



ANNUAL
REPORT

2008

ELEGANCE and
SOPHISTICATED REDEFINE



LATITUDE TREE HOLDINGS BERHAD
(302829-W)

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Dato' Haji Shaharuddin Bin Haji Haron

Chairman / Senior Independent Non-Executive Director

Mr Lin, Tzu-Lang

Deputy Chairman / Non-Independent Executive Director

Mr Lin, Tzu-Keng

Managing Director

Mdm Lin Chen, Jui-Fen

Non-Independent Executive Director

Mr Toh Seng Thong

Independent Non-Executive Director

Mr Yek Siew Liong

Non-Independent Non-Executive Director

COMPANY SECRETARY

Ms Tai Yit Chan (MAICSA 7009143)

Ms Wong Wan Theen (MAICSA 7039045)

Mr Yeoh Joe Son (MIA 9238)

AUDIT COMMITTEE

Mr Toh Seng Thong (Chairman)

Independent Non-Executive Director

Dato' Haji Shaharuddin bin Haji Haron

Chairman / Senior Independent Non-Executive Director

Mr Yek Siew Liong

Non-Independent Non-Executive Director

PLACE OF INCORPORATION AND DOMICILE

Malaysia

STOCK EXCHANGE LISTING / STOCK NAME

Main Board of Bursa Malaysia Securities Berhad

Stock Short Name : Latitud

Stock Code : 7006

REGISTERED OFFICE

Lot 6.05, Level 6, KPMG Tower, 8 First Avenue,
Bandar Utama, 47800 Petaling Jaya,
Selangor Darul Ehsan

Telephone : 03- 7720 1188

Facsimile : 03- 7720 1111

Website : www.lattree.com

SHARE REGISTRARS

Tenaga Koperat Sdn. Bhd.

Level 17, The Gardens North Tower,

Mid Valley City,

Lingkar Syed Putra,

59200 Kuala Lumpur.

Telephone : 03- 2264 3883

Facsimile : 03- 2282 1886

AUDITORS

Y.C. Chong & Co. (AF 0636)

Chartered Accountants

500-2-7, 2nd Floor, Wisma Indah

Jalan Tun Razak, 50400 Kuala Lumpur

PRINCIPAL BANKERS

CIMB Bank Berhad

HSBC Bank Malaysia Berhad

Malayan Banking Berhad

Standard Chartered Bank Malaysia Berhad

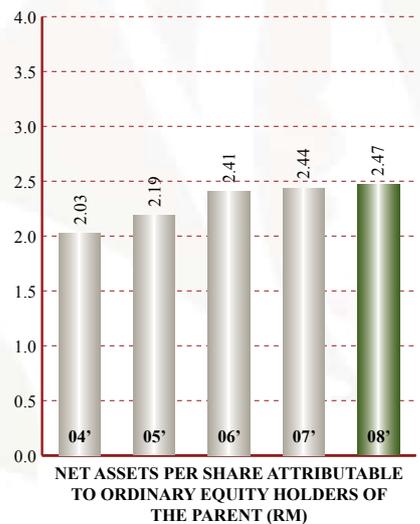
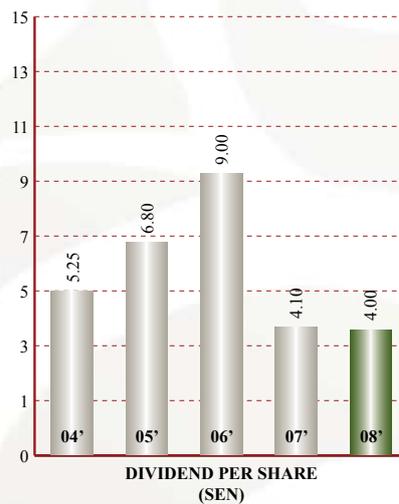
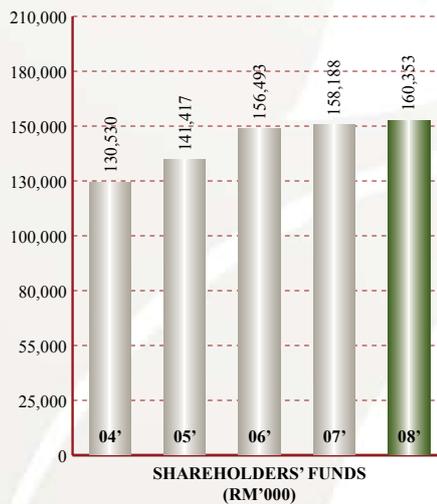
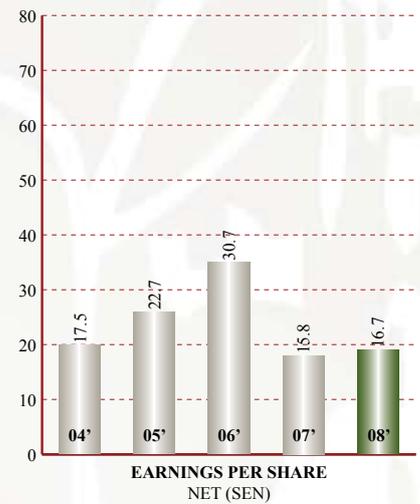
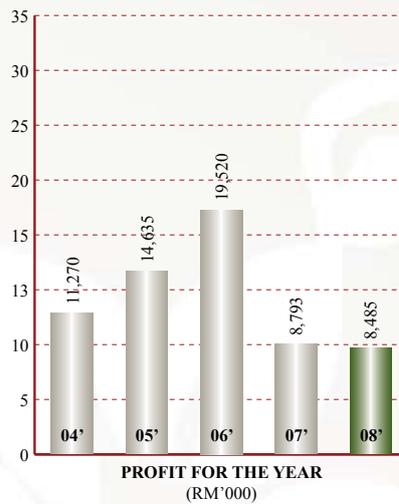
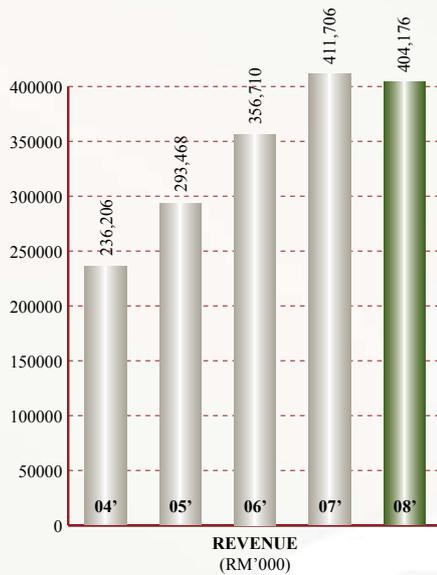
United Overseas Bank (Malaysia) Berhad

FINANCIAL HIGHLIGHTS

FIVE YEARS FINANCIAL HIGHLIGHTS	2008 RM'000	2007 RM'000	2006 RM'000	2005 RM'000	2004 RM'000
REVENUE	404,176	411,706	356,710	293,468	236,206
PROFIT FOR THE YEAR	8,485	8,793	19,520	14,635	11,270
PROFIT ATTRIBUTABLE TO EQUITY HOLDERS	10,806	10,263	19,857	14,635	11,270
EARNINGS PER SHARE - NET (SEN)	16.7	15.8	30.7	22.7	17.5
SHAREHOLDERS' FUNDS	160,353	158,188	156,493	141,417	130,530
DIVIDEND PER SHARE (SEN)	4.00*	4.10	9.00	6.80	5.25
NET ASSETS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT (RM)	2.47	2.44	2.41	2.19	2.03

* recommended by the Board of Directors and is subject to shareholders' approval at the forthcoming Annual General Meeting

FINANCIAL HIGHLIGHTS (CONT'D)



CHAIRMAN & MANAGING DIRECTOR'S STATEMENT

Dear Shareholders,

It is our pleasure, on behalf of the Board of Directors, to present the Annual Report and Audited Financial Statements of Latitude Tree Holdings Berhad ("Latitude" or "the Group") for the financial year ended 30 June 2008 to you, our shareholders.

The past year was a challenging year to the Group on several fronts. Inflation was running high and labour cost escalated, to keep up with the higher costs of basic needs, in all our operating plants. Rubber-wood and raw material prices remained high, in line with the global trends of commodities. The US dollar, our main revenue currency depreciated against the Ringgit. Coating and packing materials and transportation costs continue to rise from the effects of high fuel prices. The slowdown in new housings in US resulted in reduction in orders and a "buyers' market" situation, which calls for better designs, more varieties at small quantity orders and priced at a very competitive pricing. This is a worldwide problem, thereby somewhat mitigating the effect on the Group as our competitors are also similarly affected. The Group undertook various measures to counter the above challenges including appropriate cost reduction exercises, improved output productivity, revision of sales price, development of new designs, increasing efficiency, prudent inventory management and development of new markets and customers. The improvement initiatives and measures will be refined further and continued in the coming year.

FINANCIAL PERFORMANCE

The Group's consolidated revenue for this financial year was RM404.18 million, representing a decrease of about 1.83% from the previous year (2007: RM411.71 million). Consequently, profits after taxation decreased to RM8.49 million from RM 8.79 million last year representing a 3.41% drop.

Overall, 2008 has been a taxing year for the Malaysia and Thailand operations as the US dollar broke ten years low and fuel prices reached record high. The results could have been better if not for the depreciation of dollar, higher raw materials and operating costs. However, our Vietnam plants performed well and contributed RM21.76 million to the Group's profits before taxation for the current financial year.

CHAIRMAN & MANAGING DIRECTOR'S STATEMENT (CONT'D)

DIVIDEND

The Board is pleased to recommend to shareholders a first and final dividend of 4.0 sen per share (tax exempt) for the financial year ended 30 June 2008, subject to the approval of the shareholders at the Annual General Meeting to be convened on 18 December 2008.

CORPORATE DEVELOPMENTS

During the year, the Group has successfully transformed Latitude Tree Vietnam from a limited liability member company into a joint stock company and incorporated Latitude Tree Pte Ltd in Singapore in preparation of the Group's plan of listing on the Singapore Stock Exchange.

GOING FORWARD

The Group expects another tough and challenging year ahead in view of the projected slowdown in the global economy, which translates into slower household furniture spendings. The Group's competitors are not immune to such effects either. Even if it comes, it may present an opportunity to the Group as its continuous improvement initiatives to reduce cost and improve operational efficiency with customer-centred designs puts the Group in an advantage position. The strategic and synergistic location of the Group's plants in Malaysia, Thailand and Vietnam also helps to strengthen its competitiveness and caters well to a broader market and customer base.

The outlook for the Group in the coming year, although tough, remains positive.

APPRECIATION

We wish to record our sincere appreciation to all our valued shareholders, customers, business partners and associates for your continuing support and confidence in the past year. Equally, we would like to thank all our management and employees for their hardwork, tremendous efforts and their commitment to Latitude Group.

Dato' Haji Shaharuddin bin Haji Haron
Chairman

Mr Lin, Tzu-Keng
Managing Director

CORPORATE PROFILE

MISSION

We aspire to become a world class integrated household furniture manufacturer co-existing in harmony with nature and the society it serves.

Our mission is to continually improve our products and services to meet or exceed the expectations of our customers. We emphasises employee teamwork and involvement in identifying and implementing programs to save time and lower production costs while maintaining the highest quality values. These strategies allow us to prosper as a business with high degree of integrity and to provide a reasonable return to our shareholders, the ultimate owners of our business.

HISTORY

Latitude Tree Holdings Berhad was incorporated in Malaysia as an investment holding company. Through its subsidiary companies, the Group specialises in the manufacturing and sale of wooden furniture and components particularly rubber-wood furniture for both the domestic and export markets.

The Group has carved out a strong niche in the household furniture segment, specifically dining and bedroom sets. From its humble beginnings as a manufacturer of chairs for dining sets in 1988, the Group has grown into a complete high-and-medium-end dining and bedroom sets manufacturer. About 68% of its raw materials are rubber-wood-based with the remaining being oak, pine wood and other wood-based materials.

The Group has made great advances to position itself as one of the largest rubber-wood furniture manufacturers and exporters in Malaysia and Vietnam. Approximately 95% of the Group's products are exported overseas to the United States of America and Canada, with balance to Europe, South Africa, Australia and the Middle East Countries.

MANUFACTURING / OPERATING ACTIVITIES

The Group's manufacturing activities are operated from its three factories in Malaysia, three factories in Vietnam and one factory in Thailand. The total floor area of the seven manufacturing plants is approximately 7.7 million sq feet. The total current workforce is about 7,500.

PRODUCTS

The Group has developed wide range of products to cater for different customers' requirements and expectations. The product lines include fully-knock down and semi-knock down chairs, dining tables, cabinets, bedroom sets, living room sets and other occasional items.

From the traditional piece-meal furniture, the Group has shifted strategically into the manufacture of whole set furniture since 1998 as a response to the emerging demand trends for whole set furniture. The Group has a team of in-house designers, technicians and developers who are able to develop products that meet customers' requirements and tastes for different markets. The Group has the belief that consistent quality and tight control system on its products is the mean for its success. Therefore, the Group spends a reasonable amounts in the upholding / maintaining quality standard of its products.

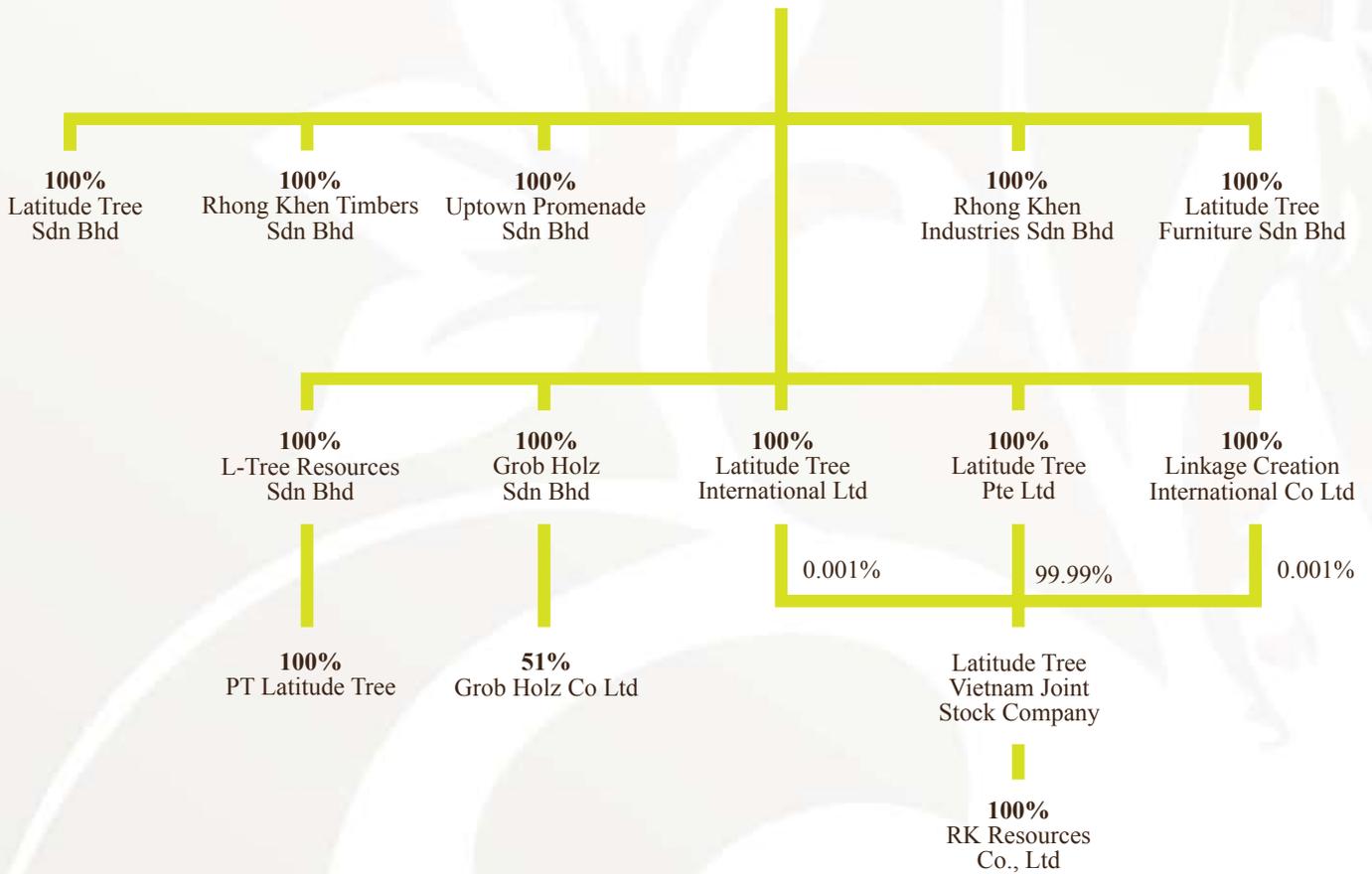
The factories at Kapar manufacture tables, chairs, cabinets and a variety of occasional items. The factory at Terengganu and Thailand concentrates in the upstream and mid-stream production of kiln-dried sawn timber and wide range of timber components that include chair legs, laminated boards, seat boards, table legs and table frames. The factories in Vietnam focus on the manufacture of high-end bedroom, living room, Small Office Home Office systems (SoHo) furniture sets and collections.

