6	-60.5%

Revenue

The Group recorded revenue of RM578.1 million for the nine months financial period ended 31 March 2018 (“Q3FY2018”), representing a decrease of 4.0% as compared to the nine months financial period ended 31 March 2017 (“Q3FY2017”) of RM602.0 million. The decrease was mainly due to the followings:

- lower orders received by furniture plants amounting to USD3.9 million; and
- weakening of US Dollar against Ringgit Malaysia by 3.7%; offset with
- better orders recorded by raw materials and lamination plants amounting to RM12.2 million.

Gross profit

Gross profit of the Group amounted to RM68.8 million in Q3FY2018, representing a decline of 31.5% from RM100.5 million in Q3FY2017. The substantial decrease was mainly due to the followings:



LATITUDE TREE HOLDINGS BERHAD

(302829-W)

NOTES TO THE QUARTERLY REPORT – 31 MARCH 2018

- in line with the decrease in revenue;
- higher prices of raw materials in Q3FY2018 as compared to Q3FY2017 especially rubber wood sawn timbers;
- higher sales of lower margin products; and
- higher labour costs in Vietnam plants due to increase in minimum wages.

Profit before taxation (“PBT”)

PBT of the Group amounted to RM27.4 million in Q3FY2018, representing a decrease of 62.9% from RM73.8 million in Q3FY2017 was mainly due to the followings:

- in line with decrease in gross profit; and
- recorded foreign exchange loss of RM8.8 million in Q3FY2018 as compared to foreign exchange gain of RM6.8 million in Q3FY2017;
- higher finance expenses; offset with
- higher gain on derivatives by RM1.9 million.

Profit after taxation (“PAT”)

PAT of the Group amounted to RM25.5 million in Q3FY2018, representing a decrease of 60.5% from RM64.6 million in Q3FY2017 was in line with decrease in PBT.

B3. PROFIT FOR THE PERIOD

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

	Individual quarter ended		Cumulative quarter ended	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017
	RM'000	RM'000	RM'000	RM'000
Interest income	(504)	(553)	(1,282)	(1,397)
Interest expense	801	657	2,324	1,916
Investment income	(394)	(340)	(1,065)	(959)
Depreciation and amortization	4,300	5,203	13,611	15,027
Gain on disposal of property, plant and equipment	-	(52)	(6)	(107)
Property, plant and equipment written off	6	19	8	19
Unrealised foreign exchange loss/(gain)	4,549	1,897	7,205	(2,603)
Realised foreign exchange loss/(gain)	460	(676)	1,642	(4,223)
(Gain)/loss on derivatives	(1,197)	(121)	(1,862)	40



LATITUDE TREE HOLDINGS BERHAD

(302829-W)

NOTES TO THE QUARTERLY REPORT – 31 MARCH 2018

B4. TRADE AND OTHER RECEIVABLES

	31.03.2018 RM'000	30.06.2017 RM'000
Trade receivables		
Third parties	46,456	50,655
Less: Allowance for impairment	(226)	(231)
Trade receivables, net	<u>46,230</u>	<u>50,424</u>
Other receivables		
Deposits	385	252
Staff loans	107	123
Goods and services tax receivable	643	1,615
Sundry receivables	28,065	27,051
	<u>29,200</u>	<u>29,041</u>
Less: Allowance for impairment-sundry receivables	(266)	(271)
Other receivables, net	<u>28,934</u>	<u>28,770</u>
Total trade and other receivables	<u>75,164</u>	<u>79,194</u>

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

	31.03.2018 RM'000	30.06.2017 RM'000
Neither past due nor impaired	33,611	43,728
Past due not impaired:		
1 - 30 days	10,961	4,917
31 - 60 days	1,041	1,189
61 - 90 days	617	482
> 91 days	-	108
Impaired	226	231
Gross trade receivables	<u>46,456</u>	<u>50,655</u>

Trade receivables

Trade receivables are non-interest bearing and are generally on 1 to 90 days terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Other receivables

Included in sundry receivables of the Group are:

- i) Import duty and other direct taxes receivable in foreign subsidiaries of RM10,600,000 (30.06.2017: RM8,351,000); and
- ii) Advance to suppliers of RM15,043,000 (30.06.2017: RM17,362,000) that mainly relates to payment in advance for raw materials and machinery.

B5. CORPORATE PROPOSAL

There were no corporate proposals announced but not completed as at 21 May 2018.



LATITUDE TREE HOLDINGS BERHAD

(302829-W)

NOTES TO THE QUARTERLY REPORT – 31 MARCH 2018

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

In view of the Group revenue and profitability reduced across the board, the Group will continue to address the various challenges including rising material costs, labour costs, forex volatility and competition from manufacturers in Vietnam.

Barring unforeseen circumstances, the Board is confident that the Group will continue to remain profitable for the financial year ending 30 June 2018.

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 31 March 2018.

B9. DIVIDEND

The Company had on 30 January 2018 paid a final tax exempt dividend of 12.0 sen per share for the financial year ended 30 June 2017.

The Board of Directors did not recommend any interim dividend for the current quarter ended 31 March 2018.

B10. EARNINGS PER SHARE

	Individual Quarter		Cumulative Quarter	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017
Basic EPS				
Net profit attributable to equity holders of the Company (RM'000)	2,399	11,515	25,491	64,605
Weighted average no. of shares ('000)	97,207.5	97,207.5	97,207.5	97,207.5
Basic EPS (sen)	2.47	11.85	26.22	66.46



LATITUDE TREE HOLDINGS BERHAD

(302829-W)

NOTES TO THE QUARTERLY REPORT – 31 MARCH 2018

B11. CAPITAL COMMITMENTS

Capital commitments for property, plant and equipment not provided for in the financial statements as at 31 March 2018 were as follows:

	RM'000
Authorised by Directors and contracted	5,465
Authorised by Directors and not contracted	-
	5,465