



LATITUDE TREE HOLDINGS BERHAD
(302829-W)

Annual Report 2009

Growing by Design.



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Corporate Information

BOARD OF DIRECTORS

Dato' Haji Shaharuddin Bin Haji Haron
Chairman / Senior Independent Non-Executive Director

Mr Lin, Tzu-Keng
Deputy Chairman /
Non-Independent & Non Executive Director

Mdm Lin Chen, Jui-Fen
Managing Director

Mr Lin, Tzu-Lang
Executive Director

Mr Toh Seng Thong
Independent Non-Executive Director

Mr Yek Siew Liong
Non-Independent Non-Executive Director

COMPANY SECRETARIES

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

NOMINATION COMMITTEE

Dato' Haji Shaharuddin Bin Haji Haron (Chairman)
Chairman / Senior Independent Non-Executive Director

Mr Toh Seng Thong
Independent Non-Executive Director

REMUNERATION COMMITTEE

Dato' Haji Shaharuddin bin Haji Haron (Chairman)
Chairman / Senior Independent Non-Executive Director

Mr Toh Seng Thong
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 Market 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 REGISTRAR

Tricor Investor Services Sdn. Bhd.
(formerly known as Tenaga Koperat Sdn Bhd).
Level 17, The Gardens North Tower,
Mid Valley City , Lingkaran Syed Putra,
59200 Kuala Lumpur
Telephone: 03 - 22643883
Facsimile: 03 - 22821886

AUDITORS

Y.C. Chong & Co. (AF 0636)
Chartered Accountants
500-2-7, 2nd Floor, Wisma Indah
Jalan Tun Razak, 50400 Kuala Lumpur

PRINCIPAL BANKERS

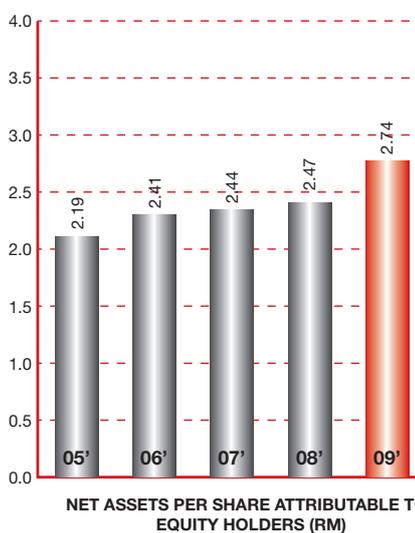
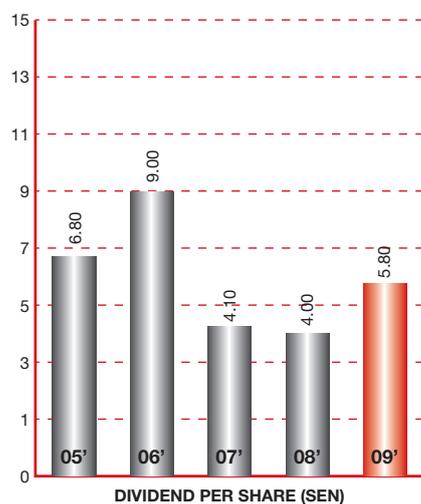
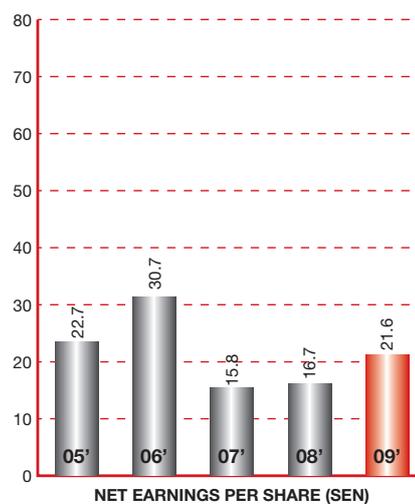
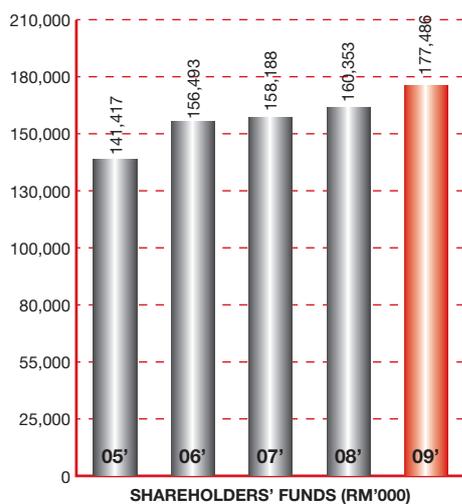
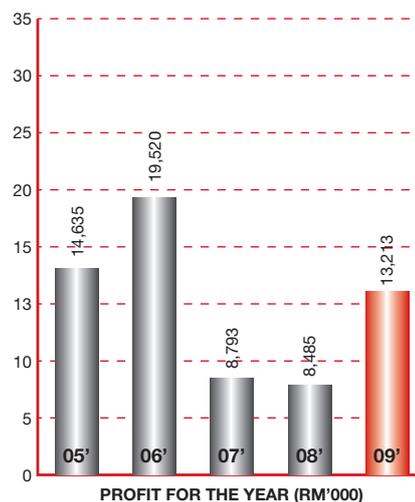
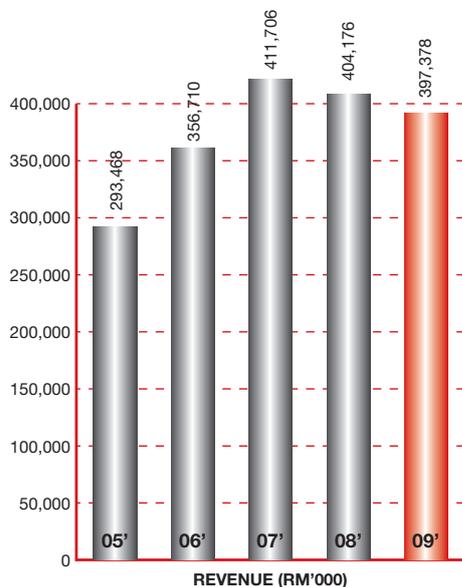
Ambank (Malaysia) Berhad
CIMB Bank Berhad
HSBC Bank Malaysia Berhad
Hong Leong Bank Berhad
Malayan Banking Berhad
Standard Chartered Bank Malaysia Berhad
United Overseas Bank (Malaysia) Berhad

Financial Highlights

Five Years Financial Highlights	2009 RM'000	2008 RM'000	2007 RM'000	2006 RM'000	2005 RM'000
REVENUE	397,378	404,176	411,706	356,710	293,468
PROFIT FOR THE YEAR	13,213	8,485	8,793	19,520	14,635
PROFIT ATTRIBUTABLE TO EQUITY HOLDERS	14,009	10,806	10,263	19,857	14,635
SHAREHOLDERS' FUNDS	177,486	160,353	158,188	156,493	141,417
NET ASSETS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS (RM)	2.74	2.47	2.44	2.41	2.19
NET EARNINGS PER SHARE (SEN)	21.6	16.7	15.8	30.7	22.7
DIVIDEND PER SHARE (SEN)	5.80*	4.00	4.10	9.00	6.80
DIVIDEND AMOUNT (RM'000)	3,759*	2,592	2,657	5,831	4,406

* 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,

On behalf of the Board of Directors, we are pleased to present the Annual Report and Financial Statements of the Group and of the Company for the financial year ended 30 June 2009.

OPERATING ENVIRONMENT

Generally, the Group was faced with a very challenging environment as demands stayed soft due to the global economic slowdown, in particular the fall in housing demand and new housing starts in the USA. However, the key improvement strategies and measures undertaken over the past years have begun to bear fruits. Vietnam-based factories continue to deliver strong results and losses in Malaysian-based and Thailand-based factories were contained. The ability to develop and produce new products to cater for the changing market demand for furniture, especially during the economic slowdown, where buyers are shifting their preference to smaller collection sets proved to be the springboard for our improved results in 2009.

FINANCIAL REVIEW

Despite the challenging operating environment, the Group reported a profit after taxation of RM13.21 million (2008: RM 8.49 million) on the back of revenue of RM397.38 million (2008: RM 404.18 million) for the year under review. The improvement was attributed to the continuous improvement strategies and measures undertaken, which helped to cushion the impact of the soft global demand, a better product mix and strong sales and profits from our Group's Vietnam-based factories.

DIVIDEND

The Board is pleased to recommend to shareholders a first and final dividend of 5.8 sen per share (tax exempt) for the financial year ended 30 June 2009, subject to the approval of the shareholders at the Annual General meeting to be convened on 16 December 2009.

CORPORATE AND BUSINESS DEVELOPMENT

The year under review was a busy and exciting year for the group in terms of corporate and business development. As a whole, these initiatives play a key role in enabling the Group to achieve its long-term aspiration to become a world class integrated household furniture manufacturer co-existing in harmony with nature and the society it serves.

One of the more notable developments during the year was the listing of Latitude Tree International Group Ltd ("LTIGL") on the Singapore Stock Exchange – Catalist Market (SGX-Catalist) on 19 August 2009. The placement of 36,000,000 new ordinary shares at the price of SGD 0.22 per share was fully subscribed and well-supported by financial institutions, high net-worth individuals and strategic investors. The proceeds from the placement will be used primarily for the upgrading and expansion of production facilities and the expansion of warehouse facilities in Vietnam-based factories.

Chairman & Managing Director's Statement (cont'd)

FUTURE AND PROSPECTS

The furniture industry globally has undergone tremendous levels of stress this year as the industry was affected by the spike in the prices of raw materials, high energy costs and unprecedented soft global demands.

Again, testament to our ability to develop and produce new products to cater for the fast changing market demand, we were less effected by the financial fallout as compared to some of our competitors. Should the global economy recovers, especially the US and UK / Europe markets, the Group will benefit from the pent-up demand for furniture as there will be less competition in the market, many manufacturers were forced to shut down by the global economic slowdown.

The Board expects the performance to be better for the financial year ending 30 June 2010.

APPRECIATION

On behalf of the Board, we would like to express our appreciation to the management team and all employees for their commendable achievements during 2009. This is clearly reflected in the higher profit after taxation besides the successful listing of LTIGL on SGX-Catalist. Thank you for your dedication and commitment to the Group.

We would also like to thank our fellow Board members for their continual guidance and counsel in steering the Group to its improved performance. In particular, we express our gratitude to Mr Lin Tzu-Keng, for his contributions during his tenure as Managing Director of the Company. Mr Lin resigned as the Company's Managing Director on 28 May 2009 to take up the role of Chief Executive Officer at LTIGL. However, he remained on the Board of Directors of the Company.

We would also like to extend our appreciation to our shareholders, customers and business partners for their continued support and confidence to the Latitude Tree Group.

Dato' Haji Shaharuddin Bin Haji Haron
Chairman

Lin Chen, Jui-Fen
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 emphasize 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 70% 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 99% of the Group's products are exported overseas to the United States of America, Canada, 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 7.8 million sq feet. The total current workforce is about 7,600.

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.