CORPORATE PROFILE (CONT'D)

CORPORATE STRUCTURE



LATITUDE TREE HOLDINGS BERHAD



PROFILE OF BOARD OF DIRECTORS

DATO' HAJI SHAHARUDDIN BIN HAJI HARON

Chairman / Senior Independent Non-Executive Director

Dato' Haji Shaharuddin Bin Haji Haron, aged 70, a Malaysian, was appointed to the Board of Latitude Tree Holdings Berhad on 21 June, 2000. He is the Chairman of Remuneration Committee and Nomination Committee and a member of the Audit Committee. He graduated with a Bachelor of Arts (Honours) degree from the University of Malaya and a holder of Master of Administration from University of Pittsburg, United States of America. He has held various positions in the public sector during his previous employments. This includes Assistant Secretary of Economic Planning Unit of Prime Minister's Department (from 1963 to 1968), Principal Secretary of Economic Planning Unit (from 1968 to 1970), Director of Economic Planning Unit (from 1970 to 1974), Secretary of Foreign Investment Committee of Prime Minister's Department (from 1974 to 1979), Director General of Insurance of Ministry of Finance (from 1979 to 1983), Secretary of Finance Division of Ministry of Finance (from 1983 to 1984), Director General of National Padi and Rice Board, Malaysia (from 1984 to 1987); Secretary General of Ministry of Public Enterprise (from 1987 to 1990), Secretary General of Ministry of International Trade and Industry (from 1990 to 1992), Secretary General of Ministry of Domestic Trade (from 1992 to 1993).

Particulars of other directorships in public companies :

- Malayan Flour Mills Berhad
- Gopeng Berhad
- Ajinomoto (Malaysia) Berhad

Currently, he also sits on the Board of a few private companies.

Dato' Haji Shaharuddin does not have any family relationship with any other Directors and / or substantial shareholders of the Company nor any conflict of interest in any business arrangement involving the Company.

He has no conviction of any offence within the past ten (10) years except for traffic offences, if any.

MR LIN, TZU-LANG

Deputy Chairman / Executive Director

Mr Lin Tzu-Lang, aged 66, a Taiwanese, was appointed to the Board of Latitude Tree Holdings Berhad on 28 April 1997. He has wide experience in the manufacturing of wooden furniture having been involved for more than 37 years in the industry.

Mr Lin was appointed the Chairman of the Association of Furniture Manufacturers of Tai Chung, Taiwan in 1986 and 1988 in recognition of his contribution to promote the furniture manufacturing industry. Mr Lin is the brother of Mr Lin, Tzu-Keng and they are both substantial shareholders of the Company.

He has no conviction of any offence within the past ten (10) years except for traffic offences, if any.

MR LIN, TZU-KENG

Managing Director

Mr Lin Tzu-Keng, aged 54, a Taiwanese, was appointed to the Board of Latitude Tree Holdings Berhad on 28 April 1997.

In 1988, he came to Malaysia to set up Latitude Tree Furniture Sdn Bhd, an operating subsidiary of the Group, and has been its Managing Director since then. Using his knowledge and experience gained in the industry, he was responsible for building the company's factory in Kapar, Selangor and equipping it with the latest technology. In 1992, he set up another operating subsidiary of the Group, Rhong Khen Industries Sdn Bhd, and has also been the Managing Director since then. In 2001, Mr Lin led the Group to venture into Vietnam in the setting up of two main operating subsidiaries in Vietnam namely, Latitude Tree (Vietnam) Co. Ltd and RK Resources Co. Ltd.

Mr Lin, Tzu-Keng now leads the Group in the areas of strategic planning, business development, new ventures and investments. He is also involved in key operational aspects of the business of the Group, particularly in areas of market and product development and group operations. He has been the main driving force behind the continuous introduction of new products and was instrumental in the rapid expansion of the operations of the Group, particularly in the overseas ventures and investments undertaken by the Group.

Mr Lin was elected as a Central Region Chairman of Taipei Investors' Association in Malaysia for a term of two years from 1997 to 1999. Mr Lin and Madam Lin Chen, Jui-Fen are husband and wife whilst Mr Lin, Tzu-Lang is the brother of Mr Lin. All of them are substantial shareholders of the Company.

He has no conviction of any offence within the past ten (10) years except for traffic offences, if any.

PROFILE OF BOARD OF DIRECTORS (CONT'D)

MDM LIN CHEN, JUI-FEN

Executive Director

Mdm Lin Chen, Jui-Fen, aged 54, a Taiwanese, was appointed as Executive Director to the Board of Latitude Tree Holdings Berhad on 28 April 1997.

Mdm Lin is involved in the overall management of the Group's sales and marketing department and human resources department. She also sits on the Board of several subsidiary companies of the Group. Mdm Lin is the wife of Mr Lin, Tzu-Keng.

She has no conviction of any offence within the past ten (10) years except for traffic offences, if any.

MR TOH SENG THONG JP

Independent Non-Executive Director

Mr Toh Seng Thong, aged 50, a Malaysian, was appointed to the Board of Latitude Tree Holdings Berhad on 18 August 2003. He is the Chairman of the Board Audit Committee and a member of the Remuneration Committee and Nomination Committee.

He graduated with a Bachelor of Commerce (Accounting) degree from the University of Canterbury, New Zealand in 1981. He is a Chartered Accountant by profession and a member of the Malaysian Institute of Accountants, Malaysian Institute of Certified Public Accountants, New Zealand Institute of Chartered Accountants, Fellow member of the Malaysian Institute of Taxation and Associate member of the Harvard Business School Alumni Club of Malaysia. Subsequent to his degree, he worked with a local manufacturing company before joining an international accounting firm, Peat Marwick Mitchell & Co (now known as KPMG), from 1983 to 1985. Subsequently he joined a local accounting firm as a partner before practicing on his own under Messrs S T Toh & Co in 1997. He has vast experience in auditing, tax planning, financial and management advisory. He also sits as a Corporate Advisor to a few private companies.

Particulars of other directorships in public company:

- Adventa Berhad

Mr Toh does not have any family relationship with any other Directors and / or substantial shareholders of the Company nor any conflict of interest in any business arrangement involving the Company.

He has no conviction of any offence within the past ten (10) years except for traffic offences, if any.

MR YEK SIEW LIONG

Non-Independent Non-Executive Director

Mr Yek Siew Liong, aged 48, a Malaysian, was appointed to the Board of Latitude Tree Holdings Berhad on 18 May 2007. He is a member of the Board Audit Committee. He was appointed as a member of the Remuneration Committee on 29 October 2008.

Mr Yek graduated from United Kingdom with a Bachelor of Arts (Hons) in Architecture and Environmental Design and Bachelor of Architectural (Hons) from University of Nottingham and MBA from Aston University in Birmingham.

Mr Yek has 21 years of experience in various fields such as timber trading, logging, saw-milling, kiln-drying, laminated truck flooring, oil palm plantations, shipping, township and property development including the Bintulu City Point Shopping / Office Complex and the Kuching Hock Lee Centre. He is currently the Group Managing Director / Chief Executive Officer of Hock Lee Holdings Sdn Bhd.

Particulars of other directorships in public companies:

- Hock Lee Asia Berhad
- Hock Lee Resources Berhad
- Cinacom Bintulu Berhad

Mr Yek does not have any family relationship with any other Directors and / or substantial shareholders of the Company nor any conflict of interest in any business arrangement involving the Company.

He has no conviction of any offence within the past ten (10) years except for traffic offences, if any.

CORPORATE GOVERNANCE STATEMENT

INTRODUCTION

Pursuant to paragraph 15.26 of the Listing Requirements of the Bursa Malaysia Securities Berhad (“BMSB”), the Board is pleased to outline below the manner the Group has applied the Principles of Corporate Governance and the extent of compliance with the Best Practices set out in Part 1 and Part 2 respectively as prescribed in the Malaysian Code on Corporate Governance (“the Code”).

The Board is committed to its policy of managing the affairs of the Group with transparency, integrity and accountability by ensuring that a sound framework of best corporate practices is in place at all levels of the Group’s business and thus discharging its principal responsibility towards protecting and enhancing long-term shareholders’ value and investors’ interest.

1. BOARD OF DIRECTORS

1.1 Duties

The Board takes full responsibility for the proper conduct of the Group. The Board guides the Group on its short and long term goals, provides advice and direction on management and business development issues. Three (3) Board Committees, namely Nomination Committee, Remuneration Committee and Audit Committee, formally established by the Board assist the latter in the discharge of its duties.

1.2 Composition / Board Balance

The Board consists of six (6) members; comprising one (1) Senior Independent Non-Executive Director, one (1) Independent Non-Executive Director, one (1) Non-Independent Non-Executive Director and three (3) Non-Independent Executive Directors of which one (1) is the Managing Director. The composition of the Board reflects a balance of executive and non-executive directors to ensure that the interest of not only the Group, but also stakeholders and the public in general are represented in all business strategies formulation and adoption.

The qualification and experience of the Directors are set in the Profile of Board of Directors on Pages 8 to 9 of the Annual Report. The Board is satisfied with its current composition which comprises the balanced mix of operational skills of the executive directors in the wooden furniture manufacturing industry with the professional expertise of the non-executive directors in the fields of finance, auditing / accounting and economics.

Record of each Director’s meeting attendance during the year under review is set out below :

Name	Attendance
Dato’ Haji Shaharuddin Bin Haji Haron #	5/5
Mr Lin, Tzu-Keng	5/5
Mr Lin, Tzu-Lang	5/5
Mdm Lin Chen, Jui-Fen	5/5
Mr Toh Seng Thong #	5/5
Mr Yek Siew Liong # #	5/5

- Denotes Independent / Non-Executive Directors

- Denotes Non-Independent Non-Executive Director

1.3 Appointments to the Board and Re-elections

New candidates will be considered and evaluated by the Nomination Committee. Suitable nominees will then be recommended for appointment to the Board.

In accordance with the Group’s holding company’s Articles of Association (“Articles”), any Directors appointed during the year are required to retire and seek election by shareholders at the following Annual General Meeting (“AGM”) immediately after their appointment and that one third of the Board members are required to retire at every

CORPORATE GOVERNANCE STATEMENT (CONT'D)

AGM and be subject to re-election by shareholders. All directors, including the Managing Director shall retire from office at least once in every three years but shall be eligible for re-election.

1.4 Board Meetings

The Board meets on a quarterly basis and more often as required. The general agenda of the meetings includes discussion over minutes of previous meetings, quarterly financial results of the Group and any other issues requiring the Board's deliberation and approval. The agenda for each Board meeting is circulated to all the Directors for their perusal prior to the convening of each meeting to enable Directors to obtain further clarifications / explanations prior to the meeting to ensure smooth proceeding of each meeting. The proceedings and resolutions reached at each Board meeting are minuted and signed by Chairman of the meeting. Besides Board meetings, the Board exercises control on matters that require Board's deliberation and approval through circulation of Directors' Resolutions.

The Board held five (5) meetings during the financial year to control and monitor the development of the Group.

1.5 Supply of Information

All Directors have access to all information concerning the Company and the Group as well as the advice and services of the Company Secretary for the performance of his duties.

Where necessary, the Director(s) may engage independent professionals at the Group's expense on specialized issues to enable the Director(s) to discharge his / their duties with adequate knowledge on the matters being deliberated.

1.6 Corporate Social Responsibility

At Latitude Tree, the Board emphasised consistently through the years the importance of achieving a good equilibrium between value creation for all stakeholders and enhancing its role as a responsible corporate citizen.

All Directors recognise that the Group's social, environment and ethical conduct has an impact on its reputation. Therefore the Board takes corporate social responsibilities ("CSR") seriously and is committed to advancing the Group's CSR policies and systems across the Group to ensure proper addressing and monitoring all aspects of CSR that are relevant to the business.

1.7 Training of Directors

All the Directors have completed the Mandatory Accreditation Programme ("MAP") and have attended various other trainings to enhance their skills and knowledge, to keep abreast with the latest developments in the marketplace and to enhance their business acumen and skills to meet challenging commercial risks.

The Directors are encouraged to evaluate their own training needs on a continuous basis and to attend relevant training programmes / seminars under the Continuing Education Programme ("CEP") pursuant to the listing requirements of BMSB. During the financial year, the seminars and courses attended by the Directors are, inter-alia in various aspects which include CSR.

1.8 Directors' Remuneration

During the financial year, the details of aggregate remuneration of Directors are as follows:

Remuneration	Executive Directors (RM'000)	Non-Executive Directors (RM'000)	Total (RM'000)
Salaries and other emoluments	727	-	727
Fees	72	216	288
Allowance	10	12	22
Bonus	99	18	117
Total	908	246	1154

CORPORATE GOVERNANCE STATEMENT (CONT'D)

The number of directors of the Company whose total remunerations during the year fall within the respective bands are as follows:

Range of Remuneration	Number of Executive Directors	Number of Non-Executive Directors
Below RM50,000	-	-
RM50,000 – RM100,000	1	3
RM100,001 – RM150,000	-	-
RM150,001 – RM200,000	-	-
RM200,001 – RM250,000	1	-
RM250,001 – RM300,000	-	-
RM300,001 – RM350,000	-	-
RM350,001 – RM400,000	-	-
RM400,001 – RM450,000	-	-
RM450,001 – RM500,000	-	-
RM500,001 – RM550,000	-	-
RM550,001 – RM600,000	-	-
RM600,001 – RM650,000	1	-
Total	3	3

1.9 Number of Directorships in other companies

Each of the Directors of the Company holds not more than ten directorships in public listed companies and not more than fifteen in other companies (other than listed companies) which are either incorporated or registered under the Companies Act, 1965. This ensures the Director's commitment, resources and time for an effective input to the Board. Directors' compliance with the directorships requirement are set out in the announcement of the Semi-Annual Returns to the BMSB.

2. BOARD COMMITTEES

The following Board Committees have been established to assist the Board in the execution of its responsibilities:-

2.1 Audit Committee

Terms of reference and further information on the Audit Committee are set out on pages 19 to 23 of the Annual Report.

CORPORATE GOVERNANCE STATEMENT (CONT'D)

2.2 Nomination Committee

Key Responsibilities

- To consider and make recommendations to the Board on the suitability of candidates nominated for appointment to the Board.
- To recommend candidates to fill seats on board committee.
- To review and make recommendations to the Board, on an annual basis, the required mix of expertise and experience, including core competencies of the non-executive Directors.
- To assess on an annual basis the effectiveness of the Board, the Committees of the Board and for continuously assessing the role of each individual Director towards the accomplishment of the Board's duties / responsibilities.

The Nomination Committee meets whenever necessary.

The current members of the Nomination Committee are:

Chairman :

Dato' Haji Shaharuddin Bin Haji Haron

Chairman / Senior Independent

Non-Executive Director

Member :

Mr Toh Seng Thong

Independent Non-Executive Director

2.3 Remuneration Committee

Key Responsibilities

To assess, recommend and review remuneration policies and packages in relation to Executive Directors.

The Remuneration Committee meets on a need basis, and is entrusted with examining the remuneration packages of Executive Directors and the Managing Director. The Committee will then make recommendation to the Board who will ultimately approve the remuneration entitlement of all Directors. The basis of the Committee's recommendation will be linked to corporate and individual performance as well as their principal duties and responsibilities.

The current members of the Remuneration Committee are:

Chairman :

Dato' Haji Shaharuddin Bin Haji Haron

Chairman / Senior Independent

Non-Executive Director

Members :

Mr Toh Seng Thong

Independent Non-Executive Director

Mr Yek Siew Liong

Non-Independent Non-Executive Director

(Appointed on 29 October 2008)

CORPORATE GOVERNANCE STATEMENT (CONT'D)

3. SHAREHOLDERS AND INVESTORS

- **Investor Relations and Shareholder Communication**

The importance of keeping shareholders informed of developments concerning the Group is high on the agenda. The shareholders are kept abreast of all important developments concerning the Group through regular and timely dissemination of information via quarterly financial announcements through BMSB's website, distribution of annual report and various other announcements made during the year. These will enable the shareholders, investors and members of public to have an overview of the Group performance and hence, will enable them to make any informed investment decision in relation to the Group.

- **The Annual General Meeting**

The Annual General Meeting (AGM) is the main forum where dialogue with shareholders can be effectively conducted. Shareholders are given reasonable time to ask questions pertaining to issues in the Annual Report, corporate developments on the business of the Group and resolutions proposed and to vote on all resolutions proposed. Those unable to attend are allowed to appoint proxies to attend and vote on their behalf. During the meeting, the Managing Director and the Executive Directors are prepared to provide responses to queries and to receive feedback from the shareholders.

External auditors are also present to provide their professional and independent clarification on issues of concern raised by the shareholders, if any. In addition, the requests for briefings from the press are usually met.

- **Shareholders' Correspondences**

Shareholders can also convey their concerns and queries to the Group via the Group Company Secretary who will make arrangement for Chairman, Directors and other designated senior executives to reply to shareholders in cases of relevant queries which are not price-sensitive and / or sensitive to the Group's business which has not already been generally made available to the Company's shareholders and regulatory authorities.

- **Corporate Website**

The Group maintains its corporate website at www.lattree.com which has made available the corporate information, financial and other pertinent information to all its shareholders, at all times.

CORPORATE GOVERNANCE STATEMENT (CONT'D)

4. ACCOUNTABILITY AND AUDIT

4.1 Internal Control

Details of the Internal Control system is stated in the Statement of Internal Control on pages 17 to 18 of the Annual Report.

