



**LATITUDE TREE HOLDINGS BERHAD** (302829-W)

**Condensed consolidated income statements**  
**For the 12 months ended 30 June 2008**  
**(The figures have not been audited)**

	Individual Period		Cumulative Period	
	Current year Quarter	Preceding year corresponding Quarter	Current year to Date	Preceding year corresponding Period
	30/6/2008 RM'000	30/6/2007 RM'000	30/6/2008 RM'000	30/6/2007 RM'000
<b>Continuing Operations</b>				
Revenue	115,607	102,625	399,746	411,706
Cost of Sales	(102,849)	(95,751)	(365,287)	(374,242)
<b>Gross Profit</b>	12,758	6,874	34,459	37,464
Other income	1,537	1,075	2,729	3,016
Administrative expenses	(3,270)	(3,931)	(12,406)	(16,487)
Selling and marketing expenses	(172)	(366)	(1,259)	(2,289)
Other expenses	(1,321)	(23)	(5,806)	(3,469)
Finance Costs	(2,378)	(2,652)	(9,414)	(9,045)
<b>Profit before taxation</b>	7,154	977	8,303	9,190
Tax expense	(529)	(278)	(485)	(397)
<b>Profit for the period</b>	6,625	699	7,818	8,793
Attributable to :				
Equity holders of the parent	7,234	1,512	10,050	10,263
Minority interests	(609)	(813)	(2,232)	(1,470)
	6,625	699	7,818	8,793
<b>Earnings / (Loss) per ordinary share (sen)</b>				
(a) Basic	11.16	2.33	15.51	15.80
(b) Fully diluted	11.16	2.33	15.51	15.80

(The Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statement for the year ended 30 June 2007)



# LATITUDE TREE HOLDINGS BERHAD (302829-W)

## Condensed consolidated balance sheet As at 30 June 2008 (The figures have not been audited)

	30 June 2008	(Audited) 30 June 2007 (Restated)
	RM'000	RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	196,034	192,766
Prepaid land lease payments	21,771	24,358
Investments	2,750	3,581
Deferred tax assets	2,647	2,211
	<u>223,202</u>	<u>222,916</u>
<b>Current assets</b>		
Inventories	70,250	82,239
Trade receivables	33,245	18,712
Other receivables	20,391	22,836
Deposits, cash and bank balances	26,731	39,350
	<u>150,617</u>	<u>163,137</u>
Non current assets held for sale	-	8,200
	<u>150,617</u>	<u>171,337</u>
<b>TOTAL ASSETS</b>	<b><u>373,819</u></b>	<b><u>394,253</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share capital	64,805	64,805
Reserves	97,869	93,383
	<u>162,674</u>	<u>158,188</u>
Minority interest	6,577	8,695
<b>Total equity</b>	<b><u>169,251</u></b>	<b><u>166,883</u></b>
<b>Non-current liabilities</b>		
Borrowings	46,357	70,873
Deferred tax liabilities	6,658	6,540
	<u>53,015</u>	<u>77,413</u>
<b>Current liabilities</b>		
Trade payables	41,916	30,192
Other payables	18,036	26,268
Borrowings	91,601	93,497
	<u>151,553</u>	<u>149,957</u>
<b>TOTAL LIABILITIES</b>	<b><u>204,568</u></b>	<b><u>227,370</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>373,819</u></b>	<b><u>394,253</u></b>
Net assets per share attributable to ordinary equity holders of the parent (RM)	2.5102	2.4410

(The Condensed Consolidated Balance Sheets should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2007)



**LATITUDE TREE HOLDINGS BERHAD** (302829-W)

**Condensed consolidated statement of changes in equity**  
**For 12 months ended 30 June 2008**  
**(The figures have not been audited)**