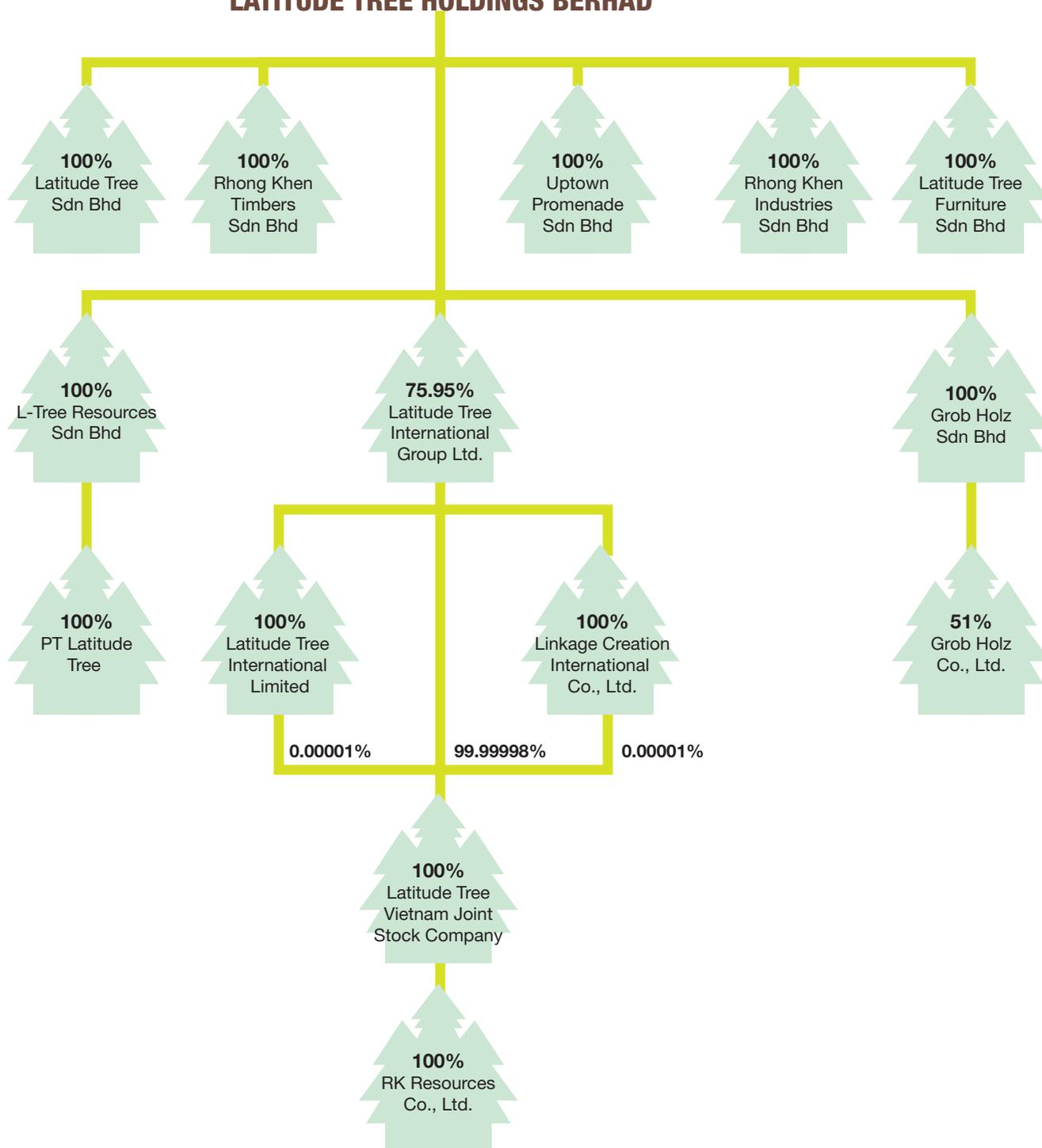
From the traditional piece-meal furniture, the Group has shifted strategically into the manufacture of whole set furniture since 1998 as a response to the emerging demand trends for whole set furniture. The Group has a team of in-house designers, technicians and developers who are able to develop products that meet customers' requirements and tastes for different markets.

The 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)



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 71, 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 government. 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 shareholder 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- KENG

Deputy Chairman /

Non-Independent Non-Executive Director

Mr Lin Tzu-Keng, aged 55, a Taiwanese, was appointed to the Board of Latitude Tree Holdings Berhad on 28 April 1997 as the Managing Director and was appointed

as Deputy Chairman with effect from 28 May 2009. Consequently, he was redesignated as a Non-Independent Non-Executive Director.

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, situated at Ijok, Kuala Selangor 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 is the Chief Executive Officer and Executive Director of Latitude Tree International Group Ltd, a subsidiary of the Company listed on the official list of Catalist on the Singapore Exchange Securities Trading Limited.

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 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.

MDM LIN CHEN, JUI-FEN

Managing Director

Mdm Lin Chen, Jui-Fen, aged 55, a Taiwanese, was appointed as Executive Director to the Board of Latitude Tree Holdings Berhad on 28 April 1997. Mdm Lin was appointed as the Managing Director of the Company in place of Mr Lin, Tzu-Keng with effect from 28 May 2009.

Mdm Lin is involved in the overall management of the Group's sales and market departments and human resources management. 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.

Profile of Board of Directors (cont'd)

MR LIN, TZU- LANG

Executive Director

Mr Lin Tzu-Lang, aged 67, a Taiwanese, was appointed to the Board of Latitude Tree Holdings Berhad on 28 April 1997 as the Deputy Chairman/Non-Independent Non-Executive Director and was redesignated as an Executive Director with effect from 28 May 2009. He has many years 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 TOH SENG THONG JP, PJK

Independent Non Executive Director

Mr Toh Seng Thong, aged 51, a Malaysian, was appointed to the Board of Latitude Tree Holdings Berhad on 18 August 2003. He is the Chairman of the 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 companies:

- Adventa Berhad

Mr Toh does not have any family relationship with any other Directors and/or substantial shareholder 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 49, a Malaysian, was appointed to the Board of Latitude Tree Holdings Berhad on 18 May 2007.

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

Mr Yek has 22 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. 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 shareholder 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

The Board of Directors is committed to ensure that good corporate governance is being practiced and maintained at all level of the Group to enhance shareholders' value and the financial performance of the Group.

This statement describes how the Company has applied the key principles and the extend of its compliance with best practices set out in the Malaysian Code on Corporate Governance for the financial year ended 30 June 2009 save for where otherwise identified and has been approved by the Board on 28 October 2009.

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 to 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, two (2) Non – Independent Non – Executive Directors and two (2) 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 9 to 10 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 wooden furniture, finance, auditing/ accounting and economics.

There is a clear division of responsibility between the Chairman and the Managing Director to ensure that there is a balance of power and authority. The Chairman leads the Board and facilitates its work. He engages directly with the Managing Director to understand and oversee the strategy implementation and performance delivery. He is responsible for ensuring the processes of the Board are effective in carrying out its duties and responsibilities, including the timely provision of sufficient relevant information on financial and non-financial matters. The Chairman, in conjunction with the Managing Director and Company Secretary, sets agendas for the meetings of the Board that focus on strategic direction and performance of the Group.

The Managing Director is responsible for the day-to-day management of the Group's operations and business as well as implementation of the Board's policies and decisions.

Corporate Governance Statement (cont'd)

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
Mdm Lin Chen, Jui-Fen	5/5
Mr Lin, Tzu-Lang	5/5
Mr Toh Seng Thong #	5/5
Mr Yek Siew Liong # #	5/5

Denotes Independent / Non-Executive Director

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 Company's Articles of Association ("Articles"), any Director appointed during the year is 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 ("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 additionally 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 Directors' Training

All the Directors have completed the Mandatory Accreditation Programme ("MAP") conducted by Bursa Securities. Directors are also advised of developments or changes to relevant laws and regulatory requirements and suitable training and education programmes are identified for their participation from time to time.

Corporate Governance Statement (cont'd)

Management briefings during Board and Audit Committee meetings on various operational, technical, financial and corporate matters are also aimed at ensuring that Directors are well versed with the knowledge of the Group's business and affairs in enabling them to make meaningful decisions.

During the financial year, all the Directors attended and participated in various training programme which they have individually or collectively considered as relevant and useful in contributing to the effective discharge of their duties as Directors. Besides the in-house forum on Corporate Social Responsibility, the training attended by the Directors included seminars in the areas of regulatory and technical updates, financial, audit and tax.

New directors, if any, upon joining the Board, would be briefed on the Company's business and governance matters, amongst others in respect of the duties and responsibilities of directors, to introduce new Directors to the Group's business, its operations and its governance arrangements.

1.7 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	730	-	730
Fees	72	216	288
Allowance	10	12	22
Bonus	60	18	78
Total	872	246	1,118

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	1	-
Total	3	3

Corporate Governance Statement (cont'd)

1.8 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 Bursa Malaysia Securities Berhad ("Bursa Securities").

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 21 to 25 of the Annual Report.

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. In making its recommendations, the Committee shall consider the candidates':-
 - i) skills, knowledge, expertise and experience;
 - ii) professionalism;
 - iii) integrity; and
 - iv) in the case of candidates for the position of Independent Non-Executive Directors, the Committee shall also evaluate the candidates' ability to discharge such responsibilities/functions as are expected from Independent Non-executive Directors;
- 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. All assessments and evaluations carried out by the Committee in the discharge of all its functions shall be properly documented;

The Nomination Committee held one (1) meeting during the financial year ended 30 June 2009.

The members of the Committee shall comprise exclusively of non-executive directors, a majority of whom are independent and number at least 2 in total. The majority of the members of the Committee shall comprise independent directors. 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

Corporate Governance Statement (cont'd)

2.3 Remuneration committee

Key Responsibilities

The duties of the Committee shall be to recommend to the Board the remuneration of the executive directors in all its forms. Executive directors should play no part in decisions on their own remuneration. The determination of remuneration packages of non-executive directors, including non-executive chairman should be a matter for the board as a whole. The individuals concerned should abstain from discussion of their own remuneration.

The fees paid to the non-executive directors are determined by the Board.

The Committee follows formal and transparent procedures when deciding the remuneration packages of the executive directors.

The Committee sets the remuneration package based on individual performance, external market data (instructed from external consultants), to achieve based line performance by reference to pre-agreed levels of pre-tax profitability, earnings per share and share price, as an overall pre-condition of payment and near median compared to those companies with whom the Company is competing for executive talent.

The Remuneration Committee held one (1) meeting for the financial year ended 30 June 2009.

The members of the Committee shall comprise wholly or mainly of non-executive directors and number at least 3 in total. 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

3. SHAREHOLDERS AND INVESTORS

3.1 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 Bursa Securities' 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.

3.2 The Annual General Meeting

The 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.

Corporate Governance Statement (cont'd)

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.

3.3 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.

Any queries regarding the Group from shareholders will be dealt with as promptly possible. These queries may be directed to Mr Yeoh Joe Son, the Company Secretary.

3.4 Corporate Website

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

4. ACCOUNTABILITY AND AUDIT

4.1 Internal Control

Details of the Internal Control system is stated in the Statement of Internal Control on pages 19 to 20 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, 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 26 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 21 to 25 of the Annual Report.

The Company has complied throughout the financial year with all the best practices of corporate governance set out in Part 2 of the Code, except for Principles BIII-Disclosures on remuneration of Directors.

Corporate Governance Statement (cont'd)

5. CORPORATE SOCIAL RESPONSIBILITY (“CSR”)

The Company is involved in various activities as part of its Corporate Social Responsibility efforts:-

a) Occupational Safety and Health

The Company is committed to maintain high safety and health standards at work place. A committee has been set up to monitor the compliance of the safety and health standards. A series of in-house programmes on safety and health are regularly conducted with the assistance of external experts and committee members. This includes training on handling of machinery, chemical and flammable materials at work place.

b) Contribution to charitable causes

The Company has been contributing regularly to schools with an objective to assist in the development of education of the less fortunate;

A blood donation campaign was carried out by Latitude Tree Furniture Sdn Bhd’s Terengganu factory on 27 June 2009 amongst its employees with the support of Hospital Sultanah Nur Zahirah, Kuala Terengganu, to increase the inventory of blood bank of the Hospital.