4.2 Financial Reporting

The Board aims to provide and present a balanced and meaningful assessment of the Group's financial position and prospects via the quarterly announcements of results and the publishing of audited financial statements via the annual report distributed to shareholders yearly.

The Board is assisted by the Audit Committee to oversee the Group's financial reporting processes and the quality of its financial reporting with particular emphasis on the application of accounting standards and policies and the making of reasonable and prudent estimates and assumptions.

A statement by the Board of its responsibilities for preparing the financial statements is set out on page 24 of the Annual Report.

4.3 Relationship with Auditors

The Board maintains an active, transparent and professional relationship with its Auditors through Audit Committee, which has been conferred with the authority to interface directly with both the external and internal auditors of the Group.

During the financial year, the Company's External Auditors conducted an audit of the Company and the Group, so as to provide reasonable assurance that the financial statements present a true and fair view of the Group's performance and are free from material misstatements. After the completion of the audit, discussion was carried out with the External Auditors on issues relating to the audit report and significant issues arising from the audit of the Company and the Group. The Board, through the Audit Committee, also seeks the External Auditors' professional advice in ensuring compliance with the appropriate accounting standards in Malaysia and the provisions of the Companies Act, 1965.

A summary of the activities of the Audit Committee during the year is set out in the Audit Committee Report on pages 19 to 23 of the Annual Report.

CORPORATE GOVERNANCE STATEMENT (CONT'D)

5. OTHER INFORMATION PURSUANT TO THE LISTING REQUIREMENTS OF THE BURSA MALAYSIA SECURITIES BERHAD

5.1 Utilisation of Proceeds

There were no issuance of new shares, rights issue or bonds carried out during the year ended 30 June 2008 to raise any cash proceeds.

5.2 Share Buy-Back

The Company had not undertaken any share buy-back exercise for the financial year ended 30 June 2008.

5.3 Options, Warrants or Convertible Securities

There were no other options, warrants or convertible securities exercised in respect of the financial year ended 30 June, 2008.

5.4 American Depository Receipt (“ADR”) or Global Depository Receipt (“GDR”)

The Company had not sponsored any ADR or GDR programme for the year ended 30 June 2008.

5.5 Sanctions and / or Penalties

The Company and its subsidiaries, Directors and Management had not been imposed with any sanctions and / or penalties.

5.6 Non-Audit Fees

During the financial year under review, the Group had not incurred any non-audit fees paid or payable to the external auditors.

5.7 Variation of Results

There were no material variances between the actual results for the year ended 30 June 2008 and the unaudited results previously announced by the Company.

5.8 Profit Forecast and Guarantee

The Company did not issue any profit forecast and guarantee for the year ended 30 June 2008.

5.9 Revaluation Policy

The Group has adopted a policy on regular revaluation of landed properties. This is as disclosed in the financial statements under page 45 of the Annual Report.

5.10 Material Contracts Involving Directors and Major Shareholders

There were no material contracts involving the Company and its subsidiaries with directors and substantial shareholders of the Company either still subsisting at the end of the financial year ended 30 June 2008 or entered into since the end of the financial year.

5.11 Recurrent Related Party Transactions of Revenue Nature

The Group did not have any recurrent related party transactions of a revenue or trading nature during the financial year ended 30 June 2008.

STATEMENT ON INTERNAL CONTROL

1. INTRODUCTION

The Malaysian Code on Corporate Governance requires listed companies to maintain a sound system of internal control to safeguard shareholders' investments and Group's assets. The Listing Requirements require the Directors of public listed companies to include in the Annual Report a statement on the state of its internal control.

2. RESPONSIBILITY

The Board acknowledges its responsibility to establish a sound system of internal control and risk management and for reviewing the effectiveness of the system in order for the Group to safeguard shareholders' investment and the Group's assets. Notwithstanding that, in view of the inherent limitations in any system of internal control, the Board recognizes that reviewing the Group's systems of internal control is a concerted and continuing process, designed to manage rather than eliminate the risk of failure. Accordingly, the system can only provide reasonable and not absolute assurance against material misstatement of management, loss or fraud and failure to achieve business objectives.

The Board has extended the responsibilities of the Audit Committee to include the role of reviewing and monitoring the effectiveness of the Group's internal control system. The Audit Committee receives assurance reports from both the internal auditors for findings from site audits carried out at operating units, and the external auditors on areas for improvement identified during the course of statutory audit. The Reports of the Audit Committee is set out on pages 19 to 23 of the Annual Report.

3. RISK MANAGEMENT FRAMEWORK

The oversight of the Group's risk management process is the responsibility of the Managing Director who is assisted by the heads of department of the respective operating companies. The Company has established a Risk Management Committee ("RMC") whom together with the Audit Committee, are entrusted to ensure more effective and efficient identification, evaluation, management and reporting of Group's risks. Its functions include, inter alia:

- developing risk management framework
- coordinate the updating of the risk profile
- monitor the implementation of action plans
- review and assess the applicability of the control environment in mitigating risk

The Company has in place an enterprise-wide risk management (ERM) framework during the previous financial year with the assistance of an independent professional consulting firm, Messrs Columbus Circle Governance Sdn Bhd.

Within the ERM framework, risks and control measures are documented and compiled by the RMC to represent the risk profile of the operating companies which in turn are consolidated to form the risk profile of the Group. Risk profiles are reviewed and updated on a yearly basis. Meetings are held at least once a year in which the updated risk profile will be deliberated by Audit Committee before reporting to Board.

During the financial year under review, the Group has continued with its ERM efforts. The risk profile of the Group was reviewed and updated to reflect the current conditions.

4. INTERNAL AUDIT FUNCTION

The internal audit function adopts a risk-based approach and prepares its audit strategies and plans based on the risk profiles of the major business units of the Group. Internal audit reviews the internal controls in the key activities of the Group's businesses.

STATEMENT ON INTERNAL CONTROL (CONT'D)

A minimum one (1) internal audit cycle will be carried out annually by the outsourced independent professional consulting firm. The internal audit team assesses the adequacy and integrity of the internal control system based on its scope of work and highlights to the Management the findings and areas for improvement. Internal audit also reviews the extent to which its recommendations have been accepted and implemented by the Management. Audit Committee will review various internal audit reports and management responses thereto and ensuring significant findings especially control deficiencies are adequately addressed to and rectified by Management of the operating units concern. Internal audit reports are also tabled at Audit Committee meetings. The Audit Committee in turn reports to the Board its assessment and recommendations.

During the financial year ended 30 June 2008, the Audit Committee, with the assistance of the external professional consulting firm, Messrs Columbus Circle Governance Sdn Bhd, continuously reviews the adequacy and integrity of the Group's internal control systems relating to Production, Inventory, Procurement and Logistics (Inbound and Outbound) of the Group's Thailand operation.

5. OTHER KEY ELEMENTS OF INTERNAL CONTROL

Apart from risk management and internal audit, the Group's system of internal controls comprises the following key elements:

- a well defined organizational structure with clear reporting lines and accountabilities;
- a clearly defined operating procedures for key processes to ensure full compliance by all operating units;
- a close monthly monitoring and review of financial results and forecasts for all operating units by the Group's Management Steering Committee (MSC), headed by the Managing Director;
- a standardised formulation of action plans at the Group level through discussions carried out by the MSC, to focus on areas of concern.

6. CONCLUSION

Hence, in accordance with the Guidance, the Group has in place an ongoing process for identifying, evaluating, monitoring and managing the significant risks affecting the achievement of its business objectives and this process has operated during the financial year under review and up to the date of approval of the Annual Report.

There were no control deficiencies noted during the financial year under review which have a material impact on the Group's performance or operations.

The statement was made in accordance with a resolution of the Board.

AUDIT COMMITTEE REPORT

The Board of Directors (“Board”) of the Company is pleased to present the report of the Audit Committee for the financial year ended 30 June 2008.

A. MEMBERSHIP AND MEETING ATTENDANCE

The current members of the Audit Committee are:

Chairman:

Mr Toh Seng Thong

Independent Non-Executive Director

Members:

Dato’ Haji Shaharuddin Bin Haji Haron

Chairman / Senior Independent Non-Executive Director

Mr Yek Siew Liong

Non-Independent Non-Executive Director.

B. TERMS OF REFERENCE

The terms of reference of the Committee are as follows:

1. Composition of members

The Board shall appoint the Audit Committee members from amongst themselves, comprising no fewer than three (3) directors, where the majority shall be independent directors. The term of office of the Audit Committee is 3 years and may be re-nominated and appointed by the Board. No alternate director is appointed as a member of the Audit Committee and at least one (1) member:-

(a) shall be a member of the Malaysian Institute of Accountants (“MIA”); or

(b) if he is not a member of the MIA, he must have at least 3 years of working experience and:

- i. he must have passed the examinations specified in Part I of the First Schedule of the Accountants Act 1967;
or
- ii. he must be a member of one (1) of the associations of the accountants specified in Part II of the First Schedule of the Accountants Act 1967.

(c) fulfils such other requirements as prescribed by Bursa Malaysia Securities Berhad.

2. Chairman

The Chairman of the Audit Committee, elected from amongst the Audit Committee members, shall be an independent director. The Chairman of the Committee shall be approved by the Board.

AUDIT COMMITTEE REPORT (CONT'D)

3. Retirement and resignation

If a member of the Audit Committee resigns, dies, or for any reason ceases to be a member with the result that the number of members is reduced below three (3), the Board shall within three (3) months of the event appoint such number of the new members as may be required to fill the vacancy.

4. Secretary

The Secretary of the Audit Committee shall be the Company Secretary.

The Secretary shall be responsible for drawing up the agenda with concurrence of the Chairman and circulating it, supported by explanatory documentation to members of the Audit Committee prior to each meeting.

The Secretary shall also be responsible for keeping the minutes of meetings of the Audit Committee, circulating them to members of the Audit Committee and to the other members of the Board and for following up outstanding matters.

5. Terms of Office

The Board shall review the term of office and performance of the Audit Committee and each of its members at least once in every three (3) years to determine whether such Audit Committee and members have carried out their duties in accordance with their terms of reference.

6. Meetings

The Audit Committee meetings shall be conducted at least four (4) times annually, or more frequently as circumstances dictate. In addition, the Chairman may call for additional meetings at any time at the Chairman's discretion.

In the absence of the Chairman, the other independent director shall be the Chairman for that meeting.

The members of the Audit Committee, Finance Manager and the head of internal audit will normally be in attendance at the meetings. Representatives of the external auditors are to be in attendance at meeting where matters relating to the audit of the statutory accounts and / or external auditors are to be discussed.

Other directors, officers and employees of the Company and / or Group may be invited to attend, except for those portions of the meetings where their presence is considered inappropriate, as determined by the Audit Committee. However, at least once a year the Audit Committee shall meet with the external auditors without any executive board member present.

Minutes of each meeting shall be kept and distributed to each member of the Audit Committee and also to the other members of the Board.

The Audit Committee chairman shall report on each meeting to the Board.

The Audit Committee meetings held during the financial year ended 30 June 2008 and details of attendance of each Committee member is as follows:

No. of Audit Committee Meeting	Held	Attended
Mr Toh Seng Thong	5	5
Dato' Haji Shahrudin Bin Hj Haron	5	5
Mr. Yek Siew Liong	3	3

The external auditors were also invited to attend one of these meetings.

AUDIT COMMITTEE REPORT (CONT'D)

7. Quorum

The quorum for the Audit Committee meeting shall be the majority of members present whom must be independent directors.

8. Reporting

The Audit Committee shall report to the Board either formally in writing, or verbally, as it considers appropriate on the matters within its terms of reference at least once a year, but more frequently if it so wishes.

The Audit Committee shall report to the Board on any specific matters referred to it by the Board for investigation and report.

9. Objectives

The principal objectives of the Audit Committee is to assist the Board in discharging its statutory duties and responsibilities relating to accounting and reporting practices of the holding company and each of its subsidiaries. In addition, the Audit Committee shall:

- evaluate the quality of the audits performed by the internal and external auditors;
- provide assurance that the financial information presented by management is relevant, reliable and timely;
- oversee compliance with laws and regulations and observance of a proper code of conduct; and
- determine the quality, adequacy and effectiveness of the Group's control environment.

10. Authority

The Audit Committee shall, in accordance with a procedure to be determined by the Board and at the expense of the Company,

- (a) authorise to investigate any activity within its terms of reference. All employees shall be directed to co-operate as requested by members of the Audit Committee.
- (b) have full and unlimited / unrestricted access to all information and documents / resources as well as to the internal and external auditors and senior management of the Company and the Group which are required to perform its duties.
- (c) obtain other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers necessary.
- (d) be able to convene meetings with the external auditors, without the attendance of the executive members of the Audit Committee, whenever deemed necessary.
- (e) be able to make relevant reports when necessary to the relevant authorities if a breach of the Listing Requirements occurred.

11. Duties and Responsibilities

The duties and responsibilities of the Audit Committee are to review the following and report the same to the Board of the Company:-

- (a) with the external auditors, their audit plan;
- (b) with the external auditors, their evaluation of the system of internal controls;
- (c) with the external auditors, their audit report;
- (d) the assistance given by the employees of the Company and the Group to the external auditors;
- (e) any letter of resignation from the external auditors of the Company;

AUDIT COMMITTEE REPORT (CONT'D)

- (f) reason(s) and ground(s) to support the opinion that the Company's external auditors are not suitable for re-appointment;
- (g) the adequacy of the scope, functions and resources of the internal audit function and degree of the necessary authority given for the accomplishment of tasks;
- (h) the internal audit programmes, processes, the results of the investigations undertaken and whether or not appropriate action is taken on the recommendations made by the internal audit function;
- (i) the quarterly results and year end financial statements, prior to the approval by the Board, focusing particularly on :-
 - (i) changes due to implementation of new and / or revised accounting policy;
 - (ii) significant and unusual events;
 - (iii) the going concern assumptions and
 - (iv) compliance with accounting standards and other legal requirements;
- (j) any related party transactions and conflict of interest situations that may arise within the Company and / or the Group including any transaction, procedure or course of conduct that raises questions of management integrity; and
- (k) any other areas as defined by the Board.

C. SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE

Activities undertaken during the financial year under review are as follows:

- Reviewed and evaluated the scope of works and audit plans of the Internal and External Auditors;
- Reviewed the quarterly and year-to date unaudited financial statements, prior to deliberation and approval by Board;
- Reviewed the Audited Financial Statements of the Group and of the Company for the financial year ended 30 June 2007;
- Reviewed and discussed the external auditors' audit report and areas of concern;
- Reviewed and assessed the Risk Register updates;
- Reviewed the Internal Auditors' reports pertaining to the state of internal control of the Thailand operating unit within the Group and appraised the adequacy and effectiveness of Management's response in resolving the audit issues reported;
- Reviewed the proposed audit fees for the external auditors in respect of their audit of the Group and of the Company for the financial year;

AUDIT COMMITTEE REPORT (CONT'D)

D. SUMMARY OF ACTIVITIES OF THE INTERNAL AUDIT FUNCTION

The Group has out-sourced the provision of internal audit and management system assurance to an independent professional consulting firm, Messrs Columbus Circle Governance Sdn Bhd. The Head of Internal Auditors report directly to the Audit Committee and administratively to the Group Managing Director.

The Audit Committee is assisted by the Internal Auditors in discharging its duties and responsibilities with respect to the adequacy and integrity of the system of internal controls within the Group. The internal audits were performed based on risk based approach by focusing on :

- reviewing identified high risk areas for compliance with control policies and procedures; identifying business risk which have not been appropriately addressed; and
- evaluating the adequacy and integrity of controls.

The Internal Audit carries out audit assignments based on an audit plan that was reviewed and approved by the Audit Committee. The reports of the audits undertaken were forwarded to the management for attention and necessary action and presented to the Audit Committee for deliberation and approval.

During the financial year under review, the Internal Auditors undertook the following activities:

- Completed the Internal Audit and reported on the system of internal controls relating to Production, Inventory, Procurement and Logistics (Inbound and Outbound) of the Group's Thailand operation.
- Attended and reported to the Audit Committee its internal audit findings and response and rectification undertaken by the Management.

STATEMENT OF BOARD OF DIRECTORS' RESPONSIBILITIES

FOR PREPARING THE ANNUAL AUDITED FINANCIAL STATEMENTS

The Companies' Act 1965 requires Directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs, results and cashflows of the Company and of the Group for that period.

The Directors are responsible for:-

- i) ensuring that financial statements are properly drawn up in accordance with the provisions of Companies Act, 1965, applicable MASB Approved Accounting Standards in Malaysia for Entities other than Private Entities and the Listing Requirements of the BMSB.
- ii) making of judgements and estimates that are reasonable and prudent
- iii) ensuring that proper accounting records are kept which disclose with reasonable accuracy the financial position of the Group and the Company and which enable them to ensure that the financial statements comply with the Companies Act, 1965.
- iv) for safeguarding the assets of the Group and the Company, and
- v) taking reasonable steps for the prevention and detection of fraud and irregularities.

In preparing the financial statements for the year ended 30 June 2008 as set out on pages 26 to 71 of the Annual Report, the Directors have applied appropriate accounting policies on a consistent basis and made judgements and estimates that are reasonable and prudent.

This statement is made in accordance with a resolution of the Board of Directors.

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DIRECTORS' REPORT

The directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 30 June, 2008.