	Attributable to Equity Holders of the Parent						Total RM'000	Minority Interest RM'000	Total Equity RM'000
	Non-distributable			Distributable					
	Share capital RM'000	Share premium RM'000	Reserve on consolidation RM'000	Revaluation reserve RM'000	Foreign currency translation reserve RM'000	Retained profits RM'000			
<b>At 1 July 2006</b>									
As previously stated	64,805	1,225	1,370	2,284	-	86,809	156,493	9,056	165,549
<b>Effect of Adopting FRS 3</b>			(1,370)			1,370	-		-
<b>As restated</b>	64,805	1,225	-	2,284	-	88,179	156,493	9,056	165,549
Profit/(Loss) for the financial quarters	-	-	-	-	-	10,263	10,263	(1,470)	8,793
Amortisation of reserve on consolidation	-	-	-	-	-	-	-	-	-
Foreign currency translation difference	-	-	-	-	(2,143)	-	(2,143)	1,109	(1,034)
Increase/(Reversal) of revaluation reserve	-	-	-	(770)	-	-	(770)	-	(770)
Deconsolidation adjustment	-	-	-	-	-	177	177	-	177
Dividends - FY 2006	-	-	-	-	-	(5,832)	(5,832)	-	(5,832)
Increase in share capital : ESOS	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
<b>At 30 June 2007</b>	64,805	1,225	-	1,514	(2,143)	92,787	158,188	8,695	<b>166,883</b>
<b>At 1 July 2007</b>	64,805	1,225	-	1,514	(2,143)	92,787	158,188	8,695	166,883
Profit/(Loss) for the financial quarters	-	-	-	-	-	10,050	10,050	(2,232)	7,818
Foreign currency translation difference	-	-	-	-	(2,906)	-	(2,906)	114	(2,792)
Increase/(Reversal) of revaluation reserve	-	-	-	-	-	-	-	-	-
Dividends - FY 2007	-	-	-	-	-	(2,658)	(2,658)	-	(2,658)
	-	-	-	-	-	-	-	-	-
<b>At 30 June 2008</b>	64,805	1,225	-	1,514	(5,049)	100,179	162,674	6,577	<b>169,251</b>

(The Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2007)



**LATITUDE TEE HOLDINGS BERHAD** (302829-w)

**Condensed consolidated Cash Flow Statements**  
**For 12 months ended 30 June 2008**  
 (The figures have not been audited)

	30 June 2008 RM'000	(Audited) 30 June 2007 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	8,303	9,190
Adjustments for:		
Depreciation and amortisation	13,398	14,835
Non cash items	3,542	684
Net financing costs	8,457	8,434
<b>Operating profit before working capital changes</b>	<b>33,700</b>	<b>33,143</b>
<b>Changes in working capital</b>		
Net change in current assets	8,101	(4,287)
Net change in current liabilities	3,217	(4,712)
Net income taxes paid	(182)	(1,187)
Other operating income received	2,789	6,586
Net financing costs paid	(8,457)	(8,434)
<b>Net cash generated from operating activities</b>	<b>39,168</b>	<b>21,109</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Equity investments	-	-
Other investments	(20,875)	(46,585)
<b>Net cash used in investing activities</b>	<b>(20,875)</b>	<b>(46,585)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net drawdown of borrowings	(14,930)	36,274
Minority interest	-	-
Dividend payment	(2,657)	(5,832)
Proceeds from issuance of share capital	-	-
<b>Net cash generated/(used) in financing activities</b>	<b>(17,587)</b>	<b>30,442</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>706</b>	<b>4,966</b>
<b>CASH &amp; CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>8,053</b>	<b>3,755</b>
<b>EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>	<b>(1,296)</b>	<b>(668)</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>7,463</b>	<b>8,053</b>
<b>Cash and cash equivalents included in the consolidated cash flow statements comprise the following balance sheet amounts :</b>		
Cash and bank balances	13,435	23,688
Term deposits	13,296	15,662
Bank overdrafts	(5,972)	(15,635)
	<b>20,759</b>	<b>23,715</b>
Less: Term deposits not available for use	(13,296)	(15,662)
	<b>7,463</b>	<b>8,053</b>

(The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2007)



# LATITUDE TREE HOLDINGS BERHAD

(302829-W)

## EXPLANATORY NOTES FOR FOURTH QUARTER ENDING 30 JUNE 2008

### 1. BASIS OF PREPARATION

The interim financial report is unaudited and has been prepared in accordance with Financial Reporting Standards ("FRS") 134 "Interim Financial Reporting" and the applicable disclosure provisions of the Listing Requirements of Bursa Malaysia Securities Berhad and should be read in conjunction with the Group's audited financial statements for the financial year ended 30 June 2007.