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

6.1 Utilisation of Proceeds

There were no corporate exercise carried out during the year ended 30 June 2009 to raise funds.

6.2 Share Buy-Back

The Company had not undertaken any share buy-back exercise for the financial year ended 30 June 2009.

6.3 Options, Warrants or Convertible Securities

There were no other options, warrants or convertible securities exercised in respect of the financial year ended 30 June, 2009.

6.4 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 2009.

6.5 Sanctions and/or Penalties

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

6.6 Non-Audit Fees

The amount of non-audit fees paid and payable to external auditors by the Company and it’s subsidiaries for the financial year ended 30 June 2009 amounted to RM15,000.00.

6.7 Variation of Results

There were no material variances between the actual results for the year ended 30 June 2009 and the unaudited results previously announced by the Company.

6.8 Profit Forecast and Guarantee

The Company did not issue any profit forecast and guarantee for the year ended 30 June 2009.

6.9 Revaluation Policy

The Group has adopted a policy on regular revaluation of landed properties. This is as disclosed in the financial statements under page 79 to 80 of the Annual Report.

Corporate Governance Statement (cont'd)

6.10 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 2009 or entered into since the end of the financial year.

6.11 Recurrent Related Party Transactions of Revenue Nature

The details of the Recurrent Related Party Transactions ("RRPT") of a revenue and trading nature carried out by the Group during the financial year ended 30 June 2009 are as follows:

Nature of transaction	Company	Transacting Parties	Nature of relationship	Amount transacted during the financial year RM'000
Purchase of raw materials and supplies laminated boards and furniture components by LTHB Group from Group Holz Co., Ltd ("GHCL").	GHCL and LTHB Group	Mr.Yek Siew Liong and Konsortium Kontrek Sdn Bhd	GHCL is a 51% owned subsidiary of LTHB. Mr Yek Siew Liong, a director of LTHB (since 18 May 2007) and substantial shareholder of LTHB (since 18 May 2007) holds 15.03% indirect equity interest in GHCL (via Konsortium Kontrek Sdn Bhd).	6,514

GHCL provides raw material and supplies to LTHB Group in it's principal activities.

In view of the complimentary nature of the activities of GHCL, as well as the fact that all such transactions were carried out in the ordinary course of business of both the LTHB Group and GHCL , it is anticipated that RRPT would occur on a frequent and recurrent basis.

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. Paragraph 15.26(b) of Bursa Securities Main Market Listing Requirements ("MMLR") requires 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 recognises 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 21 to 25 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.

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.

Statement on Internal Control (cont'd)

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.

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 2009, the Audit Committee, with the assistance of the external professional consulting firm, Messrs Ethos Advisory Pte.Ltd, reviewed the adequacy and integrity of the Group's internal control systems relating to General Administration, Finance, Inventory Management, Procurement, Human Resources and Payroll Management and Sales Management of the Group's Vietnam based operations.

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 organisational 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

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 has a material impact on the Group's performance or operations.

This statement is made in accordance with the resolution of the Board of Directors dated 28 October 2009 and has been duly reviewed by the external auditors, pursuant to paragraph 15.24 of the Bursa Malaysia Listing Requirements.

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 2009.

A. MEMBERSHIP

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 Liang

Non-Independent Non-Executive Director.

B. TERMS OF REFERENCE

The terms of reference of the Committee are as follows:

1. Composition

The Audit Committee shall be appointed by the Directors from among their members (pursuant to a resolution of the Board of Directors) which fulfils the following requirements:-

- a) The audit committee must be composed of no fewer than 3 members;
- b) A majority of the audit committee must be independent directors;
- c) All members of the audit committee must be non-executive directors;
- d) All members of the audit committee must be financially literate; and
- e) At least one member of the audit committee:-
 - i) must be a member of the Malaysian Institute of Accountants; or
 - ii) if he is not a member of the Malaysian Institute of Accountants, he must have at least 3 years’ working experience and:-
 - he must have passed the examinations specified in Part 1 of the 1st Schedule of the Accountants Act, 1967; or
 - he must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act, 1967; or
 - iii) fulfils such other requirements as prescribed or approved by the Bursa Malaysia Securities Berhad.

Audit Committee Report (cont'd)

The members of the Audit Committee shall elect a chairman from among their members who shall be an independent director.

In the event of any vacancy in the Audit Committee resulting in the non-compliance of (a) to (c) above, the vacancy must be filled within 3 months of that event.

No Alternate Director shall be appointed as a member of the Audit Committee.

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

2. Functions

The functions of the Audit Committee are as follows:-

- a) Review the following and report the same to the Board of Directors:-
 - i) with the external auditors, the audit plan;
 - ii) with the external auditors, his evaluation of the system of internal controls;
 - iii) with the external auditor, his audit report;
 - iv) the assistance given by the Company's employees to the external auditors; and
 - v) any related party transaction and conflict of interest situation that may arise within the Company or group including any transaction, procedure or course of conduct that raises questions of management integrity.
- b) To consider the appointment of the external auditor, the audit fee and any questions of resignation or dismissal;
- c) To discuss with the external auditor before the audit commences, the nature and scope of the audit, and ensure co-ordination where more than one audit firm is involved;
- d) To review the quarterly and year-end financial statements of the company, focusing particularly on:-
 - any changes in accounting policies and practices;
 - significant adjustments arising from the audit;
 - the going concern assumption;
 - compliance with accounting standards and other legal requirements;
- e) To discuss problems and reservations arising from the interim and final audits, and any matter the auditor may wish to discuss (in the absence of management where necessary);
- f) To review the external auditor's management letter and management's response;

Audit Committee Report (cont'd)

- g) To assist the Board in establishing an internal audit function which is independent of the activities it audits and to do the following:-
- review the adequacy of the scope, functions, competency and resources of the internal audit function, and that it has the necessary authority to carry out its work;
 - review the internal audit programme and results of the internal audit process and where necessary, ensure that appropriate action is taken on the recommendations of the internal audit function;
 - review any appraisal or assessment of the performance of members of the internal audit function;
 - approve any appointments or termination of senior staff members of the internal audit function;
 - take cognisance of resignations of internal audit staff members (for in-house internal audit function) or the internal audit service provider (for out-sourced internal audit) and provide the resigning staff member or the internal audit service provider an opportunity to submit his reasons for resigning;
 - include in the Audit Committee report, a summary of the activities of the internal audit function or activity;
- h) To consider the major findings of internal investigations and management's response;
- i) To consider other areas as defined by the board.

3. Rights of the Audit Committee

The Audit Committee shall, wherever necessary and reasonable for the Company to perform of its duties, in accordance with a procedure to be determined by the Board of Directors and at the cost of the Company:-

- a) Have authority to investigate any matter within its terms of reference;
- b) Have the resources which are required to perform its duties;
- c) Have full and unrestricted access to any information pertaining to the Company;
- d) Have direct communication channels with employees of the Company, the external auditors and person(s) carrying out the internal audit function or activity (if any);
- e) Be able to obtain independent professional or other advice; and
- f) Be able to convene meetings with the external auditors, internal auditors or both, excluding the attendance of other directors and employees of the Group, whenever deemed necessary.

4. Meetings

The Audit Committee shall meet at least 4 times a year and such additional meetings as the Chairman shall decide in order to fulfil its duties. However, at least twice a year the Audit Committee shall meet with the external auditors, internal auditors or both, without executive Board members and employees present.

In addition, the Chairman may call a meeting of the Audit Committee if a request is made by any committee member, the Company's Chief Executive, or the internal or external auditors.

Audit Committee Report (cont'd)

The Company Secretary or other appropriate senior official shall act as secretary of the Audit Committee and shall be responsible, in conjunction with the Chairman, for drawing up the agenda and circulating it, supported by explanatory documentation to committee members prior to each meeting.

The Secretary shall also be responsible for keeping the minutes of meetings of the Audit Committee, and circulating them to committee members and to the other members of the Board of Directors.

A quorum shall consist of a majority of independent directors.

By invitation of the Audit Committee, the Company must ensure that other directors and employees attend any particular audit committee meeting specific to the relevant meeting.

The Chairman of the Committee shall engage on a continuous basis with Senior Management, such as the Managing Director, Financial Controller, the head of internal audit and the external auditors in order to be kept informed of matters affecting the Group.

The board should appoint internal auditors who will report functionally to the Audit Committee directly and the Audit Committee is to review their performance. The head of internal audit shall be responsible for the regular review and/or appraisal of the effectiveness of the risk management, internal control, and governance processes within the Company.

The Audit Committee meetings held during the financial year ended 30 June 2009 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 Shaharuddin Bin Haji Haron	5	5
Mr Yek Siew Liong	5	5

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 2009;
- Reviewed and discussed the external auditors' audit report and areas of concern;
- Reviewed and assessed the Risk Register updates;

Audit Committee Report (cont'd)

- Reviewed the Internal Auditors' reports pertaining to the state of internal control operating units 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;
- Met with external auditors twice during the financial year without the presence of any executive Board members and employees of the Group.
- Noted emerging financial reporting issues pursuant to the introduction of new accounting standards and additional statutory and regulatory disclosure requirements;

D. SUMMARY OF ACTIVITIES OF THE INTERNAL AUDIT FUNCTION

During the financial year under review, the Group has out-sourced the provision of internal audit and management system assurance to an independent professional consulting firm Ethos Advisory Pte Ltd. The Head of Internal Audit reports directly to the Audit Committee and administratively to the 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 is reviewed and approved by the Audit Committee. The reports of the audits undertaken were forwarded to the management for attention and necessary action then presented to the Audit Committee for deliberation and approval.

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

- Reviewed the adequacy and integrity of the Group's internal control systems relating to General Administration, Finance, Inventory Management, Procurement, Human Resources and Payroll Management and Sales Management of the Group's Vietnam operation.
- Attended and reported to the Audit Committee its internal audit findings and response and rectification undertaken by the Management.

The professional fees incurred for the internal audit function in respect of financial year ended 30 June 2009 amounted to approximately RM133,000.

Statement of Board of Directors' Responsibilities

FOR PREPARING THE ANNUAL AUDITED FINANCIAL STATEMENTS

The Directors are required by law to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and of the Company as at the end of the financial year and of the results and cashflows of the Group and of the Company for that year.

The Directors consider that, in preparing the financial statements for the financial year ended 30 June 2009 as set out on pages 27 to 78 of this Annual Report, the Group has used appropriate accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent. The Directors also consider that all applicable approved accounting standards have been followed and confirm that the financial statements have been prepared on a going concern basis.

The Directors are responsible for ensuring that the Group and the Company keep accounting records which disclose with reasonable accuracy at any time the financial position of the Group and of the Company and which enable them to ensure that the financial statements comply with the Companies Act, 1965 and the applicable approved accounting standards in Malaysia.

The auditors' responsibilities are stated in their Report to the Members of the Company.

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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, 2009.

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 for the year	13,213	3,554
Attributable to :		
Equity holders of the Company	14,009	3,554
Minority interest	(796)	-
Profit for the year	13,213	3,554

DIVIDENDS

Since the end of the previous financial year, the Company paid out RM2,592,200 on 12 January, 2009 being tax exempt dividend of 4 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, 2009 of 5.8 sen (tax exempt) on 64,805,000 ordinary shares amounting to a total of RM3,758,690 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, 2010.

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 provision for doubtful debts, and satisfied themselves that all known bad debts have been written off and that adequate provision for doubtful debts has been made in the financial statements of the Group and of the Company.

At the date of this report, the directors are not aware of any circumstances which would render the amount written off for bad debts or the provision for doubtful debts inadequate to any substantial extent.