PRINCIPAL ACTIVITIES

The principal activities of the Company are that of investment holding and provision of management services. The principal activities of the subsidiaries are disclosed in Note 6 to the financial statements. There have been no significant changes in the nature of these principal activities during the financial year.

RESULTS

	Group RM'000	Company RM'000
Profit / (Loss) for the year	8,485	(701)
Attributable to :		
Equity holders of the Company	10,806	(701)
Minority interest	(2,321)	-
Profit / (Loss) for the year	8,485	(701)

DIVIDENDS

Since the end of the previous financial year, the Company paid out RM2,657,005 on 23 January, 2008 being tax exempt dividend of 4.1 sen for the previous financial year.

At the forthcoming Annual General Meeting, a final dividend in respect of the current financial year ended 30 June, 2008 of 4.0 sen (tax exempt) on 64,805,000 ordinary shares amounting to a total of RM2,592,200 will be proposed for shareholders' approval. The dividend, if approved by the shareholders, will be accounted for in the shareholders' equity as an appropriation of retained profits in the next financial year ending 30 June, 2009.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the financial statements.

ISSUE OF SHARES AND DEBENTURES

The Company did not issued any shares or debentures during the financial year.

BAD AND DOUBTFUL DEBTS

Before the income statements and balance sheets were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of a provision for doubtful debts, and are satisfied that all known bad debts have been written off and that no provision for doubtful debts is required.

At the date of this report, the directors are not aware of any circumstances which would render the amount written off for bad debts inadequate to any substantial extent or require a provision for doubtful debts in the financial statements of the Group and of the Company.

DIRECTORS' REPORT (CONT'D)

CURRENT ASSETS

Before the income statements and balance sheets were made out, the directors took reasonable steps to ensure that any current assets which were unlikely to be realised, in the ordinary course of business including their value as shown in the accounting records of the Group and of the Company, have been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which have arisen which render the values attributed to current assets in the financial statements misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

At the date of this report, there does not exist :

- (i) any charge on the assets of the Group or the Company which has arisen since the end of the financial year which secures the liabilities of any person; or
- (ii) any contingent liability of the Group or the Company which has arisen since the end of the financial year.

No contingent or other liability of the Group or the Company has become enforceable or is likely to become enforceable, within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group or the Company to meet its obligations when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in the report or financial statements, which would render any amount stated in the financial statements misleading.

ITEMS OF AN UNUSUAL NATURE

In the opinion of the directors :

- (i) the results of the operations of the Group and of the Company for the financial year ended 30 June, 2008 have not been substantially affected by any item, transaction or event of a material and unusual nature; and
- (ii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

SIGNIFICANT EVENTS

Significant event is disclosed in Note 31 to the financial statements.

DIRECTORS' REPORT (CONT'D)

DIRECTORS

The directors who served since the date of the last report are :

Dato' Haji Shaharuddin Bin Haji Haron
Lin, Tzu-Lang
Lin, Tzu-Keng
Lin Chen, Jui-Fen
Toh Seng Thong
Yek Siew Liong

In accordance with the Company's Articles of Association, Lin, Tzu-Keng and Toh Seng Thong retire at the forthcoming Annual General Meeting and being eligible, offer themselves for re-election.

Dato' Haji Shaharuddin Bin Haji Haron being over the age of 70 years, retires pursuant to Section 129(2) of the Companies Act, 1965 and seek re-appointment as director under the provision of Section 129(6) of the said Act to hold office until the next Annual General Meeting.

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors in office at the end of the financial year in the shares of the Company during the financial year were as follows :

	At 1.7.2007	Number of ordinary shares of RM1 each		At 30.6.2008
		Bought	Sold	
Direct interest :				
Lin, Tzu-Lang	6,410,250	700,000	-	7,110,250
Lin, Tzu-Keng	12,882,168	220,350	(700,000)	12,402,518
Lin Chen, Jui-Fen	7,344,134	-	-	7,344,134
Indirect interest :				
Lin, Tzu-Keng	7,344,134	-	-	7,344,134 *
Lin Chen, Jui-Fen	12,882,168	220,350	(700,000)	12,402,518 *
Yek Siew Liong	9,740,000	-	-	9,740,000 #

* Deemed interest in shares held by spouse

Deemed interest in shares held by Konsortium Kontrek Sdn. Bhd. in which the director has an interest.

By virtue of their interests in the shares and options of the Company, Lin, Tzu-Lang, Lin, Tzu-Keng, Lin Chen, Jui-Fen and Yek Siew Liong are also deemed to have interest in the shares of all its subsidiaries to the extent the Company has an interest.

Other than as stated above, the directors in office at the end of the financial year did not have any interest in the shares of the Company or its related corporations during the financial year.

DIRECTORS' REPORT (CONT'D)

DIRECTORS' BENEFITS

Neither during nor at the end of the financial year was the Company a party to any arrangements whose object is to enable directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the directors as shown in the financial statements or the fixed salary of a full time employee of the Company) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member or with a company in which the director has a substantial financial interest.

AUDITORS

Y.C. Chong & Co retire and have indicated their willingness to be re-appointed.

Signed on behalf of the Board in accordance
with a resolution of the directors :

DATO' HAJI SHAHARUDDIN BIN HAJI HARON

LIN, TZU-KENG
Kuala Lumpur
Dated : 29 October, 2008

STATEMENT BY DIRECTORS

We, DATO' HAJI SHAHARUDDIN BIN HAJI HARON and LIN, TZU-KENG being two of the directors of LATITUDE TREE HOLDINGS BERHAD, do hereby state that in the opinion of the directors, the financial statements on pages 33 to 71 are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 30 June, 2008, and of the results and cash flows of the Group and of the Company for the year ended on that date in accordance with applicable Financial Reporting Standards and the Companies Act, 1965 in Malaysia.

On behalf of the Board,

DATO' HAJI SHAHARUDDIN BIN HAJI HARON

LIN, TZU-KENG
Kuala Lumpur
Dated : 29 October, 2008

STATUTORY DECLARATION

I, HO KHOY LING, the officer primarily responsible for the financial management of LATITUDE TREE HOLDINGS BERHAD, do solemnly and sincerely declare that the financial statements on pages 33 to 71 are to the best of my knowledge and belief correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by)
the abovenamed HO KHOY LING)
at Kuala Lumpur in Wilayah)
Persekutuan on 29 October, 2008)

HO KHOY LING

Before me,
K. MARIASOOSAY
No. : W 344

Commissioner for Oaths
Kuala Lumpur.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF LATITUDE TREE HOLDINGS BERHAD

Report on the Financial Statements

We have audited the financial statements of LATITUDE TREE HOLDINGS BERHAD, which comprise the balance sheets as at 30 June, 2008 of the Group and of the Company, and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 33 to 71.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF LATITUDE TREE HOLDINGS BERHAD (CONT'D)

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 30 June, 2008 and of their financial performance and cash flows for the year then ended.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the followings :

- a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provision of the Act.
- b) We have considered the accounts and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 6 to the financial statements.
- c) We are satisfied that the accounts of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purpose of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- d) The auditors' reports on the accounts of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Y.C. CHONG & CO.
No. AF 0636
Chartered Accountants

Kuala Lumpur
Dated : 29 October, 2008

LAU YOKE KEEN
2307/07/10(J)
Chartered Accountant

BALANCE SHEETS

AS AT 30 JUNE, 2008

	Note	Group		Company	
		2008	2007	2008	2007
		RM '000	RM '000	RM '000	RM '000
NON-CURRENT ASSETS					
Property, plant and equipment	4	194,363	192,766	-	-
Prepaid lease payments	5	21,689	24,358	-	-
Investments	6	2,831	3,581	46,799	47,549
Deferred tax assets	7	17	101	-	-
CURRENT ASSETS					
Inventories	8	70,113	82,239	-	-
Trade receivables	9	33,342	18,712	-	-
Other receivables	10	16,583	19,268	1	20
Tax recoverable		3,740	3,568	27	-
Due from subsidiaries	11	-	-	66,512	69,502
Term deposits	12	13,311	15,662	10,974	10,647
Cash and bank balances		16,869	23,688	17	38
		153,958	163,137	77,531	80,207
Non-current assets held for sale	13	-	8,200	-	-
		153,958	171,337	77,531	80,207
TOTAL ASSETS		372,858	392,143	124,330	127,756
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the Company					
Share capital	14	64,805	64,805	64,805	64,805
Reserves	15	95,548	93,383	24,266	27,624
		160,353	158,188	89,071	92,429
Minority interest		6,374	8,695	-	-
TOTAL EQUITY		166,727	166,883	89,071	92,429
NON-CURRENT LIABILITIES					
Hire purchase payables	16	544	751	-	-
Bank borrowings	17	60,831	70,122	35,000	35,000
Deferred tax liabilities	7	3,655	4,430	-	-
		65,030	75,303	35,000	35,000
CURRENT LIABILITIES					
Trade payables	18	44,422	30,192	-	-
Other payables and accruals	19	16,715	26,268	78	75
Due to subsidiaries	11	-	-	169	173
Hire purchase payables	16	664	1,446	-	-
Bank borrowings	17	79,300	92,051	12	-
Taxation		-	-	-	79
		141,101	149,957	259	327
TOTAL LIABILITIES		206,131	225,260	35,259	35,327
TOTAL EQUITY AND LIABILITIES		372,858	392,143	124,330	127,756

The notes on pages 40 to 71 form an integral part of these financial statements.

INCOME STATEMENTS

FOR THE YEAR ENDED 30 JUNE, 2008

	Note	Group		Company	
		2008	2007	2008	2007
		RM '000	RM '000	RM '000	RM '000
Revenue	20	404,176	411,706	240	240
Cost of sales		(361,959)	(369,527)	-	-
Gross profit		42,217	42,179	240	240
Other operating income		4,837	3,016	394	620
Selling and marketing expenses		(9,358)	(7,004)	-	-
Administrative expenses		(14,151)	(16,487)	(514)	(764)
Other operating expenses		(5,497)	(3,469)	(753)	(5)
Profit / (Loss) from operations	21	18,048	18,235	(633)	91
Finance costs	24	(9,681)	(9,045)	-	-
Profit / (Loss) before taxation		8,367	9,190	(633)	91
Taxation	25	118	(397)	(68)	(127)
Profit / (Loss) for the year		8,485	8,793	(701)	(36)
Attributable to :					
Equity holders of the Company		10,806	10,263		
Minority interest		(2,321)	(1,470)		
Profit for the year		8,485	8,793		
Earnings per share attributable to equity holders of the Company (sen)					
Basic / Diluted	26	16.7	15.8		
Dividend per share (tax exempt) (sen)	27	4.1	9.0	4.1	9.0

The notes on pages 40 to 71 form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE, 2008

	← ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY →		Non-distributable				Foreign currency translation reserve		Distributable Retained profits		Total equity RM '000
	Share capital RM '000	Share premium RM '000	Reserve on consolidation RM '000	Revaluation reserve RM '000	Foreign currency translation reserve RM '000	Retained profits RM '000	Total RM '000	Minority interest RM '000			
As at 1 July, 2006	64,805	1,225	1,370	2,284	-	86,809	156,493	9,056	165,549		
As previously stated	-	-	(1,370)	-	-	1,370	-	-	-		
Effect of adopting FRS 3	64,805	1,225	-	2,284	-	88,179	156,493	9,056	165,549		
As restated	-	-	-	-	-	10,263	10,263	(1,470)	8,793		
Profit / (Loss) for the year	-	-	-	-	(2,143)	-	(2,143)	1,109	(1,034)		
Foreign currency translation difference	-	-	-	(770)	-	-	(770)	-	(770)		
Reversal of revaluation reserve (Note 13)	-	-	-	-	-	176	176	-	176		
Deconsolidation adjustment	-	-	-	-	-	(5,831)	(5,831)	-	(5,831)		
Dividends (Note 27)	-	-	-	-	-	-	-	-	-		
As at 30 June, 2007	64,805	1,225	-	1,514	(2,143)	92,787	158,188	8,695	166,883		
As at 1 July, 2007	64,805	1,225	-	1,514	(2,143)	92,787	158,188	8,695	166,883		
Profit / (Loss) for the year	-	-	-	-	-	10,806	10,806	(2,321)	8,485		
Foreign currency translation difference	-	-	-	-	(5,984)	-	(5,984)	-	(5,984)		
Realisation of revaluation reserve	-	-	-	(400)	-	400	-	-	-		
Dividends (Note 27)	-	-	-	-	-	(2,657)	(2,657)	-	(2,657)		
As at 30 June, 2008	64,805	1,225	-	1,114	(8,127)	101,336	160,353	6,374	166,727		

The notes on pages 40 to 71 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE, 2008

	Share capital RM '000	Non- Distributable Share premium RM '000	Distributable Retained profits RM '000	Total RM '000
As at 1 July, 2006	64,805	1,225	32,266	98,296
Loss for the year	-	-	(36)	(36)
Dividends (Note 27)	-	-	(5,831)	(5,831)
As at 30 June, 2007	64,805	1,225	26,399	92,429
Loss for the year	-	-	(701)	(701)
Dividends (Note 27)	-	-	(2,657)	(2,657)
As at 30 June, 2008	64,805	1,225	23,041	89,071

The notes on pages 40 to 71 form an integral part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE, 2008

	Note	2008	2007
		RM '000	RM '000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		8,367	9,190
Adjustments for :			
Amortisation of prepaid lease payments		494	693
Bad debts written off		23	4
Deconsolidation adjustment		-	176
Depreciation of property, plant and equipment		13,293	14,298
Deposits written off		2	52
Impairment loss on non-current assets held for sale		-	896
Impairment loss on investment		750	-
Inventories written down		400	-
Inventories written off		38	-
Property, plant and equipment written off		21	5
Gain on disposal of leasehold land		(35)	-
Gain on disposal of property, plant and equipment		(378)	(157)
Interest expense		9,681	9,045
Interest income		(737)	(611)
Unrealised gain on foreign exchange		(434)	(448)
Operating profit before working capital changes		31,485	33,143
Decrease / (Increase) in inventories		11,688	(5,004)
(Increase) / Decrease in receivables		(4,590)	717
Increase / (Decrease) in payables		5,111	(4,712)
Cash generated from operations		43,694	24,144
Interest paid		(9,681)	(9,045)
Interest received		737	611
Tax refunded		514	881
Tax paid		(1,258)	(2,068)
Net cash generated from operating activities		34,006	14,523

The notes on pages 40 to 71 form an integral part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE, 2008 (CONT'D)

	Note	2008	2007
		RM '000	RM '000
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of non-current assets held for sale		820	-
Proceeds from disposal of leasehold land		1,299	-
Proceeds from disposal of property, plant and equipment		1,490	6,586
Purchase of property, plant and equipment	28	(22,361)	(44,756)
Purchase of investments		-	(2,081)
Net cash used in investing activities		(18,752)	(40,251)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of hire purchase payables		(1,559)	(2,783)
Proceeds from term loans		2,131	36,497
Repayment of term loans		(16,888)	(6,311)
Proceeds from bank borrowings		179,196	136,197
Repayment of bank borrowings		(177,841)	(127,326)
Deposits placed as security for bank borrowings		2,351	251
Dividends paid		(2,657)	(5,831)
Net cash (used in) / generated from financing activities		(15,267)	30,694
Exchange difference in translation of financial statements of foreign subsidiaries		1,833	(668)
NET INCREASE IN CASH AND CASH EQUIVALENTS		1,820	4,298
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		8,053	3,755
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	29	9,873	8,053

The notes on pages 40 to 71 form an integral part of these financial statements.

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE, 2008

	Note	2008	2007
		RM '000	RM '000
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss) / Profit before taxation		(633)	91
Adjustments for :			
Impairment loss on investment		750	-
Interest income		(394)	(313)
Operating loss before working capital changes		(277)	(222)
Decrease / (Increase) in receivables		19	(20)
Decrease / (Increase) in amounts due from subsidiaries		2,990	(11,871)
(Decrease) / Increase in amount due to subsidiaries		(4)	173
Increase / (Decrease) in payables		3	(16)
Cash generated from / (used in) operations		2,731	(11,956)
Interest received		394	313
Tax paid		(174)	(34)
Net cash generated from / (used in) operating activities		2,951	(11,677)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of investments		-	(2,173)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from bank borrowings		-	20,000
Deposit placed as security for bank borrowings		(327)	(305)
Dividend paid		(2,657)	(5,831)
Net cash (used in) / generated from financing activities		(2,984)	13,864
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		(33)	14
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		38	24
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	29	5	38

The notes on pages 40 to 71 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE, 2008

1. GENERAL INFORMATION

The principal activities of the Company are investment holding and provision of management services.

The principal activities of the subsidiaries are disclosed in Note 6 to the financial statements.

There have been no significant changes in the nature of these principal activities during the financial year.

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Board of the Bursa Malaysia Securities Berhad.

The registered office and principal place of business of the Company is located at Lot 3356, Batu 7 3/4, Jalan Kapar, 42200 Kapar, Selangor Darul Ehsan.

The financial statements were authorised for issue by the Board of Directors on 29 October, 2008.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements have been prepared under the historical cost convention unless otherwise indicated and comply with applicable Financial Reporting Standards and the Companies Act, 1965 in Malaysia.

At the beginning of the current financial year, the Group and the Company adopted all the new and revised Financial Reporting Standards ("FRS") which are mandatory for financial periods beginning on or after 1 October, 2006, 1 January, 2007 and 1 July, 2007.