- a) The significant accounting policies adopted for this interim financial report are consistent with those of the audited financial statements for the financial year ended 30 June 2007 except for the adoption of the new and revised Financial Reporting Standards ("FRS") as stated below :

		Effective for period beginning on or after
FRS 117	Leases	1 October 2006
FRS 124	Related Party Disclosures	1 October 2006
FRS 6	Exploration for and Evaluation of Mineral Resources	1 January 2007
FRS 119 <sub>2004</sub>	Amendment to Financial Reporting Standard FRS 119 <sub>2004</sub> Employees Benefits - Actuarial Gains and Losses, Group Plans and Disclosures	1 January 2007

The new and revised FRS 6 and 119<sub>2004</sub> are not relevant to the operation of the Group. The adoption of the revised FRS 124 does not have significant financial impact on the Group.

#### The principal effects of the change in accounting policies resulting for the adoption of FRS 117 disclosed as follows :

##### Leasehold land held for own use (FRS 117 : Leases)

Prior to 1 July 2007, leasehold land held for own use was classified as property, plant and equipment and was stated at revalued amount less accumulated depreciation and impairment losses. Surpluses arising from revaluation are dealt with in the revaluation reserve accounts. Any deficit arising is offset against the revaluation reserve to the extent of a previous increase for the same property. In all other cases, a decrease in carrying amount is charged to the income statement.

The adoption of the revised FRS 117 has resulted in a change in the accounting policy relating to the classification of leasehold land. Such leasehold land will no longer be revalued. Leases of land are classified as operating or finance leases in the same way as leases of other assets and the land and buildings elements of a lease of land and buildings are considered separately for the purpose of lease classification. Leasehold land held for own use is now classified as operating lease and where necessary, the minimum lease payments or the up-front payments made are allocated between the land and the buildings elements in proportion to the relative fair values for leasehold interests in the land elements and buildings elements of the lease at the inception of the lease.



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## EXPLANATORY NOTES FOR FOURTH QUARTER ENDING 30 JUNE 2008

The up-front payment represents prepaid lease payments and are amortised on a straight-line basis over the lease term.

The Group has applied the change in accounting policy in respect of leasehold land in accordance with the transitional provisions of FRS 117. At 1 July 2007, the unamortised amount of leasehold land is retained as the surrogate carrying amount of prepaid lease payments as allowed by the transitional provisions. The reclassification of leasehold land as prepaid lease payments has been accounted for retrospectively and certain comparatives have been restated. The effects on the consolidated balance sheet as at 30 June 2008 are set out below. There were no effects on the consolidated income statement for the quarter ended 30 June 2008.

	As previously reported RM'000	Effect RM'000	As restated RM'000
<b>Balance Sheet as at 30 June 2008</b>			
Property, plant and equipment	217,805	(21,771)	196,034
Prepaid land lease payments	-	21,771	21,771

<b>Balance Sheet as at 30 June 2007</b>			
Property, plant and equipment	217,124	(24,358)	192,766
Prepaid land lease payments	-	24,358	24,358

**b) FRSs issued but not yet adopted**

The Company have not adopted the following FRS 139 which are possibly not relevant.

FRS 139	Financial Instruments : Recognition and Measurement	Effective date deferred
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**2. STATUS OF AUDIT QUALIFICATION**

The preceding audited financial statements were not subject to any qualification.

**3. EXCEPTIONAL/EXTRAORDINARY/INDIVIDUALLY SIGNIFICANT ITEMS**

There were no exceptional/extraordinary/individually significant items during the period under review.

**4. VALUATION OF PROPERTY, PLANT & EQUIPMENT**

Valuations of property, plant and equipment have been brought forward without amendment from the previous audited financial statements.



# LATITUDE TREE HOLDINGS BERHAD

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## EXPLANATORY NOTES FOR FOURTH QUARTER ENDING 30 JUNE 2008

### 5. TAXATION

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

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	30 June 08	30 June 07	30 June 08	30 June 07
	RM'000	RM'000	RM'000	RM'000
Current tax expense				
Malaysian	92	278	134	168
Overseas	575	-	669	-
<b>Total</b>	<b>667</b>	<b>278</b>	<b>803</b>	<b>168</b>
Deferred taxation				
Malaysian	(138)	-	(318)	229
Overseas	-	-	-	-
<b>Total</b>	<b>(138)</b>	<b>-</b>	<b>(318)</b>	<b>229</b>
	<b>529</b>	<b>278</b>	<b>485</b>	<b>397</b>

Deferred taxation was provided after deduction of unabsorbed capital allowances of about **RM12.43 million** which had a tax impact of approximate **RM3.23 million**.