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 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, 2009 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.

Directors' Report (cont'd)

SIGNIFICANT EVENTS

Significant events are disclosed in Note 32 to the financial statements.

SUBSEQUENT EVENT

Subsequent events are disclosed in Note 33 to the financial statements.

DIRECTORS

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

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

In accordance with the Company's Articles of Association, Lin Chen, Jui-Fen and Lin, Tzu-Lang retire by rotation 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 :

	Number of ordinary shares of RM1 each			At 30.6.2009
	At 1.7.2008	Bought	Sold	
Direct interest :				
Lin Chen, Jui-Fen	7,344,134	-	-	7,344,134
Lin, Tzu-Lang	7,110,250	-	-	7,110,250
Lin, Tzu-Keng	12,402,518	200,000	-	12,602,518
Indirect interest :				
Lin Chen, Jui-Fen	12,402,518	200,000	-	12,602,518 *
Lin, Tzu-Keng	7,344,134	-	-	7,344,134 *
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.

Directors' Report (cont'd)

By virtue of their interests in the shares 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' 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 CHEN, JUI-FEN
Kuala Lumpur
Dated : 28 October, 2009

Statement By Directors

Pursuant To Section 169(15) Of The Companies Act, 1965

We, DATO' HAJI SHAHARUDDIN BIN HAJI HARON and LIN CHEN, JUI-FEN being of the directors of LATITUDE TREE HOLDINGS BERHAD, do hereby state that in the opinion of the directors, the financial statements on pages 35 to 78 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, 2009, and of the results and cash flows of the Group and of the Company for the year ended on that date in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia.

On behalf of the Board,

DATO' HAJI SHAHARUDDIN BIN HAJI HARON

LIN CHEN, JUI-FEN
Kuala Lumpur
Dated : 28 October, 2009

Statutory Declaration

Pursuant To Section 169(16) Of The Companies Act, 1965

I, HENG BOON CHAI, the officer primarily responsible for the financial management of LATITUDE TREE HOLDINGS BERHAD, do solemnly and sincerely declare that the financial statements on pages 35 to 78 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 HENG BOON CHAI)
at Kuala Lumpur in Wilayah)
Persekutuan on 28 October, 2009)

HENG BOON CHAI 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, 2009 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 35 to 78.

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 judgment, 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.

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, 2009 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.

Independent Auditors' Report (cont'd)

To The Members Of Latitude Tree Holdings Berhad

- 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
Accountants

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

Kuala Lumpur
Dated : 28 October, 2009

Balance Sheets As At 30 June, 2009

	Note	Group		Company	
		2009 RM '000	2008 RM '000	2009 RM '000	2008 RM '000
NON-CURRENT ASSETS					
Property, plant and equipment	4	191,949	194,363	-	-
Prepaid lease payments	5	23,007	21,689	-	-
Investments	6	2,081	2,831	89,725	46,799
Deferred tax assets	7	481	17	-	-
CURRENT ASSETS					
Inventories	8	59,780	70,113	-	-
Trade receivables	9	23,595	33,342	-	-
Other receivables	10	9,407	16,583	-	1
Tax recoverable		2,222	3,740	100	27
Due from subsidiaries	11	-	-	68,714	66,512
Term deposits	12	27,497	13,311	7,094	10,974
Cash and bank balances	13	22,967	16,869	1,508	17
		145,468	153,958	77,416	77,531
Non-current assets held for sale	14	146	-	-	-
		145,614	153,958	77,416	77,531
TOTAL ASSETS		363,132	372,858	167,141	124,330
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the Company					
Share capital	15	64,805	64,805	64,805	64,805
Reserves	16	112,681	95,548	25,228	24,266
		177,486	160,353	90,033	89,071
Minority interest		13,439	6,374	-	-
TOTAL EQUITY		190,925	166,727	90,033	89,071
NON-CURRENT LIABILITIES					
Hire purchase payables	17	116	544	-	-
Bank borrowings	18	44,268	60,831	20,000	35,000
Deferred tax liabilities	7	-	3,655	-	-
		44,384	65,030	20,000	35,000
CURRENT LIABILITIES					
Trade payables	19	40,816	44,422	-	-
Other payables and accruals	20	18,306	16,715	139	78
Due to subsidiaries	11	-	-	56,969	169
Hire purchase payables	17	428	664	-	-
Bank borrowings	18	68,088	79,300	-	12
Taxation		185	-	-	-
		127,823	141,101	57,108	259
TOTAL LIABILITIES		173,395	206,131	77,108	35,259
TOTAL EQUITY AND LIABILITIES		363,132	372,858	167,141	124,330

The notes on pages 42 to 78 form an integral part of these financial statements.
Auditors' report on pages 33 to 34.

Income statements For The Year Ended 30 June, 2009

	Note	Group		Company	
		2009 RM '000	2008 RM '000	2009 RM '000	2008 RM '000
Revenue	21	397,378	404,176	240	240
Cost of sales		(351,665)	(361,959)	-	-
Gross profit		45,713	42,217	240	240
Other operating income		3,588	4,837	4,609	394
Selling and marketing expenses		(10,687)	(9,358)	-	-
Administrative expenses		(12,914)	(14,151)	(524)	(514)
Other operating expenses		(6,662)	(5,497)	(755)	(753)
Profit / (Loss) from operations	22	19,038	18,048	3,570	(633)
Finance costs	25	(9,158)	(9,681)	-	-
Profit / (Loss) before taxation		9,880	8,367	3,570	(633)
Taxation	26	3,333	118	(16)	(68)
Profit / (Loss) for the year		13,213	8,485	3,554	(701)
Attributable to :					
Equity holders of the Company		14,009	10,806	3,554	(701)
Minority interest		(796)	(2,321)	-	-
Profit / (Loss) for the year		13,213	8,485	3,554	(701)
Earnings per share attributable to equity holders of the Company (sen)					
Basic / Diluted	27	21.6	16.7		
Dividend per share (tax exempt) (sen)	28	4.0	4.1	4.0	4.1

The notes on pages 42 to 78 form an integral part of these financial statements.
Auditors' report on pages 33 to 34.

Consolidated Statement Of Changes In Equity

For The Year Ended 30 June, 2009

	← ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY →		← Non-distributable →		Foreign		Distributable retained earnings RM '000	Total RM '000	Minority interest RM '000	Total equity RM '000
	Share capital RM '000	Share premium RM '000	Revaluation reserve RM '000	Foreign currency translation reserve RM '000	Share Revaluation reserve RM '000	currency translation reserve RM '000				
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 differences	-	-	-	(5,984)	-	(5,984)	-	(5,984)		
Realisation of revaluation reserve	-	-	(400)	-	400	-	-	-		
Dividends (Note 28)	-	-	-	-	(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		
As at 1 July, 2008	64,805	1,225	1,114	(8,127)	101,336	160,353	6,374	166,727		
Partial disposal of investment in a subsidiary	-	-	-	-	-	-	8,288	8,288		
Profit for the year	-	-	-	-	14,009	14,009	(796)	13,213		
Foreign currency translation differences	-	-	-	5,716	-	5,716	(427)	5,289		
Dividends (Note 28)	-	-	-	-	(2,592)	(2,592)	-	(2,592)		
As at 30 June, 2009	64,805	1,225	1,114	(2,411)	112,753	177,486	13,439	190,925		

The notes on pages 42 to 78 form an integral part of these financial statements.
Auditors' report on pages 33 to 34.

Statement Of Changes In Equity

For The Year Ended 30 June, 2009

	Share capital RM '000	Non- distributable share premium RM '000	Distributable retained earnings RM '000	Total RM '000
As at 1 July, 2007	64,805	1,225	26,399	92,429
Loss for the year	-	-	(701)	(701)
Dividends (Note 28)	-	-	(2,657)	(2,657)
As at 30 June, 2008	64,805	1,225	23,041	89,071
Profit for the year	-	-	3,554	3,554
Dividends (Note 28)	-	-	(2,592)	(2,592)
As at 30 June, 2009	64,805	1,225	24,003	90,033

The notes on pages 42 to 78 form an integral part of these financial statements.
Auditors' report on pages 33 to 34.

Consolidated Cash Flow Statement

For The Year Ended 30 June, 2009

CASH FLOWS FROM OPERATING ACTIVITIES	Note	2009 RM '000	2008 RM '000
Profit before taxation		9,880	8,367
Adjustments for :			
Allowance for doubtful debts		34	23
Amortisation of prepaid lease payments		567	494
Bad debts written off		12	-
Depreciation of property, plant and equipment		14,136	13,293
Deposits written off		16	2
Impairment loss on unquoted investment		750	750
Inventories written down		-	400
Inventories written off		58	38
Loss / (Gain) on disposal of property, plant and equipment		106	(378)
Loss on partial disposal of investment in a subsidiary		98	-
Property, plant and equipment written off		317	21
Gain on disposal of leasehold land		-	(35)
Interest expense		9,158	9,681
Interest income		(577)	(737)
Unrealised loss / (gain) on foreign exchange		1,035	(434)
Operating profit before working capital changes		35,590	31,485
Decrease in inventories		10,275	11,688
Decrease / (Increase) in receivables		6,346	(4,590)
(Decrease) / Increase in payables		(2,001)	5,111
Cash generated from operations		50,210	43,694
Interest paid		(9,158)	(9,681)
Interest received		577	737
Tax refunded		1,013	514
Tax paid		(96)	(1,258)
Net cash generated from operating activities		42,546	34,006

The notes on pages 42 to 78 form an integral part of these financial statements.
Auditors' report on pages 33 to 34.

Consolidated Cash Flow Statement (cont'd)

For The Year Ended 30 June, 2009

	Note	2009 RM '000	2008 RM '000
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from partial disposal of investment in a subsidiary		8,191	-
Proceeds from disposal of non-current assets held for sale		9,480	820
Proceeds from disposal of leasehold land		-	1,299
Purchase of leasehold building		(715)	-
Proceeds from disposal of property, plant and equipment		429	1,490
Purchase of property, plant and equipment	29	(5,079)	(22,361)
Net cash generated from / (used in) investing activities		12,306	(18,752)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of hire purchase payables		(664)	(1,559)
Proceeds from term loans		9,630	2,131
Repayment of term loans		(23,706)	(16,888)
Proceeds from bank borrowings		186,366	179,196
Repayment of bank borrowings		(196,689)	(177,841)
Deposits uplifted from security for bank borrowings		4,160	2,351
Dividends paid		(2,592)	(2,657)
Net cash used in financing activities		(23,495)	(15,267)
Exchange difference in translation of financial statements of foreign subsidiaries		(3,537)	1,833
NET INCREASE IN CASH AND CASH EQUIVALENTS		27,820	1,820
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		9,873	8,053
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	30	37,693	9,873

The notes on pages 42 to 78 form an integral part of these financial statements.
Auditors' report on pages 33 to 34.

Cash Flow Statement

For The Year Ended 30 June, 2009

	Note	2009 RM '000	2008 RM '000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit / (Loss) before taxation		3,570	(633)
Adjustments for :			
Gain on partial disposal of investment in a subsidiary		(3,854)	-
Impairment loss on investment		750	750
Interest income		(207)	(394)
Operating profit / (loss) before working capital changes		259	(277)
Decrease in receivables		1	19
(Increase) / Decrease in amounts due from subsidiaries		(2,202)	2,990
Increase / (Decrease) in amount due to subsidiaries		8,614	(4)
Increase in payables		61	3
Cash generated from operations		6,733	2,731
Interest received		207	394
Tax paid		(89)	(174)
Net cash generated from operating activities		6,851	2,951
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from partial disposal of investment in a subsidiary		8,191	-
Proceeds from disposal of investment in a subsidiary		173	-
Net cash used in investing activities		8,364	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of bank borrowings		(15,000)	-
Deposit uplifted from / (placed as) security for bank borrowings		3,880	(327)
Dividends paid		(2,592)	(2,657)
Net cash used in financing activities		(13,712)	(2,984)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		1,503	(33)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		5	38
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	30	1,508	5

The notes on pages 42 to 78 form an integral part of these financial statements.
Auditors' report on pages 33 to 34.