The financial statements are presented in Ringgit Malaysia (RM). All financial information presented in RM has been rounded to the nearest RM unless otherwise stated.

The preparation of financial statements requires directors to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3 to the financial statements.

The following FRSs, amendments to FRSs and Issues Committee ("IC") Interpretations are effective and have been applied in preparing these financial statements :

FRSs / Interpretation	Effective for financial periods beginning on or after
FRS 117: Leases	1 October 2006
FRS 124: Related Party Disclosures	1 October 2006
FRS 6: Exploration for Evaluation of Mineral Resources	1 January 2007
Amendments to FRS 119 ²⁰⁰⁴ :	1 January 2007
Employee Benefits - Actuarial Gain and Losses, Group Plans and Disclosures	
FRS 107: Cash Flow Statements	1 July 2007
FRS 111: Construction Contracts	1 July 2007

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE, 2008 (CONT'D)

FRS 112: Income Taxes	1 July 2007
FRS 118: Revenue	1 July 2007
FRS 120: Accounting for Governments Grants and Disclosure of Government Assistance	1 July 2007
Amendments to FRS 121:	1 July 2007
The Effects of Changes in Foreign Exchange Rates - Net Investments in Foreign Operation	
FRS 134: Interim Financial Reporting	1 July 2007
FRS 137: Provision, Contingent Liabilities and Contingent Assets	1 July 2007
FRS 139: Financial Instruments : Recognition and Measurement	To be announced
IC Interpretation 1 : Changes in Existing Decommissioning, Restoration and Similar Liabilities	1 July 2007
IC Interpretation 2 : Members' Share in Co-operative Entities and Similar Instruments	1 July 2007
IC Interpretation 5 : Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	1 July 2007
IC Interpretation 6 : Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment	1 July 2007
IC Interpretation 7 : Applying the Restatement Approach under FRS 129 Financial Reporting in Hyperinflationary Economies	1 July 2007
IC Interpretation 8 : Scope of FRS 2	1 July 2007

The above FRSs, amendments to FRSs and IC Interpretations do not have any significant financial impact on the results and financial position of the Group except for the following :

- (i) FRS 117 : Leases
This standard requires the classification of leasehold land as prepaid lease payments. Prepaid lease payments will be initially stated at cost and subsequently amortised on the straight-line basis over the lease terms.
- (ii) FRS 124 : Related Party Disclosures
This standard affects the identification of related parties and additional related party disclosures.
- (iii) FRS 139 : Financial Instruments : Recognition and measurement
The effective date of FRS 139 has been deferred indefinitely. This new standard establishes principles for recognising and measuring financial assets, financial liabilities and other derivative financial instruments. The Group is exempted from disclosing the possible impact, if any, to the financial statements upon the initial application of FRS 139.

(b) Basis of consolidation

The Group financial statements include the financial statements of the Company and all its subsidiaries made up to 30 June, 2008. Subsidiaries are those companies in which the Group has power to exercise control over the financial and operating policies so as to obtain benefits from its activities.

Acquisition of subsidiaries are accounted for using the purchase method. The purchase method of accounting involves allocating the cost of the acquisition to the fair value of the assets acquired and liabilities and contingent liabilities assumed at the date of acquisition. The costs of an acquisition is measured as the aggregate of the fair values, at the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued, plus any costs directly attributable to the acquisition.

Any excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities represents goodwill. Any excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition is recognised immediately in profit or loss.

Intragroup transactions and balances and the resulting unrealised gains are eliminated on consolidation. Unrealised losses resulting from intragroup transactions are also eliminated unless cost cannot be recovered.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE, 2008 (CONT'D)

Minority interests represent the portion of profit or loss and net assets in subsidiaries not held by the Group. It is measured at the minorities' share of the fair value of the subsidiaries' identifiable assets and liabilities at the acquisition date and the minorities' share of changes in the subsidiaries' equity since then.

(c) Investments

Investments in subsidiaries are shown at cost. Where an indication of impairment exist, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. See accounting policy Note 2(e) to the financial statements on impairment of assets.

Investments in other non-current investments are stated at cost and a provision for diminution in value is made where, in the opinion of the directors, there is a decline other than temporary in the value of such investments. Where there has been a decline other than temporary in the value of an investment, such a decline is recognised as an expense in the year in which the decline is identified.

On disposal of an investment, the difference between net disposal proceed and its carrying amount is charged or credited to the income statement.

(d) Property, plant and equipment and Depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, with the exception of certain land and buildings which are stated at valuation less subsequent depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. For those property, plant and equipment that are stated at valuation, all subsequent additions are stated at cost.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial year in which they are incurred.

Property, plant and equipment are depreciated on the straight line basis to write off the cost of the assets, or their revalued amounts, to their residual values over their estimated useful lives, summarised as follows :

Long leasehold land	60 – 90 years
Short leasehold land	20 – 50 years
Buildings	2% - 10%
Plant and machinery	5% - 10%
Electrical installation	10%
Furniture and fittings	10% - 20%
Hostel	10%
Motor vehicles	12.5% - 20%
Office equipment	10% - 20%
Renovation	10%

Freehold land has an unlimited useful life and is not depreciated. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use.

Residual values and useful lives of assets are reviewed, and adjusted if appropriate, at each balance sheet date.

At each balance sheet date, the Group assesses whether there is any indication of impairment. If such indication exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write down is made if the carrying amount exceeds the recoverable amount. See accounting policy Note 2(e) on impairment of assets.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amounts of the assets disposed and are included in the income statement. On disposal of revalued assets, amounts in revaluation reserve relating to those assets are transferred to retained earnings.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE, 2008 (CONT'D)

(e) Impairment of assets

The carrying value of assets other than deferred tax assets, inventories and financial assets (other than investment in subsidiaries) are reviewed at each balance sheet date to determine whether there is any indication of impairment. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. The recoverable amount is the higher of an asset's net selling price and its value in use, which is measured by reference to discounted future cash flows. Recoverable amounts are estimated for individual assets, or if it is not possible, for the cash generating unit.

An impairment loss is charged to the income statement immediately, unless the asset is carried at revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of previously recognised revaluation surplus for the same asset.

Subsequent increase in the recoverable amount of an asset is treated as reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of accumulated depreciation) had no impairment loss been recognised. The reversal is recognised in the income statement immediately, unless the asset is carried at revalued amount. A reversal of an impairment loss on a revalued asset is credited directly to revaluation surplus. However, to the extent that impairment loss on the same revalued asset was previously recognised as an expense in the income statement, a reversal of that impairment loss is recognised as income in the income statement.

(f) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined principally on the weighted average method. The cost of work-in-progress and finished goods include the cost of direct materials, labour and a proportion of manufacturing overheads. The cost of raw materials comprise the original cost of purchase and all direct expenses in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

(g) Receivables

Receivables are carried at anticipated realisable values. Bad debts are written off when identified. An estimate is made for doubtful debts based on review of all outstanding amounts as at the balance sheet date.

(h) Payables

Payables are stated at cost which are the fair values of the consideration to be paid in the future for goods and services received.

(i) Leases

A lease is recognised as a finance lease if it transfers substantially to the Group all the risks and rewards incident to ownership. All other leases are classified as operating leases.

(i) Finance leases

Assets acquired by way of hire purchase or finance leases are stated at an amount equal to the lower of their fair values and the present value of the minimum lease payments at the inception of the leases, less accumulated depreciation and impairment losses. The corresponding liability is included in the balance sheet as borrowings. In calculating the present value of the minimum lease payments, the discount factor used is the interest rate implicit in the lease, when it is practicable to determine; otherwise the Group's incremental borrowing rate is used.

Lease payments are apportioned between the finance costs and the reduction of the outstanding liability. Finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are recognised as an expense in the income statement over the term of the relevant lease so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE, 2008 (CONT'D)

The depreciation policy for leased assets is in accordance with that for depreciable property, plant and equipment as described in Note 2(d).

(ii) **Operating leases**

Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the term of the relevant lease.

(j) **Foreign currencies**

(i) **Functional and presentation currency**

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in Ringgit Malaysia, which is the Company's functional and presentation currency.

(ii) **Foreign currency transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

(iii) **Foreign entities**

The results and financial position of the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows :

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each income statement are translated at average exchange rates; and
- all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations are taken to "Foreign currency translation reserve" in shareholders' equity. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognised in the income statement as part of the gain or loss on disposal.

The exchange rates ruling at the balance sheet date used are as follows :

	2008	2007
	RM	RM
1 United States Dollar	3.2655	3.4545
1,000 Indonesian Rupiah	0.3550	0.3750
1 Thailand Baht	0.09761	0.10900
1 Singapore Dollar	2.4075	-

(k) **Taxation**

Income tax on the profit or loss for the year comprises current and deferred tax.

Current tax is the expected tax payable on the taxable income for the year using tax rates that have been enacted at the balance sheet date.

Deferred tax is provided, using the liability method, on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary difference, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary differences arises from goodwill or negative goodwill or from the initial

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE, 2008 (CONT'D)

recognition of an asset or liability in a transaction which is not a business combination and at the time of transaction, affects neither accounting profit nor taxable profit.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is recognised in the income statement, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly in equity.

(l) Revenue recognition

- (i) Sale of goods is recognised when the risks and rewards of ownership of the goods have been transferred to the buyers.
- (ii) Management fee is recognised on accrual basis.
- (iii) Interest income is recognised on accrual basis taking into account the effective yield of the asset.
- (iv) Rental income is recognised on accrual basis based on agreed upon rental rates.

(m) Borrowings

Borrowings are stated at the amount of proceeds received, net of transaction costs.

Borrowing costs are charged to the income statement as an expense in the period in which they are incurred.

(n) Revaluation of Land and Buildings

It is the Group's policy to appraise the land and buildings at least once in every 5 years based on valuations carried out by independent professional valuers on the open market value basis. A surplus arising therefrom is credited to revaluation reserve. However, a surplus will be recognised as revenue to the extent that it reverses a revaluation deficit of the same asset previously recognised as an expense. A deficit arising therefrom is recognised as an expense.

However, a deficit will be set-off against any related revaluation surplus to the extent that the deficit does not exceed the amount held in revaluation reserve in respect of the same assets.

On disposal of these properties, any surplus in revaluation reserve relating to these assets will be transferred to retained earnings.

(o) Employee benefits

(i) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) Defined contribution plans

As required by law, companies in Malaysia make contribution to the state pension scheme, the Employees Provident Fund. Such contributions are recognised as an expense in the income statement as incurred.

(p) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources will be required to settle the obligation, when a reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the effect of the time value of money is immaterial, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE, 2008 (CONT'D)

(q) Non-current assets held for sale

Non-current assets are classified as assets held for sale and are stated at the lower of carrying amount and fair value less costs to sell if their carrying amount is recovered principally through a sale transaction rather than through a continuing use.

(r) Share capital

Ordinary shares are classified as equity.

Incremental external costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Dividends on ordinary shares are recognised as a liability in the period in which they are declared. A dividend declared after the balance sheet date, but before the financial statements are authorised for issue, is not recognised as a liability at the balance sheet date. Upon the dividend becoming payable, it will be accounted for as a liability.

(s) Cash and Cash equivalents

Cash and cash equivalents include cash and bank balances and term deposits net of bank overdrafts.

(t) Financial instruments

(i) Description

A financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangements. Interest, dividends, gain and losses relating to financial instruments classified as liability are reported as expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity. Financial instruments are offset when the Group has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(ii) Financial instruments recognised on the balance sheet

The particular recognition methods adopted for financial instruments recognised on the balance sheet are disclosed in individual policy statements associated with each item.

(iii) Financial instruments not recognised on the balance sheet

The Group is a party to financial instruments that comprise foreign currency forward contracts. These instruments are not recognised in the financial statements on inception.

Foreign currency forward contracts

The Group enters into foreign currency forward contracts to protect the Group from movements in exchange rates by establishing the rate at which a foreign currency asset or liability will be settled.

Exchange gains and losses on contracts are recognised when settled at which time they are included in the measurement of the transaction hedged.

(iv) Fair value estimation for disclosure purposes

In assessing the fair value of financial instruments, the Group uses the estimated discounted value of future cash flows and makes assumptions that are based on market conditions existing at each balance sheet date to determine the fair value.

The face values of financial assets (less any estimated credit adjustments) and financial liabilities with a maturity period of less than one year are assumed to approximate their fair values.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE, 2008 (CONT'D)

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

Significant areas of estimation, uncertainty and critical judgements used in applying accounting principles that have significant effect on the amount recognised in the financial statements are as follows :

(a) Estimated useful lives of property, plant and equipment

The Group estimates the useful lives of property, plant and equipment to determine the amount of depreciation expenses to be recorded. The useful lives are estimated at the time the assets are acquired based on historical experience, the expected usage, wear and tear of the assets, and technical obsolescence arising from changes in the market demands or service output of the assets. The Group also performs annual review of the assumptions made on useful lives to ensure that they continue to be valid.

(b) Impairment of assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the assets does not generate cash inflows that are largely independent of those from other assets or groups' of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

(c) Deferred tax assets

Deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. This involves judgement regarding the future financial performance of the particular entity in which the deferred tax assets has been recognised.

(d) Write down of inventories

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories which require judgement and estimates. Possible changes in these estimates could result in revision to the valuation of inventories

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE, 2008 (CONT'D)

4. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land	Long leasehold land	Short leasehold land	Buildings under construction	Buildings under	Plant and machinery	Electrical installation	Factory equipment and fittings	Furniture and fittings	Hostel	Motor vehicles	Office equipment	Renovation	Total
	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
Cost or Valuation :														
At 1 July, 2006	16,048	12,012	12,287	65,370	1,809	133,367	4,068	780	1,464	3,099	2,697	2,026	1,121	256,148
At cost	3,300	3,500	-	11,700	-	-	-	-	-	-	-	-	-	18,500
At valuation	-	(15,512)	(12,287)	-	-	-	-	-	-	-	-	-	-	(27,799)
Effect of adopting FRS 117														
At 1 July, 2006, restated	19,348	-	-	77,070	1,809	133,367	4,068	780	1,464	3,099	2,697	2,026	1,121	246,849
Transfers	-	-	-	-	-	780	-	(780)	-	-	-	-	-	-
Additions	1,212	-	-	18,629	3,574	15,837	337	-	178	749	530	212	290	41,548
Translation differences	220	-	-	3,944	(4,190)	(382)	323	-	(477)	-	(15)	466	113	2
Disposals	(2,731)	-	-	-	-	(7,986)	-	-	-	-	(40)	(8)	-	(10,765)
Written off	-	-	-	-	-	(430)	(117)	-	(33)	-	-	(89)	-	(669)
Reclassified to non-current assets held for sale	-	-	-	(7,330)	-	-	-	-	-	-	-	-	-	(7,330)
At 30 June, 2007 / 1 July, 2007	14,749	-	-	87,113	1,193	141,186	4,611	-	1,132	3,848	3,172	2,607	1,524	261,135
At cost	3,300	-	-	5,200	-	-	-	-	-	-	-	-	-	8,500
At valuation	-	-	-	5,538	(5,740)	98	-	-	-	-	-	-	104	-
Transfers	-	-	-	4,013	4,618	13,465	148	-	28	-	298	236	125	22,931
Additions	(190)	-	-	(3,389)	(71)	(3,529)	(280)	-	(35)	-	(79)	(46)	(128)	(7,747)
Translation differences	-	-	-	(1,001)	-	(2,193)	-	-	-	-	(200)	(16)	-	(3,410)
Disposals	-	-	-	-	-	(60)	(41)	-	(118)	-	-	(42)	(173)	(434)
Written off	-	-	-	-	-	-	-	-	-	-	-	-	-	-
At 30 June, 2008	17,859	-	-	97,474	-	148,967	4,438	-	1,007	3,848	3,191	2,739	1,452	280,975
Representing :														
At cost	14,559	-	-	92,274	-	148,967	4,438	-	1,007	3,848	3,191	2,739	1,452	272,475
At valuation	3,300	-	-	5,200	-	-	-	-	-	-	-	-	-	8,500
	17,859	-	-	97,474	-	148,967	4,438	-	1,007	3,848	3,191	2,739	1,452	280,975

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE, 2008 (CONT'D)

