



LATITUDE TREE HOLDINGS BERHAD (302829-W)

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

	Individual quarter ended		Cumulative quarter ended	
	Current year quarter 31.12.2018 RM'000	Preceding year corresponding quarter 31.12.2017 RM'000	Current year quarter 31.12.2018 RM'000	Preceding year corresponding quarter 31.12.2017 RM'000
Revenue	204,484	196,839	418,678	413,617
Cost of sales	(170,989)	(173,709)	(360,543)	(360,073)
Gross profit	33,495	23,130	58,135	53,544
Other income	1,551	1,394	4,862	2,721
Selling and marketing expenses	(6,286)	(5,470)	(11,552)	(10,911)
Administrative expenses	(5,677)	(5,595)	(11,405)	(11,348)
Other expenses	(1,076)	(3,194)	(2,097)	(5,459)
Operating profit	22,007	10,265	37,943	28,547
Finance costs	(1,002)	(815)	(1,845)	(1,523)
Profit before taxation	21,005	9,450	36,098	27,024
Taxation	(4,139)	(1,768)	(6,103)	(3,932)
Profit for the period	16,866	7,682	29,995	23,092
Attributable to :				
Owners of the parent	16,866	7,682	29,995	23,092
Non-controlling interest	-	-	-	-
Profit for the period	16,866	7,682	29,995	23,092
Earnings per share (sen) :				
(a) Basic	17.40	7.90	30.94	23.76
(b) Diluted	17.40	7.90	30.94	23.76
Weighted average number of ordinary shares ('000)	96,941.1	97,207.5	96,941.1	97,207.5
Profit for the period	16,866	7,682	29,995	23,092
Other comprehensive income:				
Foreign currency translation	(192)	(9,409)	6,660	(13,375)
Net gain on available-for-sale financial assets				
- Gain on fair value changes	(64)	30	93	61
Total comprehensive income for the period	16,610	(1,697)	36,748	9,778
Total comprehensive income attributable to :				
Owners of the parent	16,610	(1,697)	36,748	9,778
Non-controlling interest	-	-	-	-
Total comprehensive income for the period	16,610	(1,697)	36,748	9,778

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 DECEMBER 2018**

	Unaudited 31.12.2018 RM'000	Audited 30.06.2018 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	235,772	229,707
Investment properties	21,090	21,239
Land use rights	16,132	16,015
Other investments	81	81
Derivatives	30	30
Investment securities	1,000	1,000
Deferred tax assets	1,901	1,811
	<u>276,006</u>	<u>269,883</u>
Current assets		
Inventories	184,485	172,136
Trade and other receivables	101,357	81,767
Prepayments	6,002	1,448
Tax recoverable	1,742	2,415
Derivatives	114	205
Cash and bank balances	164,422	169,882
Investment securities	63,398	53,297
	<u>521,520</u>	<u>481,150</u>
TOTAL ASSETS	<u><u>797,526</u></u>	<u><u>751,033</u></u>



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

	Unaudited 31.12.2018 RM'000	Audited 30.06.2018 RM'000
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	98,433	98,433
Treasury shares	(870)	(851)
Retained earnings	411,367	387,188
Fair value adjustment reserve	125	32
Foreign currency translation reserve	67,429	60,769
	<u>576,484</u>	<u>545,571</u>
Non-controlling interest	-	-
Total equity	<u>576,484</u>	<u>545,571</u>
Non-current liabilities		
Bank borrowings	11,373	13,268
Provision for severance allowance	31	26
Retirement benefit obligation	154	148
Deferred tax liabilities	3,239	3,198
	<u>14,797</u>	<u>16,640</u>
Current liabilities		
Trade and other payables	91,221	90,768
Bank borrowings	93,921	78,006
Tax payable	21,103	20,048
	<u>206,245</u>	<u>188,822</u>
Total liabilities	<u>221,042</u>	<u>205,462</u>
TOTAL EQUITY AND LIABILITIES	<u>797,526</u>	<u>751,033</u>
Net assets per share attributable to owners of the parent (RM)	<u>5.95</u>	<u>5.61</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 DECEMBER 2018**