### 6. SALES OF UNQUOTED INVESTMENTS AND PROPERTIES

There were no sales of unquoted investments or properties for the quarter ended 30 June 2008.

### 7. QUOTED SECURITIES

There were no purchase or disposal of quoted securities for the quarter ended 30 June 2008.

### 8. CHANGES IN THE COMPOSITION OF THE GROUP

There was no change to the composition of the Group in the quarter ended 30 June 2008 except as disclosed in Note 9.

### 9. STATUS OF CORPORATE PROPOSAL

There were no corporate proposals announced during the quarter ended 30 June 2008.

### 10. CHANGES IN EQUITY AND LONG TERM DEBTS

There were no issuance and repayment of equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the current quarter ended 30 June 2008.



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## EXPLANATORY NOTES FOR FOURTH QUARTER ENDING 30 JUNE 2008

The Employees' Share Option Scheme has expired on 4 October 2006.

The drawdown and repayment of long term debts for current quarter and the current year-to-date were as follows :

(RM'000)	Current Quarter	Current Year-to-date
Repayment of long term loan as follows		
Secured	6,442	11,598
Unsecured	-	-
Hire Purchase (Secured)	123	1,475
Drawdown of long term loan as follows :		
Secured	-	2,165
Unsecured	-	-
Hire Purchase (Secured)	-	1,392

### 11. BORROWINGS AND DEBTS SECURITIES

Details of the Group's borrowings were as follows:

	Total (RM'000)	RM equivalents of amount denominated in foreign currency included in the borrowings (RM'000)
<b>Long Term Liabilities</b>		
Unsecured :		
Long term loans	35,000	-
Portion repayable within twelve months	(15,000)	-
	20,000	-
Secured :		
Hire Purchase payables	668	110
Long term loans	34,990	32,578
Portion repayable within twelve months	(9,301)	(7,743)
	<b>26,357</b>	<b>24,945</b>
<b>Total Long Term Liabilities</b>	<b>46,357</b>	<b>24,945</b>
<b>Short Term Liabilities</b>		
Unsecured :		
Current portion of long term loans	15,000	-





# LATITUDE TREE HOLDINGS BERHAD

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## EXPLANATORY NOTES FOR FOURTH QUARTER ENDING 30 JUNE 2008

Short term loans	60,788	50,558
Bank overdraft	5,972	-
	<b>81,760</b>	<b>50,558</b>
Secured :		
Hire Purchase payables	540	98
Current portion of long term loans	9,301	7,743
<b>Total Short Term Liabilities</b>	<b>91,601</b>	<b>58,399</b>

### 12. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

#### Group

As at 30 June 2008, there were no contingent liabilities and contingent assets for the Group, other than as disclosed below.

#### Company

As at 30 June 2008, the Company had contingent liabilities in the form of corporate guarantees given to financial institutions in respect of facilities granted to subsidiary companies amounting to RM184,154,355.

### 13. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

The Group did not have any financial instruments with off balance sheet risk as at 30 June 2008, other than the following forward contracts to sell US Dollar in relation to the Group's sales:

	Total	Maturity : Less than 3 months	Maturity : Within 3 to 6 months	Maturity : More than 6 months
USD'000	3,728.5	2,345.2	1,383.3	-
Contracted Rate (RM)	3.2260	3.2260	3.2261	-
RM Equivalents (RM'000)	12,028.3	7,565.6	4,462.7	-

The Group had entered into forward foreign exchange contracts and options contracts as a hedge against anticipated unfavourable foreign currency fluctuation's impact on accounts receivable.

### 14. CHANGES IN MATERIAL LITIGATION

There was no material litigation or any pending material litigation during and at the end of the quarter ended 30 June 2008.

### 15. SEGMENTAL INFORMATION

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



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## EXPLANATORY NOTES FOR FOURTH QUARTER ENDING 30 JUNE 2008

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, Indonesia and Thailand.