Notes To The Financial Statements

For The Year Ended 30 June, 2009

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 Market of the Bursa Malaysia Securities Berhad.

The registered office of the Company is located at Lot 6.05, Level 6, KPMG Tower, 8 First Avenue, Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan.

The 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 28 October, 2009.

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 Financial Reporting Standards and the Companies Act, 1965 in Malaysia.

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 judgments, 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 judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3 to the financial statements.

Notes To The Financial Statements (cont'd)

For The Year Ended 30 June, 2009

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(b) Standards and Interpretations issued

At the date of authorisation of these financial statements, the following new FRSs and Issues Committee ("IC") Interpretations were issued but not yet effective and have not been applied by the Group and the Company :

	Effective for financial periods beginning on or after
FRSs / Interpretation	
Amendments to FRS 1, First-time Adoption of Financial Reporting Standards and FRS 127, Consolidated and Separate Financial Statements : Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1 January, 2010
Amendments to FRS 2, Share-based Payment: Vesting Conditions and Cancellations	1 January, 2010
FRS 4 : Insurance Contracts	1 January, 2010
FRS 7 : Financial Instruments - Disclosures	1 January, 2010
FRS 8 : Operating Segment	1 July, 2009
FRS 123 : Borrowing Costs	1 January, 2010
FRS 139 : Financial Instruments : Recognition and Measurement	1 January, 2010
IC Interpretation 9 : Reassessment of Embedded Derivatives	1 January, 2010
IC Interpretation 10 : Interim Financial Reporting and Impairment	1 January, 2010
IC Interpretation 11 : FRS 2 - Group and Treasury Share Transactions	1 January, 2010
IC Interpretation 13 : Customer Loyalty Programmes	1 January, 2010
IC Interpretation 14 : FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction	1 January, 2010

The above new FRSs and Interpretations are expected to have no significant impact on the financial statements of the Group and the Company upon their initial application except for the changes in disclosures arising from the adoption of FRS 7 and FRS 8. The Group and the Company are exempted from disclosing the possible impact, if any, to the financial statements upon the initial application of FRS 139.

(c) Basis of consolidation

The Group financial statements include the financial statements of the Company and all its subsidiaries made up to 30 June, 2009. 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.

Notes To The Financial Statements (cont'd)

For The Year Ended 30 June, 2009

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(c) Basis of consolidation (cont'd)

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.

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.

(d) 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(f) 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.

(e) 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%
Motor vehicles	12.5% - 20%
Office equipment	10% - 20%
Renovation	10%

Notes To The Financial Statements (cont'd)

For The Year Ended 30 June, 2009

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(e) Property, plant and equipment and Depreciation (cont'd)

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(f) 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.

(f) Impairment of assets

The carrying value of assets other than deferred tax assets, inventories and financial assets 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.

(g) 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.

(h) 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.

Notes To The Financial Statements (cont'd)

For The Year Ended 30 June, 2009

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(i) 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.

(j) 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.

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

(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.

(k) 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 :

Notes To The Financial Statements (cont'd)

For The Year Ended 30 June, 2009

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(k) Foreign currencies (cont'd)

(iii) Foreign entities (cont'd)

- 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:

	2009 RM	2008 RM
1 United States Dollar	3.5185	3.2655
1 Singapore Dollar	2.4309	2.4075
1 Thailand Baht	0.10332	0.09761
1,000 Indonesian Rupiah	0.3540	0.3550

(l) 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 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.

Notes To The Financial Statements (cont'd)

For The Year Ended 30 June, 2009

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(m) Revenue recognition

- (i) Revenue from 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.

(n) 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.

(o) 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 material 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.

(p) Employee benefits

- (i) Short term benefits
Wages, salaries, bonuses and social security contributions are recognised as an expense in the period 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.

(q) 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 (cont'd)

For The Year Ended 30 June, 2009

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(r) 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.

(s) 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.

(t) Cash and Cash equivalents

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

(u) 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.

Notes To The Financial Statements (cont'd)

For The Year Ended 30 June, 2009

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(u) Financial instruments (cont'd)

(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.

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

Significant areas of estimation, uncertainty and critical judgments 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 judgment 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 judgment and estimates. Possible changes in these estimates could result in revision to the valuation of inventories.

Notes To The Financial Statements (cont'd)

For The Year Ended 30 June, 2009

4. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land RM '000	Buildings						Motor vehicles RM '000	Office equipment RM '000	Renovation RM '000	Total RM '000
		Buildings RM '000	under construction RM '000	Plant and machinery RM '000	Electrical installation RM '000	Furniture and fittings RM '000	Hostel RM '000				
Cost or Valuation :											
At 1 July, 2007											
At cost	14,749	87,113	1,193	141,186	4,611	1,132	3,848	3,172	2,607	1,524	261,135
At valuation	3,300	5,200	-	-	-	-	-	-	-	-	8,500
Transfers	-	5,538	(5,740)	98	-	-	-	-	-	104	-
Additions	-	4,013	4,618	13,465	148	28	-	298	236	125	22,931
Translation differences	(190)	(3,389)	(71)	(3,529)	(280)	(35)	-	(79)	(46)	(128)	(7,747)
Disposals	-	(1,001)	-	(2,193)	-	-	-	(200)	(16)	-	(3,410)
Written off	-	-	-	(60)	(41)	(118)	-	-	(42)	(173)	(434)
At 30 June, 2008 / 1 July, 2008											
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
Transfers	-	3,848	-	-	-	-	(3,848)	-	-	-	-
Additions	-	217	-	4,740	-	3	-	-	119	-	5,079
Translation differences	95	4,078	-	4,608	140	19	-	97	73	71	9,181
Disposals	(72)	(172)	-	(1,234)	-	-	-	(175)	-	-	(1,653)
Written off	-	-	-	(803)	-	(5)	-	-	(96)	-	(904)
Adjustment	-	(14)	-	-	-	-	-	-	-	-	(14)
Reclassified to non-current assets held for sale	-	(148)	-	-	-	-	-	-	-	-	(148)
At 30 June, 2009	17,882	105,283	-	156,278	4,578	1,024	-	3,113	2,835	1,523	292,516
Representing :											
At cost	14,582	100,083	-	156,278	4,578	1,024	-	3,113	2,835	1,523	284,016
At valuation	3,300	5,200	-	-	-	-	-	-	-	-	8,500
At 30 June, 2009	17,882	105,283	-	156,278	4,578	1,024	-	3,113	2,835	1,523	292,516

Notes To The Financial Statements (cont'd)

For The Year Ended 30 June, 2009

4. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Group	Freehold land RM '000	Buildings					Motor vehicles RM '000	Office equipment RM '000	Renovation RM '000	Total RM '000	
		Buildings under construction RM '000	Plant and machinery RM '000	Electrical installation RM '000	Furniture and fittings RM '000	Hostel RM '000					
Accumulated depreciation											
At 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 / 1 July, 2008											
At cost	-	7,818	-	70,216	1,785	728	1,068	1,951	2,128	315	86,009
At valuation	-	603	-	-	-	-	-	-	-	-	603
Transfers	-	1,068	-	-	-	-	(1,068)	-	-	-	-
Depreciation for the year	-	2,767	-	10,101	378	107	-	372	259	152	14,136
Translation differences	-	253	-	1,150	29	7	-	30	44	13	1,526
Disposals	-	(51)	-	(937)	-	-	-	(130)	-	-	(1,118)
Written off	-	-	-	(495)	-	(5)	-	-	(87)	-	(587)
Reclassified to non-current assets held for sale	-	(2)	-	-	-	-	-	-	-	-	(2)
At 30 June, 2009	-	12,456	-	80,035	2,192	837	-	2,223	2,344	480	100,567
Representing:											
At cost	-	11,749	-	80,035	2,192	837	-	2,223	2,344	480	99,860
At valuation	-	707	-	-	-	-	-	-	-	-	707
At 30 June, 2009	-	12,456	-	80,035	2,192	837	-	2,223	2,344	480	100,567

Notes To The Financial Statements (cont'd)

For The Year Ended 30 June, 2009

4. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land RM '000	Buildings					Plant and machinery RM '000	Electrical installation RM '000	Furniture and fittings RM '000	Hostel RM '000	Motor vehicles RM '000	Office equipment RM '000	Renovation RM '000	Total RM '000
		Buildings RM '000	construction RM '000	under RM '000	Plant and machinery RM '000	Electrical installation RM '000								
Net carrying amounts :														
At cost	14,749	81,393	1,193	77,775	3,129	401	2,780	1,446	716	1,183	184,765			
At valuation	3,300	4,701	-	-	-	-	-	-	-	-	8,001			
At 1 July, 2007	18,049	86,094	1,193	77,775	3,129	401	2,780	1,446	716	1,183	192,766			
At cost	14,559	84,456	-	78,751	2,653	279	2,780	1,240	611	1,137	186,466			
At valuation	3,300	4,597	-	-	-	-	-	-	-	-	7,897			
At 30 June, 2008 / 1 July, 2008	17,859	89,053	-	78,751	2,653	279	2,780	1,240	611	1,137	194,363			
At cost	14,582	88,334	-	76,243	2,386	187	-	890	491	1,043	184,156			
At valuation	3,300	4,493	-	-	-	-	-	-	-	-	7,793			
At 30 June, 2009	17,882	92,827	-	76,243	2,386	187	-	890	491	1,043	191,949			

Notes To The Financial Statements (cont'd)

For The Year Ended 30 June, 2009

4. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Company

2009 : Nil

2008 : Nil

Certain property, plant and equipment of subsidiaries with net book value of RM10,898,828 (2008 : RM5,521,957) have been pledged as security for the banking facilities as set out in Note 18 to the financial statements.

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

	Group	
	2009 RM'000	2008 RM'000
Plant and machinery	1,466	1,101
Motor vehicles	126	910
	1,592	2,011

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	
	2009 RM'000	2008 RM'000
Freehold land	651	651
Freehold buildings	2,710	2,779
	3,361	3,430

Notes To The Financial Statements (cont'd)

For The Year Ended 30 June, 2009

5. PREPAID LEASE PAYMENTS

	Leasehold land Unexpired period 50 years and above RM'000	Leasehold building Unexpired period 38 years and above RM'000	Total RM'000
Cost :			
At 1 July, 2007	27,401	-	27,401
Translation differences	(982)	-	(982)
Disposal	(1,375)	-	(1,375)
At 30 June, 2008 / 1 July, 2008	25,044	-	25,044
Translation differences	1,295	-	1,295
Additions	-	715	715
Disposals	-	-	-
At 30 June, 2009	26,339	715	27,054
Amortisation and impairment losses :			
At 1 July, 2007	3,043	-	3,043
Amortisation for the year	494	-	494
Disposals	(111)	-	(111)
Translation differences	(71)	-	(71)
At 30 June, 2008 / 1 July, 2008	3,355	-	3,355
Translation differences	125	-	125
Amortisation for the year	522	45	567
Disposals	-	-	-
At 30 June, 2009	4,002	45	4,047
Carrying amounts			
At 1 July, 2007	24,358	-	24,358
At 30 June, 2008 / 1 July, 2008	21,689	-	21,689
At June, 2009	22,337	670	23,007

The titles to the leasehold land and freehold land with net book value of RM3,135,639 (2008 : RM3,196,805) are in the process of being transferred to the subsidiaries.