	<u>Share capital</u> RM'000	<u>Treasury shares</u> RM'000	Non-distributable		<u>Distributable Retained earnings</u> RM'000	<u>Total</u> RM'000	<u>Non-controlling interest</u> RM'000	<u>Total equity</u> RM'000
			<u>Fair value adjustment reserve</u> RM'000	<u>Foreign currency translation reserve</u> RM'000				
At 1 July 2017	98,433	-	109	75,132	386,776	560,450	-	560,450
Total comprehensive income for the period	-	-	61	(13,375)	23,092	9,778	-	9,778
Effects of liquidation of a subsidiary	-	-	-	7	42	49	-	49
At 31 December 2017	98,433	-	170	61,764	409,910	570,277	-	570,277
At 1 July 2018	98,433	(851)	32	60,769	387,188	545,571	-	545,571
Total comprehensive income for the period	-	-	93	6,660	29,995	36,748	-	36,748
Dividend paid	-	-	-	-	(5,816)	(5,816)	-	(5,816)
Purchase of treasury shares	-	(19)	-	-	-	(19)	-	(19)
At 31 December 2018	98,433	(870)	125	67,429	411,367	576,484	-	576,484

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 DECEMBER 2018**

	31.12.2018 RM'000	31.12.2017 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	36,098	27,024
Adjustments for:		
Depreciation and amortisation	9,327	9,311
Property, plant and equipment written off	5	2
Fair value loss/(gain) on derivatives	91	(665)
Fair value gain on investment securities	(202)	-
Net unrealised foreign exchange (gain)/loss	(1,533)	2,656
Gain on disposal of property, plant and equipment	(24)	(6)
Investment income from investment securities	(482)	(671)
Non cash items	(2)	(7)
Net financing costs	466	745
Operating profit before working capital changes	43,744	38,389
Changes in working capital		
Net change in current assets	(31,345)	(10,136)
Net change in current liabilities	(1,487)	15,453
Net income taxes paid	(2,397)	(5,522)
Net financing costs paid	(483)	(745)
Net cash flows from operating activities	8,032	37,439
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment income from investment securities	482	671
Purchase of property, plant and equipment	(11,518)	(9,241)
Proceeds from disposal of property, plant and equipment	71	6
Decrease in deposits placed with licensed banks	9,288	3,556
Purchase of investment securities	(9,402)	(34,884)
Net cash flows used in investing activities	(11,079)	(39,892)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net drawdown of bank borrowings	12,272	19,640
Dividends paid on ordinary shares	(5,816)	-
Movement of deposits placed as securities for bank borrowings and guarantees	(221)	(4,898)
Treasury shares acquired	(19)	-
Net cash flows from financing activities	6,216	14,742
NET CHANGE IN CASH AND CASH EQUIVALENTS	3,169	12,289
CASH & CASH EQUIVALENTS AT BEGINNING OF PERIOD	151,569	195,741
EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	438	(25,670)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	155,176	182,360
Cash and cash equivalents included in the Consolidated Statement of Cash Flows comprise the following balance sheet amounts :		
Cash and bank balances	87,590	135,677
Term deposits	76,832	60,379
	164,422	196,056
Less:		
Deposits pledged as securities for bank borrowings and guarantees	(9,246)	(13,696)
Deposits with licensed banks with tenure more than three months	-	-
	155,176	182,360

Reconciliation of liabilities arising from financing activities:

	Carrying amount as at 1 July 2018 RM'000	Cash flows RM'000	Effects of foreign exchange RM'000	Carrying amount as at 31 December 2018 RM'000
<u>Group</u> Loans and borrowings	91,274	12,272	1,748	105,294

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 – 31 DECEMBER 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 2018.

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 2018 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 2018.

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, except as disclosed below:

MFRS 15 Revenue from Contracts with Customers

The Group has adopted the new standard on the required effective date using the modified retrospective method and apply all the practical expedients available for the modified retrospective approach. The adoption of this Standard results in changes in accounting policies for revenue recognition and has no significant impact other than the disclosures in the Group's financial statements.