Group	Long leasehold land		Short leasehold land		Buildings under construction		Buildings under		Plant and machinery		Electrical installation		Factory equipment		Furniture and fittings		Hostel		Motor vehicles		Office equipment		Renovation		Total		
	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
Accumulated depreciation																											
At 1 July, 2006																											
At cost	-	905	1,596	4,463	-	57,113	1,162	362	923	883	1,411	1,369	207	70,394													
At valuation	-	88	-	931	-	-	-	-	-	-	-	-	-	1,019													
Effect of adopting FRS 117	-	(993)	(1,596)	-	-	-	-	-	-	-	-	-	-	(2,589)													
At 1 July, 2006, restated	-	-	-	5,394	-	57,113	1,162	362	923	883	1,411	1,369	207	68,824													
Transfers	-	-	-	-	-	362	-	(362)	-	-	-	-	-	-													
Depreciation for the year	-	-	-	1,689	-	11,031	434	-	120	185	358	348	133	14,298													
Translation differences	-	-	-	(75)	-	(368)	3	-	(279)	-	(9)	263	1	(464)													
Disposals	-	-	-	-	-	(4,297)	-	-	-	-	(34)	(5)	-	(4,336)													
Written off	-	-	-	-	-	(430)	(117)	-	(33)	-	-	(84)	-	(664)													
Reclassified to non-current assets held for sale	-	-	-	(789)	-	-	-	-	-	-	-	-	-	(789)													
At 30 June, 2007 / 1 July, 2007																											
At cost	-	-	-	5,720	-	63,411	1,482	-	731	1,068	1,726	1,891	341	76,370													
At valuation	-	-	-	499	-	-	-	-	-	-	-	-	-	499													
Depreciation for the year	-	-	-	2,519	-	9,450	374	-	116	-	372	317	145	13,293													
Translation differences	-	-	-	(117)	-	(628)	(30)	-	(6)	-	(20)	(25)	(13)	(839)													
Disposals	-	-	-	(200)	-	(1,957)	-	-	-	-	(127)	(14)	-	(2,298)													
Written off	-	-	-	-	-	(60)	(41)	-	(113)	-	-	(41)	(158)	(413)													
At 30 June, 2008	-	-	-	8,421	-	70,216	1,785	-	728	1,068	1,951	2,128	315	86,612													
Representing:																											
At cost	-	-	-	7,439	-	70,216	1,785	-	728	1,068	1,951	2,128	315	85,630													
At valuation	-	-	-	982	-	-	-	-	-	-	-	-	-	982													
At 30 June, 2008	-	-	-	8,421	-	70,216	1,785	-	728	1,068	1,951	2,128	315	86,612													

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE, 2008 (CONT'D)

Group	Freehold land	Long leasehold land	Short leasehold land	Buildings							Total			
				Buildings under construction	Plant and machinery	Electrical installation	Factory equipment and fittings	Furniture and fittings	Hostel	Motor vehicles		Office equipment	Renovation	
	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
Net carrying amounts														
At cost	16,048	-	-	1,809	76,254	2,906	418	541	2,216	1,286	657	914	163,956	
At valuation	3,300	-	-	10,769	-	-	-	-	-	-	-	-	14,069	
At 1 July, 2006, restated	19,348	-	-	1,809	76,254	2,906	418	541	2,216	1,286	657	914	178,025	
At cost	14,749	-	-	81,393	1,193	77,775	3,129	-	401	2,780	1,446	716	184,765	
At valuation	3,300	-	-	4,701	-	-	-	-	-	-	-	-	8,001	
At 30 June, 2007 / 1 July, 2007, restated	18,049	-	-	86,094	1,193	77,775	3,129	-	401	2,780	1,446	716	192,766	
At cost	14,559	-	-	84,835	-	78,751	2,653	-	279	2,780	1,240	611	186,845	
At valuation	3,300	-	-	4,218	-	-	-	-	-	-	-	-	7,518	
At 30 June, 2008	17,859	-	-	89,053	-	78,751	2,653	-	279	2,780	1,240	611	194,363	

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE, 2008 (CONT'D)

Company

2008 : Nil

2007 : Nil

Certain property, plant and equipment of subsidiaries with net book value of RM5,521,957 (2007: RM22,090,902) have been pledged as security for the banking facilities as set out in Note 17 to the financial statements.

The net book value of property, plant and equipment acquired under hire purchase agreements are as follows:

	Group	
	2008	2007
	RM'000	RM'000
Plant and machinery	1,101	5,594
Motor vehicles	910	567
	2,011	6,161

Certain freehold and long leasehold land and buildings were revalued by the directors of the subsidiaries under the open market value basis based on valuation carried out by a Chartered Surveyor and Registered Valuer, Liong Sang Chong (B.Sc, FRICS, MISB) of W.M. Malik & Kamaruzaman, Chartered Surveyors & Valuers on 25 September, 2002.

Had the revalued property, plant and equipment been carried at historical cost less accumulated depreciation, the net book value of the revalued property, plant and equipment that would have been included in the financial statements at the end of the financial year would be as follows:

	Group	
	2008	2007
	RM'000	RM'000
Freehold land	651	651
Freehold buildings	2,779	2,848
Leasehold buildings	-	4,241
	3,430	7,740

The titles to the leasehold land and freehold land with net book value of RM3,196,805 (2007: RM4,522,026) and Nil (2007 : RM10,472,300) are in the process of being transferred to the subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE, 2008 (CONT'D)

5. PREPAID LEASE PAYMENTS

	Leasehold land Unexpired period 50 years and above RM'000
Cost :	
At 1 July, 2006	-
Effect of adopting FRS 117	27,799
At 1 July, 2006, restated	27,799
Addition during the year	3,998
Translation differences	(896)
Reclassified to non-current assets held for sale (Note 13)	(3,500)
At 30 June, 2007 / 1 July, 2007	27,401
Translation differences	(982)
Disposals	(1,375)
At 30 June, 2008	25,044
Amortisation and impairment losses :	
At 1 July, 2006	-
Effect of adopting FRS 117	2,589
At 1 July, 2006, restated	2,589
Translation differences	(64)
Amortisation during the year	693
Reclassified to non-current assets held for sale (Note 13)	(175)
At 30 June, 2007 / 1 July, 2007	3,043
Amortisation during the year	494
Disposals	(111)
Translation differences	(71)
At 30 June, 2008	3,355
Carrying amounts :	
At 1 July, 2006, restated	25,210
At 30 June, 2007 / 1 July, 2007	24,358
At 30 June, 2008	21,689

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE, 2008 (CONT'D)

6. INVESTMENTS

	Group		Company	
	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000
Investment in subsidiaries :				
Unquoted shares, at cost	-	-	44,049	44,049
Other investment :				
Unquoted subordinated bonds, at cost				
- maturity date on				
10 June, 2009	1,500	1,500	1,500	1,500
26 January, 2012	2,000	2,000	2,000	2,000
Investment in Glenmarie Golf & Country Club, at cost	81	81	-	-
Less : Impairment loss	(750)	-	(750)	-
	2,831	3,581	46,799	47,549

The subsidiaries are as follows :-

Name of Company	Principal Activities	Effective 2008	Interest 2007	Country of Incorporation
		%	%	
Latitude Tree Furniture Sdn. Bhd.	Manufacture and sale of wooden furniture and components	100	100	Malaysia
Rhong Khen Industries Sdn. Bhd.	Manufacture and sale of wooden furniture and parts	100	100	Malaysia
Latitude Tree Sdn. Bhd.	General trading and investment holding	100	100	Malaysia
L-Tree Resources Sdn. Bhd.	Investment holding	100	100	Malaysia
Grob Holz Sdn. Bhd.	Investment holding	100	100	Malaysia
Linkage Creation International Co., Ltd. #	Investment holding	100	100	Brunei Darussalam
Latitude Tree International Limited #	Investment holding	100	100	British Virgin Islands
Latitude Tree Pte. Ltd. #	Investment holding	100	-	Singapore
Rhong Khen Timbers Sdn. Bhd.	Dormant	100	100	Malaysia
Uptown Promenade Sdn. Bhd.	Dormant	100	100	Malaysia

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE, 2008 (CONT'D)

Name of Company	Principal Activities	Effective 2008 %	Interest 2007 %	Country of Incorporation
Subsidiary of Latitude Tree Sdn. Bhd. - Latitude Tree Vietnam Joint Stock Company (formerly known as Latitude Tree (Vietnam) Co. Ltd.) *	Manufacture and sale of wooden furniture and components	-	100	Vietnam
Subsidiary of L-Tree Resources Sdn. Bhd. - P.T. Latitude Tree *	Dormant	100	100	Indonesia
Subsidiary of Grob Holz Sdn. Bhd. - Grob Holz Company Limited *	Manufacture and sale of rubberwood parts and components	51	51	Thailand
Subsidiary of Latitude Tree Pte. Ltd. - Latitude Tree Vietnam Joint Stock Company (formerly known as Latitude Tree (Vietnam) Co. Ltd.)	Manufacture and sale of wooden furniture and components	100	-	Vietnam
Subsidiary of Latitude Tree Vietnam Joint Stock Company (formerly known as Latitude Tree (Vietnam) Co. Ltd.) - RK Resources Co. Ltd. *	Manufacture and sale of household furniture	100	100	Vietnam

* Audited by another firm of auditors.

Consolidated using management accounts.

There are no effect of the acquisition of subsidiary on the financial results of the Group for the financial year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE, 2008 (CONT'D)

7. DEFERRED TAX ASSETS AND LIABILITIES

The movements during the financial year relating to deferred tax are as follows :

	Group	
	2008	2007
	RM '000	RM '000
At 1 July, 2007 / 2006	4,329	4,100
Recognised in the income statement (Note 25)	(694)	229
Translation differences	3	-
At 30 June	3,638	4,329

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority. The following amounts, determined after appropriate offsetting, are shown in the balance sheet :

	Group	
	2008	2007
	RM '000	RM '000
Deferred tax assets (before off-setting)		
Unabsorbed capital allowances	2,737	395
Unutilised tax losses	862	1,816
	3,599	2,211
Off-setting	(3,582)	(2,110)
Deferred tax assets (after off-setting)	17	101
Deferred tax liabilities (before off-setting)		
Property, plant and equipment	7,237	6,540
Off-setting	(3,582)	(2,110)
Deferred tax liabilities (after off-setting)	3,655	4,430
Net deferred tax liabilities	3,638	4,329

8. INVENTORIES

	Group	
	2008	2007
	RM '000	RM '000
At cost :		
Finished goods	13,523	15,564
Work-in-progress	26,180	24,813
Raw materials	30,410	41,862
	70,113	82,239

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE, 2008 (CONT'D)

9. TRADE RECEIVABLES

The currency exposure profile of trade receivables is as follows:

	Group	
	2008	2007
	RM '000	RM '000
Ringgit Malaysia	1,387	414
United States Dollar	31,663	18,298
Thai Baht	292	-
	33,342	18,712

The Group's normal trade credit term ranges from 30 to 90 days. Other credit terms are assessed and approved on a case by case basis.

The Group has no significant concentration of credit risk that may arise from exposures to a single debtor or to group of debtors.

10. OTHER RECEIVABLES

	Group		Company	
	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000
Other receivables	15,229	16,897	-	-
Less : Allowance for doubtful debts	(23)	-	-	-
	15,206	16,897	-	-
Prepayments	985	1,620	1	20
Deposits	392	751	-	-
	16,583	19,268	1	20

The other receivables are payable on demand.

Included in other receivables of the Group are :

- (i) Balance of sale consideration of RM9,480,000 (2007 : Nil) for disposal of long leasehold land and buildings.
- (ii) Import duty and other direct taxes receivable in foreign subsidiaries of RM4,350,863 (2007: RM15,497,685).

The currency exposure profile of other receivables is as follows:

	Group	
	2008	2007
	RM '000	RM '000
Ringgit Malaysia	10,069	817
Thai Baht	118	275
United States Dollar	5,015	15,805
Singapore Dollar	4	-
	15,206	16,897

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE, 2008 (CONT'D)

11. DUE FROM / TO SUBSIDIARIES

Company

The amounts due from / to subsidiaries are unsecured, non-trade in nature, interest free and have no fixed term of repayment.

12. TERM DEPOSITS

	Group		Company	
	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000
Deposits with licensed banks	13,311	15,662	10,974	10,647

Term deposits of the Group and Company of RM13,311,064 (2007 : RM15,662,246) and RM10,974,768 (2007 : RM10,646,826) respectively placed in licensed banks are pledged to the banks as security for banking facilities granted to the subsidiaries.

The weighted average interest rates and maturity period of deposits at the balance sheet date were 3.0% (2007: 3.1%) and 54 days (2007: 181 days) respectively.

13. NON-CURRENT ASSETS HELD FOR SALE

Non-current assets held for sale comprise land and buildings, which have been presented as held for sale following the Group management decision and firm commitment to sell the land and buildings.

	Group		Company	
	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000
At beginning of the financial year, following the adoption of FRS 5 :				
- reclassification from property, plant and equipment (Note 4 and Note 5)	-	9,866	-	-
Impairment loss during the financial year				
- revaluation reserve	-	(770)	-	-
- income statement (Note 21)	-	(896)	-	-
	-	8,200	-	-
Represented by :				
Leasehold land	-	2,870	-	-
Leasehold buildings	-	5,330	-	-
	-	8,200	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE, 2008 (CONT'D)

14. SHARE CAPITAL

	Number of ordinary shares of RM1 each		Amount	
	2008	2007	2008 RM '000	2007 RM '000
Authorised	200,000	200,000	200,000	200,000
Issued and fully paid	64,805	64,805	64,805	64,805

15. RESERVES

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Non-distributable :				
Share premium	1,225	1,225	1,225	1,225
Revaluation reserve	1,114	1,514	-	-
Foreign currency translation reserve	(8,127)	(2,143)	-	-
	(5,788)	596	1,225	1,225
Distributable :				
Retained profits				
At 30 June	101,336	92,787	23,041	26,399
	95,548	93,383	24,266	27,624

Under the single-tier tax system which came into effect from the year of assessment 2008, companies are not required to have tax credit under Section 108 of the Income Tax Act, 1967 for dividend payment purposes. Dividend paid under this system is tax exempt in the hands of shareholders.

Companies with Section 108 credits as at 30 June, 2008 may continue to pay franked dividend until the Section 108 credits are exhausted or 31 December 2013 whichever is earlier unless they opt to disregard the Section 108 credits to pay single-tier dividends under the special transitional provisions of the Finance Act, 2007.

The Company did not elect for the irrevocable option to disregard the Section 108 balance. Accordingly, during the transitional period of six years expiring on 31 December 2013, the Company may utilise the credit in the Section 108 balance as at 30 June 2008 to distribute cash dividend payments to ordinary shareholdings as defined under the Finance Act, 2007.

Subject to agreement with the Inland Revenue Board, the Section 108 tax credit under the Income Tax Act, 1967 available is sufficient to frank future payment of net dividends of approximately RM1,848,270 (2007: RM1,612,650). In addition the Company has tax exempt income available as at 30 June, 2008 to frank tax exempt dividends of approximately RM32,777,391 (2007: RM35,436,294).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE, 2008 (CONT'D)

16. HIRE PURCHASE PAYABLES

	Group	
	2008	2007
	RM '000	RM '000
Minimum hire purchase payments :		
Within 1 year	720	1,535
More than 1 year and less than 2 years	446	704
More than 2 years and less than 5 years	118	77
	1,284	2,316
Less : Future finance charges	(76)	(119)
Present value of hire purchase liabilities	1,208	2,197
Present value of hire purchase liabilities		
Within 1 year	664	1,446
After 1 and up to 2 years	428	676
After 2 and up to 5 years	116	75
	1,208	2,197
Analysed as :		
Current	664	1,446
Non-current	544	751
	1,208	2,197

The hire purchase liabilities bore effective interest rate at the balance sheet date of 3.47% (2007: 3.61%) per annum.

The currency exposure profile of hire purchase payables is as follows:

	Group	
	2008	2007
	RM '000	RM '000
Ringgit Malaysia	1,000	1,785
Thai Baht	208	412
	1,208	2,197

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE, 2008 (CONT'D)

17. BANK BORROWINGS

	Group		Company	
	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000
Current :				
Secured				
Bank overdrafts	6,996	15,635	12	-
Bankers' acceptance	10,230	19,597	-	-
Trust receipts	47,044	42,620	-	-
Bills payable	5,871	2,474	-	-
Term loans {Note (a)}	9,159	11,725	-	-
	79,300	92,051	12	-
Non-current :				
Secured Term loans {Note (a)}	25,831	35,122	-	-
Unsecured Primary Collateralised Loan Obligation {Note (b)}	35,000	35,000	35,000	35,000
	60,831	70,122	35,000	35,000

The currency exposure profile of bank borrowings is as follows:

	Group	
	2008	2007
	RM '000	RM '000
Trust receipts		
United States Dollar	47,044	42,620
Bills payable		
Thai Baht	5,871	2,474
Term loans		
Ringgit Malaysia	3,291	5,316
Thai Baht	11,040	14,569
United States Dollar	20,659	26,962
	34,990	46,847

The bank overdrafts, bankers' acceptances and Primary Collateralised Loan Obligation are denominated in Ringgit Malaysia.

The bank overdrafts, bankers' acceptances, trust receipts and term loans are secured by a pledge of fixed deposits, negative pledge on the assets and charge over the property, plant and equipment of certain subsidiaries and corporate guarantees by the Company.

The range of interest rates per annum at the balance sheet date for borrowings were as follows:

	Group		Company	
	2008	2007	2008	2007
	%	%	%	%
Term loans	6.09 - 8.50	5.85 - 10.94	-	-
Bank overdrafts	7.75 - 8.25	7.40 - 8.25	-	-
Bankers' acceptances	3.41 - 4.96	2.64 - 4.62	-	-
Trust receipts	3.87 - 7.20	6.25 - 7.16	-	-
Bills payable	6.12 - 8.00	6.25 - 7.00	-	-
Primary Collateralised Loan Obligation	5.63 - 6.50	5.63 - 6.50	5.63 - 6.50	5.63 - 6.50

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE, 2008 (CONT'D)

(a) Term loans

	Group	
	2008	2007
	RM '000	RM '000
Maturity of term loans :		
Not later than 1 year	9,159	11,725
Later than 1 year and not later than 2 years	8,104	9,125
Later than 2 years and not later than 5 years	15,458	24,708
More than 5 years	2,269	1,289
	34,990	46,847

(b) Primary Collateralised Loan Obligations

- (i) On 21 May 2004, the Company obtained a 5 year unsecured term loan of RM15,000,000 under a Primary Collateralised Loan Obligation Programme arranged by Alliance Merchant Bank. The funds were utilised primary for upgrading of plant and machinery of factories at Terengganu, Kapar, Ijok and the expansion of Vietnam's factory. The term loan bears interest rate of 6.5% per annum and is to be repaid in one bullet payment at the end of the loan period.