Notes To The Financial Statements (cont'd)

For The Year Ended 30 June, 2009

6. INVESTMENTS

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Investment in subsidiaries :				
Unquoted shares, at cost	-	-	87,725	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 : Accumulated impairment loss	(1,500)	(750)	(1,500)	(750)
	2,081	2,831	89,725	46,799

The subsidiaries are as follows :-

Name of Company	Principal Activities	Effective Interest		Country of Incorporation
		2009 %	2008 %	
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
Latitude Tree International Group Ltd. (formerly known as Latitude Tree Pte. Ltd.) *	Investment holding	91	100	Singapore
Rhong Khen Timbers Sdn. Bhd.	Manufacture and sale of wooden furniture and components	100	100	Malaysia

Notes To The Financial Statements (cont'd)

For The Year Ended 30 June, 2009

6. INVESTMENTS (cont'd)

Name of Company	Principal Activities	Effective Interest		Country of Incorporation
		2009 %	2008 %	
Uptown Promenade Sdn. Bhd.	Dormant	100	100	Malaysia
Linkage Creation International Co., Ltd. #	Investment holding Darussalam	-	100	Brunei
Latitude Tree International Limited #	Investment holding Islands	-	100	British Virgin
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
Subsidiaries of Latitude Tree International Group Ltd. (formerly known as Latitude Tree Pte. Ltd.)				
- Latitude Tree Vietnam Joint Stock Company *	Manufacture and sale of wooden furniture and components	100	100	Vietnam
- Linkage Creation International Co., Ltd. #	Investment holding Darussalam	100	-	Brunei
- Latitude Tree International Limited #	Investment holding Islands	100	-	British Virgin
Subsidiary of Latitude Tree Vietnam Joint Stock Company				
- RK Resources Co. Ltd. *	Manufacture and sale of household furniture	100	100	Vietnam

* Audited by another firm of auditors

Audited for consolidation purpose only

Notes To The Financial Statements (cont'd)

For The Year Ended 30 June, 2009

7. DEFERRED TAX ASSETS AND LIABILITIES

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

	Group	
	2009 RM'000	2008 RM'000
At 1 July, 2008 / 2007	3,638	4,329
Recognised in the income statement (Note 26)	(4,118)	(694)
Translation differences	(1)	3
At 30 June	(481)	3,638

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	
	2009 RM'000	2008 RM'000
Deferred tax assets (before off-setting)		
Unabsorbed capital allowances	4,246	2,737
Unutilised tax losses	2,759	862
	7,005	3,599
Off-setting	(6,524)	(3,582)
Deferred tax assets (after off-setting)	481	17
Deferred tax liabilities (before off-setting)		
Property, plant and equipment	6,524	7,237
Off-setting	(6,524)	(3,582)
Deferred tax liabilities (after off-setting)	-	3,655
Net deferred tax liabilities	(481)	3,638

8. INVENTORIES

	Group	
	2009 RM'000	2008 RM'000
At cost :		
Finished goods	11,060	13,523
Work-in-progress	19,010	26,180
Raw materials	29,710	30,410
	59,780	70,113

Notes To The Financial Statements (cont'd)

For The Year Ended 30 June, 2009

9. TRADE RECEIVABLES

	Group	
	2009 RM'000	2008 RM'000
Trade receivables	23,629	33,342
Less : Allowance for doubtful debts	(34)	-
	23,595	33,342

The currency exposure profile of trade receivables is as follows :

	Group	
	2009 RM'000	2008 RM'000
Ringgit Malaysia	529	1,387
United States Dollar	22,349	31,663
Thai Baht	717	292
	23,595	33,342

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	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Other receivables	6,820	15,229	-	-
Less : Allowance for doubtful debts	-	(23)	-	-
	6,820	15,206	-	-
Prepayments	2,008	985	-	1
Deposits	579	392	-	-
	9,407	16,583	-	1

Notes To The Financial Statements (cont'd)

For The Year Ended 30 June, 2009

10. OTHER RECEIVABLES (cont'd)

The other receivables are payable on demand.

Included in other receivables of the Group are :

- (i) Balance of sale consideration of Nil (2008 : RM9,480,000) for disposal of long leasehold land and buildings.
- (ii) Import duty and other direct taxes receivable in foreign subsidiaries of RM4,552,033 (2008 : RM4,350,863).
- (iii) Advance to suppliers of RM3,118,288 (2008 : Nil).

During the financial year the Group written off RM23,167 (2008 : Nil) as bad debts against allowance for doubtful debts.

The currency exposure profile of other receivables is as follows:

	Group	
	2009 RM'000	2008 RM'000
Ringgit Malaysia	1,185	10,754
United States Dollar	2,839	411
Singapore Dollar	-	4
Vietnam Dong	4,899	5,053
Thai Baht	365	361
Euro	119	-
	9,407	16,583

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	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Deposits with licensed banks	27,497	13,311	7,094	10,974

Notes To The Financial Statements (cont'd)

For The Year Ended 30 June, 2009

12. TERM DEPOSITS (cont'd)

The currency exposure profile of term deposits is as follows:

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Ringgit Malaysia	9,151	13,018	7,094	10,974
United States Dollar	18,346	290	-	-
Thai Baht	-	3	-	-
	27,497	13,311	7,094	10,974

Term deposits of the Group and Company of RM9,151,088 (2008 : RM13,311,064) and RM7,094,574 (2008 : RM10,974,768) 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 2% (2008: 3%) and 30 days (2008: 54 days) respectively.

13. CASH AND BANK BALANCES

The currency exposure profile of cash and bank balances is as follows:

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Ringgit Malaysia	4,402	1,594	1,508	17
United States Dollar	17,734	14,491	-	-
Singapore Dollar	193	14	-	-
Vietnam Dong	609	751	-	-
Thai Baht	24	14	-	-
Others	5	5	-	-
	22,967	16,869	1,508	17

Notes To The Financial Statements (cont'd)

For The Year Ended 30 June, 2009

14. 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	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
At 1 July / 30 June, 2008	-	-	-	-
Transfer from property, plant and equipment	146	-	-	-
At 30 June	146	-	-	-
Represented by :				
Buildings	146	-	-	-

15. SHARE CAPITAL

	Group and Company			
	Number of ordinary shares of RM1 each		Amount	
	2009 RM'000	2008 RM'000	2009	2008
Authorised :				
At 1 July / 30 June	200,000,000	200,000,000	200,000	200,000
Issued and fully paid :				
At 1 July / 30 June	64,805,000	64,805,000	64,805	64,805

16. RESERVES

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Non-distributable :				
Share premium	1,225	1,225	1,225	1,225
Revaluation reserve	1,114	1,114	-	-
Foreign currency translation reserve	(2,411)	(8,127)	-	-
	(72)	(5,788)	1,225	1,225
Distributable :				
Retained earnings				
At 30 June	112,753	101,336	24,003	23,041
	112,681	95,548	25,228	24,266

Notes To The Financial Statements (cont'd)

For The Year Ended 30 June, 2009

16. RESERVES (cont'd)

Under the single-tier tax system which came into effect from the year of assessment 2008, the Company is 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.

The Company may continue to pay franked dividend until the Section 108 credit is exhausted or 31 December 2013 whichever is earlier unless the Company irrevocably opt to disregard the Section 108 credit to pay single-tier dividends under the special transitional provisions of the Finance Act, 2008.

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 2009 to distribute cash dividend payments to ordinary shareholdings as defined under the Finance Act, 2008.

As at 30 June, 2009 the Company has sufficient credit in the Section 108 balance to profits to pay franked dividends amounting to RM1,934,900 (2008 : RM1,848,270) out of its retained earnings. In addition the Company has tax exempt profits available as at 30 June, 2009 to frank tax exempt dividends of RM30,185,191 (2008 : RM32,777,391) subject to the agreement with the Inland Revenue Board.

17. HIRE PURCHASE PAYABLES

	Group	
	2009	2008
	RM'000	RM'000
Minimum hire purchase payments :		
Within 1 year	447	720
More than 1 year and less than 2 years	118	446
More than 2 years and less than 5 years	-	118
	565	1,284
Less : Future finance charges	(21)	(76)
Present value of hire purchase liabilities	544	1,208
Present value of hire purchase liabilities		
Within 1 year	428	664
After 1 and up to 2 years	116	428
After 2 and up to 5 years	-	116
	544	1,208
Analysed as :		
Current	428	664
Non-current	116	544
	544	1,208

Notes To The Financial Statements (cont'd)

For The Year Ended 30 June, 2009

17. HIRE PURCHASE PAYABLES (cont'd)

The hire purchase liabilities bore effective interest rate at the balance sheet date of 4.63% (2008: 3.61%) per annum.

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

	Group	
	2009 RM'000	2008 RM'000
Ringgit Malaysia	505	1,000
Thai Baht	39	208
	544	1,208

18. BANK BORROWINGS

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Current				
Secured				
Bank overdrafts	3,620	6,996	-	12
Bankers' acceptances	7,761	10,230	-	-
Trust receipts	40,996	47,044	-	-
Bills payable	4,065	5,871	-	-
Term loans	11,646	9,159	-	-
	68,088	79,300	-	12
Non-current :				
Secured				
Term loans	24,268	25,831	-	-
Unsecured				
Primary Collateralised Loan Obligation {Note (b)}	20,000	35,000	20,000	35,000
	44,268	60,831	20,000	35,000
Total {Note (a)}	112,356	140,131	20,000	35,012

Notes To The Financial Statements (cont'd)

For The Year Ended 30 June, 2009

18. BANK BORROWINGS (cont'd)

The currency exposure profile of bank borrowings is as follows:

	Group	
	2009 RM'000	2008 RM'000
Bank overdrafts		
Ringgit Malaysia	1,063	6,996
Thai Baht	2,557	-
	3,620	6,996
Trust receipts		
United States Dollar	21,127	47,044
Vietnam Dong	19,869	-
	40,996	47,044
Bills payable		
Thai Baht	4,065	5,871
Term loans		
Ringgit Malaysia	1,508	3,291
United States Dollar	24,751	20,659
Thai Baht	9,655	11,040
	35,914	34,990

The 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 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	
	2009 %	2008 %	2009 %	2008 %
Term loans	3.87 – 8.35	6.09 – 8.50	-	-
Bank overdrafts	6.25 – 8.00	7.75 – 8.25	-	-
Bankers' acceptances	2.16 – 4.67	3.41 – 4.96	-	-
Trust receipts	4.45 – 8.50	3.87 – 7.20	-	-
Bills payable	6.25 – 7.00	6.12 – 8.00	-	-
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 (cont'd)

For The Year Ended 30 June, 2009

18. BANK BORROWINGS (cont'd)

(a) Maturity of borrowings :

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Not later than 1 year	68,088	79,300	-	12
Later than 1 year and not later than 2 years	16,647	38,104	-	15,000
Later than 2 years and not later than 5 years	27,621	20,458	20,000	20,000
More than 5 years	-	2,269	-	-
	112,356	140,131	20,000	35,012

(b) Primary Collateralised Loan Obligations

(i) The 5 year unsecured term loan of RM15,000,000 under a Primary Collateralised Loan Obligation Programme which bears interest rate of 6.5% (2008 : 6.5%) per annum has been fully settled during the financial year.

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 as disclosed in Note 6 to the financial statements.

(ii) The 5 year unsecured term loan of RM20,000,000 under a Primary Collateralised Loan Obligation Programme which bears interest rate of 5.63% (2008 : 5.63%) per annum is to be repaid in one bullet payment at the end of the loan period on 8 January, 2012.