MFRS 9 Financial Instruments

The Group has performed a detailed impact assessment of all three aspects of MFRS 9. Based on the assessment, there was no significant impact on the accounting for the Group's financial assets upon initial application of the new classification requirements.

A2. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The latest audited financial statements for the financial year ended 30 June 2018 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 December 2018.

A4. VALUATION OF PROPERTY, PLANT & EQUIPMENT

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



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A5. TAXATION

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

	Individual Quarter		Cumulative Quarter	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
	RM'000	RM'000	RM'000	RM'000
Current tax expense				
Malaysian	1,074	1,028	1,150	1,984
Overseas	3,044	782	4,912	1,990
Total	4,118	1,810	6,062	3,974
Deferred tax expense				
Malaysian	21	(42)	41	(42)
Overseas	-	-	-	-
Total	21	(42)	41	(42)
	4,139	1,768	6,103	3,932

A6. CHANGES IN THE COMPOSITION OF THE GROUP

There was no change to the composition of the Group in the quarter ended 31 December 2018.

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.

A8. CHANGES IN EQUITY AND LONG TERM DEBTS

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



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NOTES TO THE QUARTERLY REPORT – 31 DECEMBER 2018

A9. BORROWINGS AND DEBTS SECURITIES

Details of the Group's borrowings were as follows:

	As at 31 December 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)	2,483	-	3,311	-	5,794	-
Term loan (RM)	-	8,890	-	676	-	9,566
Bankers' acceptances (RM)	-	-	-	7,263	-	7,263
Revolving credit (USD)	-	-	4,139	-	4,139	-
Unsecured						
Trust receipts (USD)	-	-	78,532	-	78,532	-
Total	2,483	8,890	85,982	7,939	88,465	16,829

	As at 30 June 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)	4,037	-	3,230	-	7,267	-
Term loan (RM)	-	9,231	-	652	-	9,883
Bankers' acceptances (RM)	-	-	-	5,127	-	5,127
Unsecured						
Trust receipts (USD)	-	-	68,997	-	68,997	-
Total	4,037	9,231	72,227	5,779	76,264	15,010



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NOTES TO THE QUARTERLY REPORT – 31 DECEMBER 2018

A10. FINANCIAL INSTRUMENTS - DERIVATIVES

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

	As at 31 December 2018			As at 30 June 2018		
	Contract/ Notional amount	Assets RM'000	Liabilities RM'000	Contract/ Notional amount	Assets RM'000	Liabilities RM'000
Non-hedging derivatives:						
Current						
Forward currency contracts	20,344	65	-	42,747	156	-
Interest rate swap	9,933	49	-	7,267	49	-
		114	-		205	-
Non-current						
Interest rate swap	9,933	30	-	7,267	30	-
Total non-hedging derivatives		144	-		235	-

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 November 2019. During the financial period under review, the Group recognised a loss of RM90,735 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 27 February 2019.



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NOTES TO THE QUARTERLY REPORT – 31 DECEMBER 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.

Results for the Individual Quarter ended 31 December

	Malaysia		Vietnam		Thailand		Others		Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Total revenue	39,930	41,596	163,278	151,825	6,465	9,868	27,004	51,440	236,677	254,729
Inter-segment revenue	(5,084)	(6,327)	(190)	(75)	(1,140)	(1,086)	(25,779)	(50,402)	(32,193)	(57,890)
External revenue	34,846	35,269	163,088	151,750	5,325	8,782	1,225	1,038	204,484	196,839
Profit/(loss) before taxation	4,290	3,789	15,219	7,794	477	492	1,019	(2,625)	21,005	9,450
Segment assets	269,987	246,950	427,675	423,589	32,020	26,065	358,154	370,370	1,087,836	1,066,974
Segment liabilities	188,316	168,428	180,300	184,769	12,283	9,984	101,257	55,324	482,156	418,505

Results for the Cumulative Quarter ended 31 December

	Malaysia		Vietnam		Thailand		Others		Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Total revenue	84,089	84,625	330,501	323,673	14,302	19,012	28,164	59,072	457,056	486,382
Inter-segment revenue	(10,149)	(12,997)	(286)	(330)	(2,164)	(2,796)	(25,779)	(56,642)	(38,378)	(72,765)