Under the Facility Agreement entered into with Alliance Merchant Bank (the "Lender") and Kerisma Berhad (the "Issuer"), a company specially incorporated for the purpose of implementing and carrying out a primary collateralised loan obligations transaction where the Issuer will issue Bonds to finance its purchase of Transferred Assets, the Lender will sell, transfer and assign its rights, title and interest to the loan proceeds (the "Transferred Assets") to the Issuer. The Company has subscribed for the Subordinated Bonds of RM1,500,000.

- (ii) On 8 January, 2007, the Company obtained a 5 year unsecured term loan on RM20,000,000 under a Primary Collateralised Loan Obligation Programme arranged by RHB Investment Berhad. The funds were utilised primary for working capital and general corporate purposes of the Company and its subsidiaries. The term loan bears interest rate of 5.63% per annum and is to be repaid in one bullet payment at the end of the loan period.

Under the Facility Agreement entered into with RHB Investment Bank Berhad (the "Lender") and Prima Uno Berhad (the "Issuer"), a company specially incorporated for the purpose of implementing and carrying out a primary collateralised loan obligations transaction where the Issuer will issue Bonds to finance its purchase of Transferred Assets, the Lender will sell, transfer and assign its rights, title and interest to the loan proceeds (the "Transferred Assets") to the Issuer. The Company has subscribed for the Subordinated Bonds of RM2,000,000.

18. TRADE PAYABLES

The currency exposure profile of trade payables is as follows:

	Group	
	2008	2007
	RM '000	RM '000
Ringgit Malaysia	6,013	7,852
Thai Baht	417	270
United States Dollar	37,992	22,070
	44,422	30,192

The normal trade credit term granted to the Group ranges from 7 to 90 days.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE, 2008 (CONT'D)

19. OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000
Other payables	5,271	4,816	-	-
Accruals	11,444	21,452	78	75
	16,715	26,268	78	75

The currency exposure profile of other payables and accruals is as follows:

	Group	
	2008	2007
	RM '000	RM '000
Ringgit Malaysia	4,741	6,539
Thai Baht	467	522
United States Dollar	11,504	19,207
Singapore Dollar	3	-
	16,715	26,268

Included in accruals of the Group are :

- (i) RM45,500 (2007: RM41,000) due to directors for directors' remuneration. These amounts are unsecured, interest free and have no fixed term of repayment.
- (ii) RM4,516,009 (2007: RM13,915,274) accrued for import duty and other direct taxes payable in foreign subsidiaries.

20. REVENUE

	Group		Company	
	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000
Sale of wooden furniture and components	404,176	411,706	-	-
Management fees income from subsidiaries	-	-	240	240
	404,176	411,706	240	240

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE, 2008 (CONT'D)

21. PROFIT / (LOSS) FROM OPERATIONS

	Group		Company	
	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000
This is arrived at				
After charging :				
Amortisation of prepaid lease payments	494	693	-	-
Auditors' remuneration				
- holding company auditors	96	96	11	11
- other auditors	174	79	-	-
- over provision in previous year	(5)	(5)	-	-
Bad debts written off	23	4	-	-
Depreciation of property, plant and equipment	13,293	14,298	-	-
Deposits written off	2	52	-	-
Directors' remuneration (Note 23)				
- fees	288	222	288	222
- salaries and other emoluments	1,187	1,182	40	33
Impairment loss on non-current assets held for sale	-	896	-	-
Impairment loss on investment	750	-	750	-
Inventories written down	400	-	-	-
Inventories written off	38	-	-	-
Loss on foreign exchange				
- realised	560	-	-	-
Property, plant and equipment written off	21	5	-	-
Rental	1,017	839	-	-
Staff cost (Note 22)	58,402	60,328	-	-
And crediting :				
Bond interest received	66	-	66	-
Gain on disposal of property, plant and equipment	378	157	-	-
Gain on disposal of leasehold land	35	-	-	-
Gain on foreign exchange				
- realised	-	522	-	-
- unrealised	434	448	-	-
Insurance claim received	40	53	-	-
Rental income	5	5	-	-
Term deposit interest income	671	611	328	314
Management fees income from subsidiaries	-	-	240	240

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE, 2008 (CONT'D)

22. STAFF COSTS

	Group	
	2008	2007
	RM '000	RM '000
Salaries and wages	51,021	53,654
Social security costs	2,527	2,279
Pension costs - defined contribution plans	1,711	1,980
Other staff related expenses	3,143	2,415
	58,402	60,328

23. DIRECTORS' REMUNERATION

	Group		Company	
	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000
Directors of the Company				
Executive :				
Lin, Tzu-Lang				
Lin, Tzu-Keng				
Lin Chen, Jui-Fen				
Salaries and other emoluments	727	709	-	-
Fees	72	72	72	72
Allowances	10	10	10	10
Bonus	99	99	-	-
	908	890	82	82
Non-Executive :				
Dato' Haji Shaharuddin Bin Haji Haron				
Toh Seng Thong				
Yek Siew Liong				
Fees	216	150	216	150
Allowances	12	11	12	11
Bonus	18	12	18	12
	246	173	246	173
Other directors of the Group				
Salaries and other emoluments	315	335	-	-
Bonus	6	6	-	-
	321	341	-	-
Total	1,475	1,404	328	255

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE, 2008 (CONT'D)

The number of directors of the Group whose total remuneration during the year fall within the following bands is as follows:

	Number of Directors	
	2008	2007
Directors of the Company		
Executive directors:		
Below RM50,000	-	-
RM50,001 - RM100,000	1	1
RM100,001 - RM150,000	-	-
RM150,001 - RM200,000	-	1
RM200,001 - RM250,000	1	-
RM250,001 - RM300,000	-	-
RM300,001 - RM350,000	-	-
RM350,001 - RM400,000	-	-
RM400,001 - RM450,000	-	-
RM450,001 - RM500,000	-	1
RM500,001 - RM550,000	-	-
RM550,001 - RM600,000	-	-
RM600,001 - RM650,000	1	-
Non-Executive directors:		
Below RM50,000	-	-
RM50,001 - RM100,000	3	2
Other directors of the Group		
Executive director :		
Below RM50,000	1	-
RM50,001 - RM100,000	1	2
RM100,001 - RM150,000	-	-
RM150,001 - RM200,000	1	-

24. FINANCE COSTS

Included in finance costs are :

	Group		Company	
	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000
Interest expenses :				
- bank overdraft	1,067	1,147	-	-
- bankers' acceptance	782	1,144	-	-
- bills payable	16	6	-	-
- hire purchase	104	233	-	-
- term loan	3,735	4,512	-	-
- trust receipts	3,965	2,003	-	-
- others	12	-	-	-
	9,681	9,045	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE, 2008 (CONT'D)

25. TAXATION

	Group		Company	
	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000
Malaysian income tax				
- charge for the year	582	150	68	150
(Over) / Under provision in prior year	(6)	18	-	(23)
Deferred tax (Note 7)				
- relating to origination and reversal of temporary differences	(694)	229	-	-
	(118)	397	68	127

Reconciliation of effective tax rate:

	Group		Company	
	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000
Profit / (Loss) before taxation	8,367	9,190	(633)	91
Taxation at Malaysian statutory tax rate of 26% (2007 : 27%)	2,175	2,481	(164)	24
Effect of reduced in tax rate of 20%	(2,040)	-	-	-
Expenses not deductible for tax purposes	4,258	4,667	232	126
Income not subject to tax	(4,798)	(6,620)	-	-
Temporary differences not recognised during the year	703	-	-	-
Utilisation of previously unrecognised unabsorbed tax losses and unutilised capital allowances	(410)	(149)	-	-
(Over) / Under provision in prior year	(6)	18	-	(23)
	(118)	397	68	127

The Group has unutilised capital allowances and reinvestment allowances of approximately RM11,771,200 (2007: RM7,705,575) and RM27,209,700 (2007 : RM25,323,700) respectively available for set off against future taxable income subject to agreement with the Inland Revenue Board.

The foreign subsidiaries in Vietnam are entitled to corporate income tax exemption for the first four years from the first profit making year and a reduction of 50% tax reduction for the following four years.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE, 2008 (CONT'D)

26. EARNINGS PER SHARE

Basic / Diluted Earnings Per Share

The basic diluted earnings per share is calculated based on the net profit for the year of RM10,806,000 (2007 : RM10,263,000) and on weighted average number of ordinary shares in issue during the year of RM64,805,000 (2007 : RM64,805,000).

27. DIVIDENDS

	Group and Company		Dividend per share	
	Amount of tax exempt dividend 2008 RM'000	2007 RM'000	2008 sen	2007 sen
Final dividend paid :				
- financial year ended 30 June, 2006	-	5,831	-	9.0
- financial year ended 30 June, 2007	2,657	-	4.1	-
	2,657	5,831	4.1	9.0

At the forthcoming Annual General Meeting, a final dividend in respect of the current financial year ended 30 June, 2008 of 4.0 sen on 64,805,000 ordinary shares amounting to a total of RM2,592,200 will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in the shareholders' equity as an appropriation of retained profits in the next financial year ending 30 June, 2009.

28. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

During the year the Group acquired property, plant and equipment with cost of RM22,930,720 (2007: RM45,546,778) of which RM570,000 (2007: RM790,963) was acquired by hire purchase agreements and RM22,360,720 (2007: RM44,755,815) by cash payments.

29. CASH AND CASH EQUIVALENTS

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Cash and bank balances	16,869	23,688	17	38
Term deposits	13,311	15,662	10,974	10,647
Bank overdrafts	(6,996)	(15,635)	(12)	-
	23,184	23,715	10,979	10,685
Less :				
Term deposits not available for use by the Group and the Company	(13,311)	(15,662)	(10,974)	(10,647)
	9,873	8,053	5	38

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE, 2008 (CONT'D)

30. SIGNIFICANT RELATED PARTY TRANSACTIONS

(a) In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the year :

	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000
Management fees income from subsidiaries				
- Latitude Tree Furniture Sdn. Bhd.	-	-	120	120
- Rhong Khen Industries Sdn. Bhd.	-	-	120	120

(b) Compensation of key management personnel

The key management personnel of the Group and the Company are its directors. The remuneration of directors during the year are disclosed in Note 23.

31. SIGNIFICANT EVENTS

(a) On 8 October, 2007 the Company incorporated a wholly-owned subsidiary in Singapore, Latitude Tree Pte. Ltd. as an investment holding company with a paid up share capital of SGD1.00.

(b) On 21 November, 2007, Rhong Khen Industries Sdn. Bhd., a wholly-owned subsidiary of the Company, entered into a Sale and Purchase Agreement with Tomta Furniture Manufacturer Sdn. Bhd. to dispose two (2) pieces of leasehold land with a three (3) storey office block and four (4) units of single storey factory buildings erected thereon measuring 12,132 square metres and 12,140 square metres respectively known as Mukim Ijok, Tempat Batu 25, Jalan Kepong, Ijok, Daerah Kuala Selangor, Negeri Selangor for a total cash consideration of RM8.2 million.

(c) On 14 January, 2008 the Company undertook an internal restructuring with its wholly-owned subsidiary Latitude Tree Sdn. Bhd. disposing off its entire shareholding in Latitude Tree Vietnam Joint Stock Company (formerly known as Latitude Tree (Vietnam) Co. Ltd.) ("LTV") including RK Resources Co. Ltd, a wholly owned subsidiary of LTV to its wholly-owned subsidiaries, Latitude Tree Pte. Ltd. ("LTPL"), Latitude Tree International Ltd. ("LTIL") and Lingkage Creation International Co. Ltd. ("LCI") for a total cash consideration of VND314,496,000,000 (equivalent to RM66,830,400). Subsequent to the restructuring, LTPL held 99.99% of the equity interest in LTV whilst LTIL and LCI held legal / paid up capital of USD1.00 each in LTV.

(d) On 29 October, 2008 the Company has decided to suspend the proposed listing of LTV on Ho Chi Minh City Stock Exchange due to the current global financial crunch and severe stock market downturn in Vietnam. The Company is now contemplating to list LTV on the Singapore Stock Exchange via its wholly-owned subsidiary, LTPL to gain access to the capital market in Singapore for any future fund raising for capital expansion and enhancement in earnings.

32. COMMITMENTS

Capital commitments

Capital expenditure on property, plant and equipment not provided for in the financial statements is as follows :

	Group	
	2008	2007
	RM '000	RM '000
Authorised and contracted for	1,253	1,057

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE, 2008 (CONT'D)

Operating lease commitments

The future minimum lease payments under non-cancellable operating leases are as follows:

	Group	
	2008	2007
	RM '000	RM '000
Within 1 year	191	205
Within 2 to 5 years	764	819
More than 5 years	10,556	11,525
	11,511	12,549

33. CONTINGENT LIABILITIES (UNSECURED)

	Company	
	2008	2007
	RM '000	RM '000
Corporate guarantees given to financial institutions in respect of facilities granted to subsidiaries	184,154	228,706

34. FINANCIAL INSTRUMENTS

(a) Forward foreign exchange contract

Forward foreign exchange contract is entered into by the Group to manage exposure to fluctuations in foreign currency exchange rate on specific transaction. In general, the Group's policy is to enter into forward foreign exchange contracts for confirmed foreign currency receipts when it is deemed necessary.

At 30 June, 2008, the settlement dates on open forward contracts ranged between 3 months to 6 months. The foreign currency amounts and contractual exchange rate of the Group's outstanding contracts are as follows:

Hedged item	Currency to be received	RM equivalents	Contractual rate
Trade receivable: USD3,728,541	United States Dollar	12,028,271	1 USD = RM3.2266

The fair values of outstanding forward contracts of the Group at the balance sheet date approximate their book values.

(b) Credit risk

The Group and Company has no significant concentrations of credit risk except that the majority of its deposits are placed with major financial institutions in Malaysia and Vietnam.

(c) Fair values

The fair value of financial assets and financial liabilities of the Group and of the Company approximate their carrying values as at the balance sheet date.

It is not practicable to estimate the fair value of contingent liabilities as referred to in Note 33 due to the uncertainties of timing, costs and eventual outcome.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE, 2008 (CONT'D)

The following methods and assumptions are used to estimate the fair values of the following classes of financial instruments:

(i) Cash and Cash Equivalents, Trade and Other Receivables / Payables and Short Term Borrowings.

The carrying amounts approximate fair value due to the relatively short term maturity of these financial instruments.

(i) Borrowings – Term Loans

The fair values of the term loans approximate the carrying amounts as the interest rates attached to these borrowings approximate the current interest rates for liabilities with similar risk profiles.

35. SEGMENTAL INFORMATION

Segment information is presented in respect of the Group's business and geographical segments. The primary format, business segments, is based on the Group's management and internal reporting structure. Inter-segment pricing is determined based on negotiated terms. Such transfers are eliminated on consolidation.

Business segments

The Group's business segment is mainly comprised 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, Thailand and Indonesia .

In presenting information on the basis of geographical segments, segment revenue and profit / (loss) before taxation are based on the geographical location of assets. Segment assets and capital expenditure are also based on the geographical location of assets.

	Malaysia		Vietnam		Thailand		Others		Group	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Total revenue	222,150	292,483	258,794	231,940	15,409	13,697	-	-	496,353	538,120
Inter segment revenue	(60,782)	(101,326)	(30,505)	(20,667)	(890)	(4,421)	-	-	(92,177)	(126,414)
External revenue	161,368	191,157	228,289	211,273	14,519	9,276	-	-	404,176	411,706
(Loss) / Profit before taxation	(8,628)	(10,246)	21,760	22,481	(4,736)	(3,004)	(29)	(41)	8,367	9,190

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE, 2008 (CONT'D)

The following is an analysis of the carrying amount of segment assets and capital expenditure by geographical area of the Group in which the assets are located :

	Carrying amount of segment assets		Capital expenditure	
	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000
		Restated		
Malaysia	153,871	191,807	4,350	4,964
Vietnam	189,266	164,282	15,802	37,094
Thailand	29,646	35,782	2,779	3,488
Others	75	272	-	-
	372,858	392,143	22,931	45,546

36. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to confirm with the current year's presentation.