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 as disclosed in Note 6 to the financial statements.

19. TRADE PAYABLES

The currency exposure profile of trade payables is as follows :

	Group	
	2009 RM'000	2008 RM'000
Ringgit Malaysia	5,574	6,013
United States Dollar	18,391	19,083
Vietnam Dong	16,401	18,909
Thai Baht	450	417
	40,816	44,422

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

Notes To The Financial Statements (cont'd)

For The Year Ended 30 June, 2009

20. OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Other payables	7,936	4,585	28	-
Accruals	10,370	12,130	111	78
	18,306	16,715	139	78

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

	Group	
	2009 RM'000	2008 RM'000
Ringgit Malaysia	5,790	4,741
United States Dollar	1,325	2,412
Singapore Dollar	1,366	3
Vietnam Dong	8,508	9,092
Thai Baht	1,317	467
	18,306	16,715

Included in accruals of the Group are :

- (i) RM36,000 (2008 : RM45,500) due to a director for director's remuneration. This amount is unsecured, interest free and is payable on demand.
- (ii) RM3,185,368 (2008 : RM4,516,009) accrued for import duty and other direct taxes payable in foreign subsidiaries.
- (iii) RM887,830 (2008 : RM685,628) severance allowance which is accrued at the end of each financial year for all employees in foreign subsidiaries who have served more than one year at the rate of a half of monthly salary for each working year.

21. REVENUE

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Sale of wooden furniture and components	397,378	404,176	-	-
Management fees income from subsidiaries	-	-	240	240
	397,378	404,176	240	240

Notes To The Financial Statements (cont'd)

For The Year Ended 30 June, 2009

22. PROFIT / (LOSS) FROM OPERATIONS

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
This is arrived at				
After charging :				
Allowance for doubtful debts	34	23	-	-
Amortisation of prepaid lease payments	567	494	-	-
Auditors' remuneration:				
- holding company auditor	107	96	13	11
- other auditors	171	174	-	-
- under / (over) provision in prior year	2	(5)	7	-
Bad debts written off	12	-	-	-
Depreciation of property, plant and equipment	14,136	13,293	-	-
Deposits written off	16	2	-	-
Directors' remuneration (Note 24)				
- fees	225	288	216	288
- salaries and other emoluments	1,420	1,187	112	40
Impairment loss on unquoted investment	750	750	750	750
Inventories written down	-	400	-	-
Inventories written off	58	38	-	-
Loss on disposal of property, plant and equipment	106	-	-	-
Loss on foreign exchange				
- realised	-	560	-	-
- unrealised	1,035	-	-	-
Loss on partial disposal of investment in a subsidiary	98	-	-	-
Property, plant and equipment written off	317	21	-	-
Rental	1,012	1,017	-	-
Staff costs (Note 23)	61,541	58,402	-	-
And crediting :				
Bond interest received	-	66	-	66
Gain on partial disposal of investment in a subsidiary	-	-	3,854	-
Gain on disposal of property, plant and equipment	-	378	-	-
Gain on disposal of leasehold land	-	35	-	-
Gain on foreign exchange				
- realised	1,518	-	548	-
- unrealised	-	434	-	-
Insurance claim received	-	40	-	-
Rental income	5	5	-	-
Term deposit interest income	577	671	207	328
Management fee income from subsidiaries	-	-	240	240

Notes To The Financial Statements (cont'd)

For The Year Ended 30 June, 2009

23. STAFF COSTS

	Group	
	2009 RM'000	2008 RM'000
Salaries and wages	55,952	51,021
Social security costs	2,796	2,527
Pension costs - defined contribution plans	1,282	1,711
Other staff related expenses	1,511	3,143
	61,541	58,402

24. DIRECTORS' REMUNERATION

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Directors of the Company Executive :				
Lin, Tzu-Lang				
Lin, Tzu-Keng				
Lin Chen, Jui-Fen				
Salaries and other emoluments	847	809	79	82
Bonuses	60	99	-	-
	907	908	79	82
Non-Executive :				
Dato' Haji Shaharuddin Bin Haji Haron				
Toh Seng Thong				
Yek Siew Liong				
Fees	216	216	216	216
Allowances	15	12	15	12
Bonuses	18	18	18	18
	249	246	249	246
Other directors of the Group				
Salaries and other emoluments	449	315	-	-
Fees	9	-	-	-
Bonuses	31	6	-	-
	489	321	-	-
Total	1,645	1,475	328	328

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

Notes To The Financial Statements (cont'd)

For The Year Ended 30 June, 2009

24. DIRECTORS' REMUNERATION (cont'd)

	Number of Directors	
	2009	2008
Directors of the Company		
Executive directors:		
Below RM50,000	-	-
RM50,001 – RM100,000	1	1
RM100,001 – RM150,000	-	-
RM150,001 – RM200,000	-	-
RM200,001 – RM250,000	1	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	1	-
RM600,001 – RM650,000	-	1
Non-Executive directors:		
Below RM50,000	-	-
RM50,001 – RM100,000	3	3

25. FINANCE COSTS

Included in finance costs are :

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Interest expenses :				
- bank overdraft	522	1,067	-	-
- bankers' acceptances	319	782	-	-
- bills payables	3	16	-	-
- hire purchase	56	104	-	-
- term loan	3,287	3,735	-	-
- trust receipts	4,896	3,965	-	-
- others	75	12	-	-
	9,158	9,681	-	-

Notes To The Financial Statements (cont'd)

For The Year Ended 30 June, 2009

26. TAXATION

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Malaysia income tax				
- charge for the year	779	582	22	68
- overprovision in prior year	(6)	(6)	(6)	-
Real property gains tax	12	-	-	-
Deferred tax (Note 7)				
- relating to origination and reversal of temporary differences	(4,118)	(694)	-	-
	(3,333)	(118)	16	68

Reconciliation of effective tax rate:

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Profit / (Loss) before taxation	9,880	8,367	3,570	(633)
Taxation at Malaysian statutory tax rate of 25% (2008 : 26%)	2,470	2,175	892	(164)
Effect of reduced tax rate of 20%	-	(2,040)	-	-
Expenses not deductible for tax purposes	1,138	4,258	94	232
Income not subject to tax	(5,718)	(4,798)	(964)	-
Temporary differences not recognised during the year	-	703	-	-
Recognition of previously unrecognised deferred tax assets	(1,229)	(410)	-	-
Real property gains tax	12	-	-	-
Over provision in prior year	(6)	(6)	(6)	-
	(3,333)	(118)	16	68

The Group has unutilised capital allowances and reinvestment allowances of approximately RM14,939,600 (2008 : RM11,771,200) and RM28,045,000 (2008 : RM27,209,700) 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 and subsequently are subject to pay corporate income tax at the rate of 10%.

Notes To The Financial Statements (cont'd)

For The Year Ended 30 June, 2009

27. 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 RM14,009,000 (2008 : RM10,806,000) and on weighted average number of ordinary shares in issue during the year of 64,805,000 (2008 : 64,805,000).

28. DIVIDENDS

	Group and Company			
	Amount of tax exempt dividend		Dividend per share	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Final dividend paid :				
- financial year ended 30 June, 2007	-	-	-	-
- financial year ended 30 June, 2008	2,592	2,657	4.0	4.1
	2,592	2,657	4.0	4.1

At the forthcoming Annual General Meeting, a final dividend in respect of the current financial year ended 30 June, 2009 of 5.8 sen on 64,805,000 ordinary shares amounting to a total of RM3,758,690 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, 2010.

29. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

During the year the Group acquired property, plant and equipment with cost of RM5,078,714 (2008 : RM22,930,720) of which Nil (2008 : RM570,000) was acquired by hire purchase agreements and RM5,078,714 (2008 : RM22,360,720) by cash payments.

30. CASH AND CASH EQUIVALENTS

	Group		Company	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Cash and bank balances	22,967	16,869	1,508	17
Term deposits	27,497	13,311	7,094	10,974
Bank overdrafts	(3,620)	(6,996)	-	(12)
	46,844	23,184	8,602	10,979
Less :				
Term deposits not available for use by the Group the Company	(9,151)	(13,311)	(7,094)	(10,974)
	37,693	9,873	1,508	5

Notes To The Financial Statements (cont'd)

For The Year Ended 30 June, 2009

31. 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 :

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Management fee 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 24.

32. SIGNIFICANT EVENTS

- (a) During the financial year the Company implemented an Internal Restructuring Exercise in preparation for the listing of the subsidiary, Latitude Tree International Group Ltd. (formerly known as Latitude Tree Pte. Ltd. "LTPL" and Latitude Tree International Group Pte Ltd. "LTIGPL") ("LTIGL") on the Official List of Catalist on the Singapore Exchange Securities Trading Limited as follows:

- (i) Disposal by the Company on 20 April 2009 of its entire equity interest in Latitude Tree International Limited ("LTIL") and Linkage Creation International Co., Ltd. ("LCI") to LTIGL for an aggregate cash consideration of USD2.00
- (ii) Sub-division by LTIGL of its existing 1 ordinary share into 10 ordinary shares.
- (iii) Capitalisation and the subscription by the Company of 199,999,990 new ordinary shares in LTIGL at amounts due by LTIGL to the Company equivalent to SGD19,999,999 (equivalent to approximately RM48.12 million)

The Internal Restructuring was completed on 13 May, 2009.

- (b) On 1 June 2009 the Company disposed off 18,000,000 ordinary shares in LTIGL representing 9% of the total issued and paid-up share capital of LTIGL for a total cash consideration of SGD3.42 million (equivalent to RM8.190 million).
- (c) On 17 June 2009 the subsidiary, LTPL has changed its name to LTIGPL and was converted into a public company limited by shares. Following the conversion, the subsidiary is now known as LTIGL.

Notes To The Financial Statements (cont'd)

For The Year Ended 30 June, 2009

33. SUBSEQUENT EVENTS

Subsequent to the financial year end, the subsidiary, LTIGL has issued 3,636,000 new ordinary shares at S\$0.22 per share for the settlement of LTIGL's payment obligations under the full sponsorship and management agreement of the Listing.

The initial public offering of 36,000,000 Placement Shares of LTIGL at S\$0.22 per share was fully taken up at the close of the application list on 17 August, 2009.

Subsequent to the new issue of LTIGL's shares of 3,636,000 and 36,000,000 on 4 August, 2009 and 18 August, 2009 respectively, the equity interest of the Company in LTIGL had reduced from 91.00% to 75.95% and LTIGL remains a subsidiary of the Company.

The proposed listing of and quotation for the entire enlarged issued and paid-up share capital of the subsidiary, LTIGL on the Official List of Catalist on the Singapore Exchange Securities Trading Limited. was completed on 19 August, 2009.

34. COMMITMENTS

Capital commitments

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

	Group	
	2009	2008
	RM'000	RM'000
Authorised and contracted for	2,317	1,253

Operating lease commitments

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

	Group	
	2009	2008
	RM'000	RM'000
Within 1 year	208	191
Within 2 to 5 years	869	764
More than 5 years	7,242	10,556
	8,319	11,511

Notes To The Financial Statements (cont'd)

For The Year Ended 30 June, 2009

35. CONTINGENT LIABILITIES (unsecured)

	Company	
	2009 RM'000	2008 RM'000
Corporate guarantees given to financial institutions in respect of facilities granted to subsidiaries	101,852	184,154

36. 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, 2009, 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 receivables: USD1,420,000	United States Dollar	5,072,382	1 USD = RM3.5721

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

(b) Credit risk

The Group's exposure to credit risk arises from its receivables and the maximum risk associated with recognised financial assets is the carrying amounts as presented in the balance sheet.