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External revenue	73,940	71,628	330,215	323,343	12,138	16,216	2,385	2,430	418,678	413,617
Profit/(loss) before taxation	6,178	6,044	24,557	22,428	1,573	794	3,790	(2,242)	36,098	27,024
Segment assets	269,987	246,950	427,675	423,589	32,020	26,065	358,154	370,370	1,087,836	1,066,974
Segment liabilities	188,316	168,428	180,300	184,769	12,283	9,984	101,257	55,324	482,156	418,505

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

	31.12.2018	31.12.2017
	RM'000	RM'000
Inter-segment assets	<u>290,310</u>	<u>269,505</u>
Inter-segment liabilities	<u>261,114</u>	<u>191,313</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 (%)
	31.12.2018	30.09.2018	
Revenue	204.5	214.2	-4.5%
Gross profit	33.5	24.6	+36.2%
Profit before taxation	21.0	15.1	+39.1%
Profit after taxation	16.9	13.1	+29.0%

Revenue

For the quarter under review, the Group's revenue declined 4.5% to RM204.5 million as compared to the preceding quarter of RM214.2 million. The decrease was mainly due to lower shipment of high volume orders and higher production of low volume orders with high product mix offset with strengthening of US Dollar ("USD") against Ringgit Malaysia ("RM").

Gross profit

The Group has recorded higher gross profit from RM24.6 million in preceding quarter compared to RM33.5 million in current quarter, representing an increase of 36.2%. The significant increase in gross profit was mainly attributable to the followings:



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- increase in sales of better margin products;
- lower average prices of certain raw materials in current quarter compared to preceding quarter; and
- strengthening of USD against RM.

Profit before taxation (“PBT”)

The Group has recorded an increase in PBT from RM15.1 million in preceding quarter to RM21.0 million in current quarter, representing an increase of 39.1%. The increase in PBT was in line with the increase in gross profit.

Profit after taxation (“PAT”)

The Group recorded PAT of RM16.9 million in current quarter, representing an increase of 29.0% from RM13.1 million in preceding quarter was in line with increase in PBT offset with higher provision of taxation.

B2. REVIEW OF PERFORMANCE

RM' Million	Cumulative quarter		Changes (%)
	31.12.2018	31.12.2017	
Revenue	418.7	413.6	+1.2%
Gross profit	58.1	53.5	+8.6%
Profit before taxation	36.1	27.0	+33.7%
Profit after taxation	30.0	23.1	+29.9%

Revenue

The Group recorded revenue of RM418.7 million for the six months financial period ended 31 December 2018 (“Q2FY2019”), representing an increase of 1.2% as compared to the six months financial period ended 31 December 2017 (“Q2FY2018”) of RM413.6 million. The increase was mainly due to better orders received by furniture plants amounting to USD3.8 million offset with weakening of USD against RM.

Gross profit

Gross profit of the Group amounted to RM58.1 million in Q2FY2019, representing an increase of 8.6% from RM53.5 million in Q2FY2018. The increase in gross profit was mainly attributable to the followings:

- increase in sales of better margin products;
- lower average prices of certain raw materials in Q2FY2019 compared to Q2FY2018; and
- improved productivity across all operating plants.



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Profit before taxation (“PBT”)

PBT of the Group amounted to RM36.1 million in Q2FY2019, representing an increase of 33.7% from RM27.0 million in Q2FY2018 was mainly due to the followings:

- in line with increase in gross profit; and
- registered foreign exchange gain of RM2.0 million in Q2FY2019 compared to foreign exchange loss of RM3.8 million in Q2FY2018.

Profit after taxation (“PAT”)

PAT of the Group amounted to RM30.0 million in Q2FY2019, representing an increase of 29.9% from RM23.1 million in Q2FY2018 was in line with increase in PBT.