	Group	
	As restated	As previously stated
	RM'000	RM'000
Balance sheets :		
Property, plant and equipment	192,766	217,124
Prepaid lease payments	24,358	-
Deferred tax assets	101	2,211
Other receivables	19,268	22,836
Tax recoverable	3,568	-
Deferred tax liabilities	4,430	6,540
Income statements :		
Depreciation of property, plant and equipment	14,298	14,835
Impairment loss on property, plant and equipment	-	156
Amortisation of prepaid lease payments	693	-
Cash flow statement :		
Depreciation of property, plant and equipment	14,298	14,835
Impairment loss on property, plant and equipment	-	156
Amortisation of prepaid lease payments	693	-

PROPERTIES HELD BY THE COMPANY & ITS SUBSIDIARIES AS AT 30 JUNE 2008

Location	Description	Tenure	Year Lease Expiring	Age of Building (years)	Site Area (sq.ft.)	Net Book Value (RM'000)	Date of Revaluation (R)/ Acquisition (A)
Lot 3356, Batu 7 3/4, Jalan Kapar, 42200 Kapar, Selangor Darul Ehsan.	1 plot of industrial land with 2 blocks of factory building & 1 two-storey office block	Freehold	N/A	15.0	167,433	7,897	25/9/2002 (R)
Lot 3360, Batu 7 3/4, Jalan Kapar, 42200 Kapar, Selangor Darul Ehsan.	1 plot of industrial land with 1 block of factory building	Freehold	N/A	10.0	171,518	9,417	19/3/2003 (A)
PT 5322, Kawasan Perindustrian Ajil, Fasa 2, Batu 21, Jalan Ajil, Kuala Berang 21800 Ulu Terengganu Terengganu	Industrial land with 9 blocks of factory building & 1 single- storey office building	Leasehold	2058	10.0	669,086	11,043	3/8/1999 (A)
PT 5324, Kawasan Perindustrian Ajil, Fasa 2, Batu 21, Jalan Ajil, Kuala Berang, 21800 Ulu Terengganu, Terengganu	Industrial land with 3 blocks of factory building	Leasehold	2058	8.0	660,880	8,438	30/5/2000 (A)
PT 9090, Kawasan Perindustrian Ajil, Mukim Tanggul, Hulu Terengganu, Terengganu	Vacant Industrial Land	Leasehold	2058	N/A	153,924	186	15/10/2003 (A)
Plot No. 8, Kawasan Perindustrian Telok Kalong Kemaman, Terengganu	Vacant Industrial Land	Leasehold	2061	N/A	596,966	3,104	20/5/2001 (A)
GM3838 Lot No. 519, Batu 8, Jalan Kapar, 42200 Kapar Selangor Darul Ehsan.	Industrial land with 1 block of factory building & 1 double- storey office building	Freehold	N/A	6.00	196,020	9,181	2/5/2001(R)
GM2582, Lot No. 518 Batu 8, Jalan Kapar 42200 Kapar, Selangor Darul Ehsan	Industrial land with 2 blocks of factory building	Freehold	N/A	16.0	195,748	11,199	14/4/2003 (A)
HS 270, PT No. 5920 Batu 8 1/2, Jalan Kapar, 42200 Kapar, Selangor Darul Ehsan	Agricultural land with 4 blocks of workers' quarter	Leasehold	2071	14.0	103,727	522	14/4/2003 (A)
H.S.(M) 35437, PT 56964 , Batu 8 , Jalan Kapar. 42200 Kapar, Selangor Darul Ehsan	Workers' quarters	Freehold	N/A	1	59,890	2,336	18/12/2006 (A)

PROPERTIES HELD BY THE COMPANY & ITS SUBSIDIARIES AS AT 30 JUNE 2008 (CONT'D)

Location	Description	Tenure	Year Lease Expiring	Age of Building (years)	Site Area (sq.ft.)	Net Book Value (RM'000)	Date of Revaluation (R)/ Acquisition (A)
No. 29, Road DT 743, Song Than II, Industrial Zone, Di An District, Binh Duong Province Vietnam	Industrial land with 5 blocks of factory building & 1 office building	Leasehold	2045	7.0	637,869	12,402	February 2001 (A)
Lot L, Road 27, Song Than II, Industrial Zone, Di An District, Binh Duong Province Vietnam	Industrial land with 1 block of warehouse building	Leasehold	2045	2.0	140,243	4,638	March 2006 (A)
Lot 241, 242, 249,250, 251, Lai Uyen Village, Ben Cat District, Binh Duong Province Vietnam	Industrial Land with 4 blocks of factory building	Leasehold	2052	3.25	780,081	11,603	May 2002 (A)
Lot 231, 240, Lai Uyen Village, Ben Cat District, Binh Duong Province Vietnam	Industrial Land with 4 blocks of factory building	Leasehold	2052	1.25	1,011,042	20,435	May 2002 (A)
Lot 77, 232, 243, 244, Lai Uyen Village, Ben Cat District, Binh Duong Province Vietnam	Vacant Industrial Land	Leasehold	2052	N/A	1,035,961	2,171	May 2002 (A)
Lot 299 Lai Uyen Village, Ben Cat District, Binh Duong Province Vietnam	Industrial land with 2 blocks of workers' quarter	Leasehold	2052	1.50	1,132,448	4,541	November 2006 (A)
Title Deed No. 18571/18572/19359/19942/19943 Moo 1, Tung Mo Subdistrict, Sadao District, Songkhla Province, Thailand.	Industrial land with 3 blocks of factory building & 4 blocks of workers' quarter	Freehold	N/A	2.17	869,022	12,771	21/1/2005 (A)
Title Deed No. 18604, Moo 1, Tung Mo Subdistrict, Sadao District, Songkhla Province, Thailand.	Vacant industrial land	Freehold	N/A	N/A	333,860	399	21/1/2005 (A)

ANALYSIS OF SHAREHOLDINGS

AS AT 17 OCTOBER, 2008

Authorised Capital	RM200,000,000
Issued and Fully Paid-up Capital	RM64,805,000
Class of Shares	Ordinary Shares of RM1.00 each fully paid
Voting Rights	One vote per RM1.00 share

DISTRIBUTION OF SHAREHOLDINGS

Range of Shareholdings	No. of Holders	% of Total Holders	No. of Shares Held	% of Issued Capital
1 - 99	99	8.23%	4,796	0.01%
100 - 1,000	182	15.13%	155,553	0.24%
1,001 - 10,000	821	68.25%	2,494,734	3.85%
10,001 - 100,000	72	5.99%	1,993,950	3.08%
100,001 - 3,240,249	23	1.91%	22,576,815	34.84%
3,240,250 and above	6	0.50%	37,579,152	57.99%
TOTAL	1,203	100.00%	64,805,000	100.00%

THIRTY LARGEST SHAREHOLDERS AS AT 17 OCTOBER, 2008

Name	No. of Shares Held	% of Issued Capital
1 LIN, TZU-LANG	7,110,250	10.97%
2 LIN, TZU-KENG	7,101,018	10.96%
3 CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR SILVERBELL CAPITAL SDN BHD	6,800,000	10.49%
4 KE-ZAN NOMINEES (TEMPATAN) SDN BHD KIM ENG SECURITIES PTE LTD FOR KONSORTIUM KONTREK SDN BHD	6,740,000	10.40%
5 LIN CHEN, JUI-FEN	6,027,884	9.30%
6 AMBANK (M) BERHAD PLEDGED SECURITIES ACCOUNT FOR LIN, TZU-KENG	3,800,000	5.86%
7 JF APEX NOMINEES (ASING) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LI, YI-PING	3,195,400	4.93%
8 KONSORTIUM KONTREK SDB BHD	3,000,000	4.63%
9 ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PHEIM ASSET MANAGEMENT SDN BHD FOR EMPLOYEES PROVIDENT FUND	2,275,500	3.51%
10 HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (HBFS-B CLT 500)	1,845,500	2.85%
11 JF APEX NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR EONPLUS INDUSTRY SDN BHD	1,743,100	2.69%
12 LIN, TZU-KENG	1,701,500	2.63%
13 PRB NOMINEES (TEMPATAN) SDN BHD RUBBER INDUSTRY SMALLHOLDERS DEVELOPMENT AUTHORITY	1,467,500	2.26%
14 LIN CHEN, JUI-FEN	1,312,750	2.03%
15 PUI CHENG WUI	1,042,900	1.61%
16 HO SUE BIA	771,648	1.19%
17 JF APEX NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHENG KIEN WING	740,550	1.14%
18 YVONNE YAP YOKE SUM	700,000	1.08%
19 SHEN CHAO MING	473,000	0.73%
20 OSK NOMINEES (TEMPATAN) SDN BERHAD PLEDGED SECURITIES ACCOUNT FOR CHUA SENG HUAT	473,000	0.73%

ANALYSIS OF SHAREHOLDINGS

AS AT 17 OCTOBER, 2008 (CONT'D)

Name	No. of Shares Held	% of Issued Capital
21 SHEN CHING CHI	472,000	0.73%
22 CHUAH GUAT KOOI	241,700	0.37%
23 JF APEX NOMINEES (TEMPATAN) SDN BHD PLEGDED SECURITIES ACCOUNT FOR ONG KOK WAH @ ANN KOK WAH	236,867	0.37%
24 LIM TONG YONG @ LIM TONG YAIM	214,000	0.33%
25 HSBC NOMINEES (ASING) SDN BHD HSBC-FS FOR CARL FRIEDRICH MARINO GUMPERT	150,000	0.23%
26 MAYBAN NOMINEES (TEMPATAN) SDN BHD CAPITAL DYNAMICS ASSET MANAGEMENT SDN BHD FOR ACE SYNERGY INSURANCE BERHAD	145,000	0.22%
27 PRB NOMINEES (TEMPATAN) SDN BHD RUBBER INDUSTRY SMALLHOLDERS DEVELOPMENT AUTHORITY	144,650	0.22%
28 CHENG KIEN WING	120,000	0.19%
29 SUN LIEN PI-CHU	110,250	0.17%
30 BONG CHIEW KEE	95,000	0.15%
	60,250,967	92.97%

SUBSTANTIAL SHAREHOLDERS AS AT 17 OCTOBER 2008

Name of Substantial Shareholders	Direct		Indirect	
	No. of Shares Held	% of Issued Capital	No. of Shares Held	% of Issued Capital
1 LIN, TZU-KENG	12,602,518	19.45%	7,344,134	11.33%
2 KONSORTIUM KONTREK SDB BHD	9,740,000	15.03%	-	-
3 SILVERBELL CAPITAL SDN BHD	6,800,000	10.49%	-	-
4 LIN CHEN, JUI-FEN	7,344,134	11.33%	12,602,518	19.45%
5 LIN, TZU-LANG	7,110,250	10.97%	-	-

DIRECTORS' SHAREHOLDINGS AS AT 17 OCTOBER 2008

Name of Directors	Direct		Indirect	
	No. of Shares Held	% of Issued Capital	No. of Shares Held	% of Issued Capital
1 LIN, TZU-KENG	12,602,518	19.45%	7,344,134	11.33%
2 LIN CHEN, JUI-FEN	7,344,134	11.33%	12,602,518	19.45%
3 LIN, TZU-LANG	7,110,250	10.97%	-	-
4 DATO HAJI SHAHARUDDIN BIN HAJI HARON	-	-	-	-
5 TOH SENG THONG	-	-	-	-
6 YEK SIEW LIONG	-	-	9,740,000	15.03%

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Fourteenth Annual General Meeting of the shareholders of LATITUDE TREE HOLDINGS BERHAD will be held at Putra Room, Kelab Golf Sultan Abdul Aziz Shah, No. 1, Rumah Kelab, Jalan Kelab Golf 13/6, 40100 Shah Alam, Selangor Darul Ehsan on Thursday, 18 December 2008 at 11.00 a.m. for the following purposes:-

AGENDA

1. To receive and adopt the Audited Financial Statements for the financial year ended 30 June 2008 together with Reports of the Directors' and the Auditors' thereon. Ordinary Resolution 1
2. To declare a first and final dividend of 4.0 sen per share (tax exempt) for the financial year ended 30 June 2008. Ordinary Resolution 2
3. To approve payment of Directors' fee for the financial year ended 30 June 2008. Ordinary Resolution 3
4. To re-elect the following Directors retiring under Article 85 of the Articles of Association of the Company:-
 - (i) Mr Lin, Tzu-Keng Ordinary Resolution 4
 - (ii) Mr Toh Seng Thong Ordinary Resolution 5
5. To consider and, if thought fit, pass the following resolution pursuant to Section 129(6) of the Companies Act, 1965:- Ordinary Resolution 6

“That pursuant to Section 129(6) of the Companies Act, 1965, Dato' Haji Shaharuddin bin Haji Haron be re-appointed as Director to hold office until the conclusion of the next Annual General Meeting of the Company.”
6. To re-appoint Messrs Y.C. Chong & Co as Auditors of the Company and to authorise the Directors to fix their remuneration. Ordinary Resolution 7

As Special Business

To consider and, if thought fit, to pass the following resolutions:-

7. AUTHORITY UNDER SECTION 132D OF THE COMPANIES ACT, 1965 FOR THE DIRECTORS TO ALLOT AND ISSUE SHARES

“THAT, pursuant to Section 132D of the Companies Act, 1965, the Directors be and are hereby authorised to allot and issue shares in the Company at any time until the conclusion of the next Annual General Meeting and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued does not exceed 10% of the issued share capital of the Company for the time being, subject always to the approval of all relevant Regulatory Authorities being obtained for such allotment and issuance.”

Ordinary Resolution 8

NOTICE OF DIVIDEND PAYMENT

NOTICE IS ALSO HEREBY GIVEN THAT the first and final dividend of 4.0 sen per share (tax exempt) for the financial year ended 30 June 2008, if approved, will be paid on 20 January 2009 to shareholders whose names appear on the Record of Depositors as at 30 December 2008.

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 30 December 2008 in respect of transfers; and
- b) Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

BY ORDER OF THE BOARD
TAI YIT CHAN (MAICSA 7009143)
WONG WAN THEEN (MAICSA 7039045)
YEOH JOE SON (MIA 9238)
Company Secretaries

Selangor Darul Ehsan
Date : 26 November 2008

NOTE :

1. A member entitled to attend and vote at the meeting is entitled to appoint not more than two (2) proxies to attend and vote in his stead. A proxy may but need not be a member of the Company and the provision of Section 149(1) (b) of the Companies Act, 1965 shall not apply to the Company.
2. Where a member appoints two (2) proxies to attend at the same meeting, the appointment shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.
3. If the appointor is a corporation, the proxy form must be executed under its common seal or under the hand of its officer or its duly authorised attorney.
4. The proxy form must be deposited at the registered office of the Company at Lot 6.05, Level 6, KPMG Tower, 8 First Avenue, Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan not less than forty-eight (48) hours before the time for holding the meeting.

EXPLANATORY NOTES ON SPECIAL BUSINESS

Ordinary Resolution 8 - Authority under Section 132D of the Companies Act, 1965 for the Directors to issue shares

The Resolution 8 proposed under item 7 of the Agenda, if passed, will empower the Directors to allot and issue shares in the Company up to an amount not exceeding in total ten per centum (10%) of the issued share capital of the Company for the time being for such purposes as the Directors consider would be in the interest of the Company. This authority, unless revoked or varied by the Company at a general meeting, will expire at the next Annual General Meeting.

PROXY FORM
LATITUDE TREE HOLDINGS BERHAD (302829-W)
(Incorporated in Malaysia)

CDS account no. of authorised nominee	No. of shares held

I/We, _____ IC No./ID No./Company No. _____
of _____

being a member of LATITUDE TREE HOLDINGS BERHAD hereby appoint _____
IC No./ID No./Company No. _____ of _____

or failing him/her, _____ IC No./ID No./Company No. _____
of _____

or failing him/her, *the Chairman of the Meeting as my/our proxy to vote and act for me/us, and on my/our behalf at the Fourteenth Annual General Meeting of the Company to be held at Putra Room, Kelab Golf Sultan Abdul Aziz Shah, No. 1, Rumah Kelab, Jalan Kelab Golf 13/6, 40100 Shah Alam, Selangor Darul Ehsan on Thursday, 18 December 2008 at 11.00 a.m. and at any adjournment thereof.

* Please delete the words “the Chairman of the Meeting” if you wish to appoint some other person to be your proxy.
My/our proxy is to vote as indicated below :

	Resolution	For	Against
Ordinary Resolution 1	Adoption of Audited Financial Statements for financial year ended 30 June 2008 together with Directors’ and Auditors’ Reports		
Ordinary Resolution 2	Declaration of a first and final dividend of 4.0 sen per share (tax exempt) for the financial year ended 30 June 2008		
Ordinary Resolution 3	Approval of Directors’ fee for the financial year ended 30 June 2008		
Ordinary Resolution 4	Re-election of Mr Lin, Tzu-Keng as Director		
Ordinary Resolution 5	Re-election of Mr Toh Seng Thong as Director		
Ordinary Resolution 6	Re-appointment of Dato’ Haji Shaharuddin bin Haji Haron as Director		
Ordinary Resolution 7	Re-appointment of Messrs Y.C. Chong & Co and to authorise the Directors to fix their remuneration		
Ordinary Resolution 8	Authority under Section 132D of the Companies Act, 1965 for the Directors to allot and issue shares		

Please indicate with an “X” in the spaces provided, how you wish your votes to be cast. If you do not do so, the proxy will vote or abstain from voting at his discretion.

For appointment of two proxies,
percentage of shareholdings to be
represented by the proxies:

Percentage	
Proxy 1	%
Proxy 2	%
Total	100%

Signature/Common Seal

Date: _____

NOTE :

1. A member entitled to attend and vote at the meeting is entitled to appoint not more than two (2) proxies to attend and vote in his stead. A proxy may but need not be a member of the Company and the provision of Section 149(1) (b) of the Companies Act, 1965 shall not apply to the Company.
2. Where a member appoints two (2) proxies to attend at the same meeting, the appointment shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.
3. If the appointor is a corporation, the proxy form must be executed under its common seal or under the hand of its officer or its duly authorised attorney.
4. The proxy form must be deposited at the registered office of the Company at Lot 6.05, Level 6, KPMG Tower, 8 First Avenue, Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan not less than forty-eight (48) hours before the time for holding the meeting.

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STAMP

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Please fold here

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