The Group has a credit policy in place and the exposure to credit risk is managed through the application of credit approvals, credit limits and monitoring procedures. Trade receivables are monitored on an ongoing basis via the Group's management reporting procedures.

(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 35 due to the uncertainties of timing, costs and eventual outcome.

Notes To The Financial Statements (cont'd)

For The Year Ended 30 June, 2009

36. FINANCIAL INSTRUMENTS (cont'd)

(c) Fair values (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.

(ii) **Borrowings – Term Loans and Hire Purchase Payables**

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

37. 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 and Thailand.

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.

Notes To The Financial Statements (cont'd)

For The Year Ended 30 June, 2009

37. SEGMENTAL INFORMATION (cont'd)

	Malaysia		Vietnam		Thailand		Singapore		Others		Group	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Total revenue	158,538	222,150	285,807	258,794	15,772	15,409	24,759	-	-	-	484,876	496,353
Inter segment revenue	(54,089)	(60,782)	(181)	(30,505)	(8,469)	(890)	(24,759)	-	-	-	(87,498)	(92,177)
External revenue	104,449	161,368	285,626	228,289	7,303	14,519	-	-	-	-	397,378	404,176
(Loss) / Profit before taxation	(8,191)	(8,628)	22,999	21,760	(1,919)	(4,736)	(2,990)	(19)	(19)	(10)	9,880	8,367

Notes To The Financial Statements (cont'd)

For The Year Ended 30 June, 2009

37. SEGMENTAL INFORMATION (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	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Malaysia	121,916	153,871	853	4,350
Vietnam	208,651	189,266	4,218	15,802
Thailand	29,618	29,646	8	2,779
Singapore	2,890	18	-	-
Others	57	57	-	-
	363,132	372,858	5,079	22,931

Properties Held By The Company & Its Subsidiaries

As At 30 June 2009

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	16	167,433	7,793	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	11	171,518	8,838	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	11	669,086	10,781	3/8/1999 (A)
PT 5324, Kawasan Perindustrian Ajil, Fasa 2, Batu 21, Jalan Ajil, Kuala Berang, 21800 Ulu Terengganu, Terengganu	Industrial land with 4 blocks of factory building	Leasehold	2058	9	660,880	8,326	30/5/2000 (A)
PT 9090, Kawasan Perindustrian Ajil, Mukim Tanggul, Hulu Terengganu [New reg. no. PT6772]	Vacant Industrial Land	Leasehold	2058	N/A	153,924	183	15/10/2003 (A)
Plot No. 8, Kawasan Perindustrian Telok Kalong, Kemaman, Terengganu	Vacant Industrial Land	Leasehold	2061	N/A	596,966	3,044	20/5/2001 (A)
GM 3838 , Lot No 519, Batu 8 , Jalan Kapar, 42200 Kapar, Selangor Darul Ehsan.	Industrial land with 1 block of factory building & 1 double storeys office building	Freehold	N/A	7	196,020	9,220	2/5/2001 (R)
GM 2582 , Lot No 518, Batu 8 , Jalan Kapar, 42200 Kapar, Selangor Darul Ehsan.	Industrial land with 2 blocks of factory building	Freehold	N/A	17	195,748	10,905	14/4/2003 (A)
H.S 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	15	103,727	220	14/4/2003 (A)

Properties Held By The Company & Its Subsidiaries (cont'd)

As At 30 June 2009

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)
H.S.(M) 35437 , PT 56964, Batu 8 , Jalan Kapar, 42200 Kapar, Selangor Darul Ehsan	Workers' quarters	Freehold	N/A	2	59,890	2,225	18/12/2006 (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 buildings & 4 blocks of workers' quarters.	Freehold	N/A	3	869,022	15,901	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)
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 3-storey office building	Leasehold	2045	8	637,869	13,009	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	3	140,243	4,863	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	4	780,081	12,181	May 2002 (A)
Lot 231, 240, Lai Uyen Village, Ben Cat District, Binh Duong Province Vietnam	Industrial Land with 3 blocks of factory building	Leasehold	2052	2	1,011,042	14,624	May 2002 (A)
Lot 77, 232, 243, 244, Lai Uyen Village, Ben Cat District, Binh Duong Province Vietnam	Industrial Land with 1 block of factory building	Leasehold	2052	1	1,035,960	8,930	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	2	1,132,448	4,760	Nov 2006 (A)

Analysis Of Shareholdings

As At 30 October, 2009

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

DISTRIBUTION OF SHAREHOLDINGS

Size of Holdings	No. of Shareholders/Depositors	% of Shareholders/Depositors	No. of Shares Held	% of Issued Capital
1 - 99	108	8.86	4,912	0.01
100 - 1,000	178	14.60	150,427	0.23
1,001 - 10,000	820	67.27	2,572,444	3.97
10,001 - 100,000	85	6.97	2,206,550	3.40
100,001 - 3,240,249	22	1.81	22,291,515	34.40
3,240,250 (5% of Issued Capital) and above	6	0.49	37,579,152	57.99
TOTAL	1,219	100.00	64,805,000	100.00

THIRTY LARGEST SHAREHOLDERS AS AT 30 OCTOBER, 2009

	Name of Shareholders/Depositors	No. of Shares	% 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 SDN 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	1,738,100	2.68%
12	LIN, TZU-KENG	1,701,500	2.63%
13	PUI CHENG WUI	1,318,900	2.04%
14	LIN CHEN, JUI FEN	1,312,750	2.03%
15	PRB NOMINEES (TEMPATAN) SDN BHD RUBBER INDUSTRY SMALLHOLDERS DEVELOPMENT AUTHORITY	1,105,500	1.71%
16	HO SUE BIA	771,648	1.19%
18	AMSEC NOMINEES (TEMPATAN) SDN BHD CHUA GIM HOA	693,000	1.07%
17	JF APEX NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHENG KIEN WING	748,550	1.16%
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 (cont'd)

As At 30 October, 2009

THIRTY LARGEST SHAREHOLDERS AS AT 30 OCTOBER, 2009

Name	No. of Shares Held	Holding Percentage (%)
21 SHEN CHING CHI	472,000	0.73%
22 JF APEX NOMINEES (TEMPATAN) SDN BHD PLEGGED SECURITIES ACCOUNT FOR ONG KOK WAH @ ANN KOK WAH	283,267	0.44%
23 LIM TONG YONG @ LIM TONG YAIM	214,000	0.33%
24 HSBC NOMINEES (ASING) SDN BHD HSBC-FS FOR CARL FRIEDRICH MARINO GUMPERT	150,000	0.23%
25 MAYBAN NOMINEES (TEMPATAN) SDN BHD CAPITAL DYNAMICS ASSET MANAGEMENT SDN BHD FOR ACE SYNERGY INSURANCE BERHAD	145,000	0.22%
26 PRB NOMINEES (TEMPATAN) SDN BHD RUBBER INDUSTRY SMALLHOLDERS DEVELOPMENT AUTHORITY	144,650	0.22%
27 CHENG KIEN WING	120,000	0.19%
28 SUN LIEN PI-CHU	110,250	0.17%
29 BONG CHIEW KEE	95,000	0.15%
30 DAZUN PAPER INDUSTRIAL CO SDN BHD	81,500	0.13%
	60,047,167	92.66%

SUBSTANTIAL SHAREHOLDERS AS AT 30 OCTOBER 2009

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 ⁽²⁾	11.33
2 KONSORTIUM KONTREK SDN 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 ⁽²⁾	19.45
5 LIN, TZU-LANG	7,110,250	10.97	-	-
6. YEK SIEW LIONG	-	-	9,740,000 ⁽³⁾	15.03

DIRECTORS' SHAREHOLDINGS AS AT 30 OCTOBER 2009

Name of Directors	Direct Interest	No. of Shares		%
		%	Indirect Interest	
1. Lin, Tzu-Keng ⁽¹⁾	12,602,518	19.45	7,344,134 ⁽²⁾	11.33
2. Lin Chen, Jui-Fen ⁽¹⁾	7,344,134	11.33	12,602,518 ⁽²⁾	19.45
3. Lin, Tzu-Lang ⁽¹⁾	7,110,250	10.97	-	-
4. Yek Siew Liong ⁽¹⁾	-	-	9,740,000 ⁽³⁾	15.03
5. Dato' Haji Shaharuddin Bin Haji Haron	-	-	-	-
6. Toh Seng Thong	-	-	-	-

Notes:

- (1) By virtue of their interests in shares of the Company, the Directors are also deemed to have an interest in the shares of all the subsidiaries of the Company to the extent the Company has an interest.
- (2) Deemed interested in the shares held by his/her spouse.
- (3) Deemed interested in the shares held by Konsortium Kontrek Sdn Bhd by virtue of Section 6A(4)(c) of the Companies Act, 1965.

Notice Of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Fifteenth 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 Wednesday, 16 December 2009 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 2009 together with Reports of the Directors' and the Auditors' thereon. **Ordinary Resolution 1**
2. To declare a first and final dividend of 5.8 sen per share (tax exempt) for the financial year ended 30 June 2009. **Ordinary Resolution 2**
3. To approve payment of Directors' fee for the financial year ended 30 June 2009. **Ordinary Resolution 3**
4. To re-elect the following Directors retiring under Articles 85 and 113 of the Articles of Association of the Company:-
 - (i) Mr Lin, Tzu-Lang **Ordinary Resolution 4**
 - (ii) Mdm Lin Chen, Jui-Fen **Ordinary Resolution 5**
5. To consider and, if thought fit, pass the following resolution pursuant to Section 129(6) of the Companies Act, 1965:-

"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."

Ordinary Resolution 6
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 resolution:-

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 5.8 sen per share (tax exempt) for the financial year ended 30 June 2009, if approved, will be paid on 28 January 2010 to shareholders whose names appear on the Record of Depositors as at 6 January 2010.

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 6 January 2010 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 : 24 November 2009

NOTES :

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. A member of the Company who is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 may appoint at least one (1) proxy in respect of each securities account.
3. 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.
4. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation either under the common seal or under the hand of an officer or attorney so authorised.
5. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, shall 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, 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 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 AGM. As at the date of this notice, no new shares were issued pursuant to the existing mandate granted at the Fourteenth Annual General Meeting held on 18 December 2008. At this juncture, there is no decision to issue new shares. If there should be a decision to issue new shares after the general mandate is sought, the Company will make an announcement in respect of the purpose and utilisation of proceeds arising from such issue.

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. _____ of _____

or failing him/her, _____ IC No./ID 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 15th 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 Wednesday, 16 December 2009 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 the financial year ended 30 June 2009 together with Directors' and Auditors' Reports		
Ordinary Resolution 2	Declaration of a first and final dividend of 5.8 sen per share (tax exempt) for the financial year ended 30 June 2009		
Ordinary Resolution 3	Approval of Directors' fee for the financial year ended 30 June 2009		
Ordinary Resolution 4	Re-election of Mr Lin, Tzu-Lang as Director		
Ordinary Resolution 5	Re-election of Mdm Lin Chen, Jui-Fen 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: _____

NOTES :

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.
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3. 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.
4. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation either under the common seal or under the hand of an officer or attorney so authorised.
5. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, shall 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.

Please fold here

Affix Stamp

LATITUDE TREE HOLDINGS BERHAD

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

Please fold here

www.latitude-tree.com



LATITUDE TREE HOLDINGS BERHAD
(302829-W)

Latitude Tree Furniture Sdn Bhd
Lot 3356, Batu 7 3/4, Jalan Kapar, 42200 Kapar, Selangor.
Tel: 603-3291 5401 Fax: 603-3291 5407