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

The segment information for the **current year-to-date** was as follows:

RM'000	Malaysia	Vietnam	Indonesia	Thailand	Total
Total revenue	161,369	258,793	-	13,523	433,686
Inter-Segment Revenue	-	(24,472)	-	(9,467)	(33,939)
External Revenue	161,369	234,322	-	4,056	399,746
Profit/(Loss) before tax	(8,729)	21,591	(4)	(4,555)	8,303

RM'000	Malaysia	Vietnam	Indonesia	Thailand	Total
Carrying amount of Segment Assets	152,746	192,942	71	28,060	373,819
Capital expenditure	4,351	16,198	-	2,693	23,242

### 16. MATERIAL CHANGE IN PROFIT/(LOSS) BEFORE TAXATION COMPARED TO IMMEDIATE PRECEDING QUARTER

RM Million	Current Quarter 30 June 2008	Preceding Quarter 31 March 2008
Revenue	115.607	67.582
Consolidated Profit/(Loss) before taxation	7.154	(2.671)

The Group's revenues increased approximately 71.06% to RM115.61 million for the quarter ended 30 June 2008, as compared to the preceding quarter's RM67.58 million of the preceding quarter. The increase for the quarter was mainly due to increase in production output and higher shipment of finished goods by the factories in Vietnam.

The Group has recorded a profit before tax of RM7.15 million as compared to the loss before tax of RM2.67 million in the preceding quarter. The strong profit before



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## EXPLANATORY NOTES FOR FOURTH QUARTER ENDING 30 JUNE 2008

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tax growth was in line with the substantial increase in revenue of the factories in Vietnam.

### 17. REVIEW OF PERFORMANCE

RM Million	Current Quarter 30 June 2008	Preceding Year Corresponding Quarter 30 June 2007
Revenue	115.607	102.625
Consolidated profit before taxation	7.15	0.98

The Group recorded revenues of RM115.61 million for the quarter ended 30 June 2008 representing an increase of 12.65% as compared to the preceding year corresponding quarter of RM102.63 million. The increase was mainly due to the increase in production capacity and output of factories in Vietnam.

The Group's profit before taxation for the quarter ended 30 June 2008 increased to RM7.15 million from RM0.98 million of preceding year corresponding quarter. The improvement was in line with the increase in revenue.

### 18. SUBSEQUENT EVENTS

There were no material events subsequent to the end of the current quarter that would have impact on the result that had been reflected in the quarter under review.

### 19. SEASONAL OR CYCLICAL FACTORS

The Group operation is seasonal in nature whereby the turnover for the first three months of a calendar year (January to March) is slightly lower than the rest of the quarters (April to December). This is mainly due to long festive holidays which fall on the first quarter of the calendar year and also the demand for furniture in the United States which normally slows down after Christmas and New Year.

### 20. CURRENT YEAR PROSPECT

The Group will continue to enhance its Vietnam operations, strengthening and improving the Malaysian and Thailand operations.

Given the weakening housing market in the United States, the Group will endeavour to strengthen its operations to deal with the challenges and to remain profitable.

### 21. VARIANCE BETWEEN ACTUAL RESULT AND FORECAST PROFIT OR PROFIT GUARANTEE

The Group did not issue any profit forecast or profit guarantee for the quarter ended 30 June 2008.



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## EXPLANATORY NOTES FOR FOURTH QUARTER ENDING 30 JUNE 2008

### 22. DIVIDEND

At the recent Annual General Meeting held on 19 December 2007, a first and final dividend of 4.1 sen per share (tax exempt) (30 June 2006 : 9.0 sen, tax exempt) in respect of the financial year ended 30 June 2007 had been approved by shareholders. The dividend was paid on 23 January 2008.

The Board of Directors did not recommend any interim dividend for the current quarter ended 30 June 2008.

### 23. EARNINGS PER SHARE

	Current Quarter	Current Year-To-Date
<b>Basic EPS</b>		
Net (loss)/profit attributable to shareholders (RM'000)	7,234	10,050
Weighted average no. of shares ('000)	64,805	64,805
Basic EPS (sen)	11.16	15.51

#### Basic EPS

The calculation of basic EPS for the current quarter is based on the net profit attributable to equity holders of the parent of RM7.23 million and the weighted average number of ordinary shares outstanding of 64,805,000.

The calculation of basic EPS for the current year-to-date is based on the cumulative net profit attributable to equity holders of the parent of RM10.05 million and the weighted average number of ordinary shares outstanding of 64,805,000.

#### Diluted EPS

Not applicable.

### 24. CAPITAL COMMITMENTS

Capital commitments for property, plant and equipment not provided for in the financial statements as at 30 June 2008 were as follows :

	RM'000
Authorised by Directors and contracted	1,253
Authorised by Directors and not contracted	-
	<b>1,253</b>