B3. PROFIT FOR THE PERIOD

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

	Individual quarter ended		Cumulative quarter ended	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
	RM'000	RM'000	RM'000	RM'000
Interest income	(732)	(415)	(1,379)	(778)
Interest expense	1,002	815	1,845	1,523
Investment income from investment securities	(275)	(362)	(482)	(671)
Depreciation and amortization	4,737	4,408	9,327	9,311
Gain on disposal of property, plant and equipment	(6)	(6)	(24)	(6)
Property, plant and equipment written off	5	-	5	2
Unrealised foreign exchange (gain)/loss	(140)	1,696	(1,533)	2,656
Realised foreign exchange loss/(gain)	169	1,437	(511)	1,182
Fair value (gain)/loss on derivatives	(94)	(556)	91	(665)
Fair value gain on investment securities	(202)	-	(202)	-



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B4. TRADE AND OTHER RECEIVABLES

	31.12.2018 RM'000	30.06.2018 RM'000
Trade receivables		
Third parties	68,419	52,600
Less: Allowance for impairment	(238)	(227)
Trade receivables, net	<u>68,181</u>	<u>52,373</u>
Other receivables		
Deposits	578	2,514
Staff loans	122	118
Goods and services tax receivable	2,094	2,138
Sundry receivables	30,655	24,886
	<u>33,449</u>	<u>29,656</u>
Less: Allowance for impairment-sundry receivables	(273)	(262)
Other receivables, net	<u>33,176</u>	<u>29,394</u>
Total trade and other receivables	<u>101,357</u>	<u>81,767</u>

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

	31.12.2018 RM'000	30.06.2018 RM'000
Neither past due nor impaired	50,755	37,939
Past due not impaired:		
1 - 30 days	15,226	12,463
31 - 60 days	442	1,008
61 - 90 days	90	406
> 91 days	1,668	557
Impaired	238	227
Gross trade receivables	<u>68,419</u>	<u>52,600</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.

Other receivables

Included in sundry receivables of the Group are:

- i) Import duty and other direct taxes receivable in foreign subsidiaries of RM11,758,000 (30.06.2018: RM11,263,000); and
- ii) Advance to suppliers of RM15,661,000 (30.06.2018: RM10,965,000) that mainly relates to payment in advance for raw materials and machinery.



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B5. CORPORATE PROPOSAL

There were no corporate proposals announced but not completed as at 27 February 2019.

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 outlook for financial year 2019 will be better as strategies have been developed to grow its upholstery products as well as its market segments. It will maximize the Group's gross margin through a more refined marketing strategy. At the same time, the Group will also step up efforts to enhance its upstream activities and to grow its panel board lamination plant.

Barring unforeseen circumstances, the Group will address the above challenges and is confident that its financial performance will improve for the financial year ending 30 June 2019.

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 December 2018.

B9. DIVIDEND

The Company had on 21 December 2018 paid a final tax exempt dividend of 6.0 sen per ordinary share for the financial year ended 30 June 2018.

On 27 February 2019, the Board of Directors approved and declared a first interim single-tier dividend of 3.0 sen per ordinary share in respect of the financial year ending 30 June 2019 which will be paid on 15 May 2019. The entitlement date is on 19 April 2019.

A Depositor shall qualify for entitlement to the dividend only in respect of:

- a) Shares transferred to the Depositor's Securities Account before 4.00 p.m. on 19 April 2019 in respect of transfers; and
- b) Shares bought on Bursa Malaysia Securities Berhad ("Bursa Securities") on a cum entitlement basis according to the Rules of Bursa Securities.



LATITUDE TREE HOLDINGS BERHAD

(302829-W)

NOTES TO THE QUARTERLY REPORT – 31 DECEMBER 2018

B10. EARNINGS PER SHARE

Basic EPS	Individual Quarter		Cumulative Quarter	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Net profit attributable to owners the parent (RM'000)	16,866	7,682	29,995	23,092
Weighted average number of shares ('000)	96,941.1	97,207.5	96,941.1	97,207.5
Basic EPS (sen)	17.40	7.90	30.94	23.76

B11. CAPITAL COMMITMENTS

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

	RM'000
Authorised by Directors and contracted	22,319
Authorised by Directors and not contracted	-
	22,319