



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

**Condensed consolidated income statements**  
**For 12 months ended 30 June 2010**  
**(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 |
|   | 30/6/2010<br>RM'000  | 30/6/2009<br>RM'000                  | 30/6/2010<br>RM'000  | 30/6/2009<br>RM'000                 |
| <b>Continuing Operations</b>                      |                      |                                      |                      |                                     |
| Revenue   | 132,735              | 102,429                              | 509,745              | 397,378                             |
| Cost of Sales                                     | (114,762)            | (90,905)                             | (433,770)            | (351,665)                           |
| <b>Gross Profit</b>                               | <b>17,973</b>        | <b>11,524</b>                        | <b>75,975</b>        | <b>45,713</b>                       |
| Other income                                      | 215                  | 3,434                                | 5,419                | 3,588                               |
| Administrative expenses                           | (2,978)              | (4,140)                              | (16,526)             | (12,914)                            |
| Selling and marketing expenses                    | (2,747)              | (3,396)                              | (10,772)             | (10,687)                            |
| Other expenses                                    | (3,051)              | (1,720)                              | (4,781)              | (6,662)                             |
| Finance Costs                                     | (1,693)              | (1,908)                              | (7,143)              | (9,158)                             |
| <b>Profit before taxation</b>                     | <b>7,719</b>         | <b>3,794</b>                         | <b>42,172</b>        | <b>9,880</b>                        |
| Tax expense                                       | (1,889)              | 2,711                                | (4,269)              | 3,333                               |
| <b>Profit for the period</b>                      | <b>5,830</b>         | <b>6,505</b>                         | <b>37,903</b>        | <b>13,213</b>                       |
| Attributable to :                                 |                      |                                      |                      |                                     |
| Equity holders of the parent                      | 4,170                | 6,461                                | 29,211               | 14,009                              |
| Minority interests                                | 1,660                | 44                                   | 8,692                | (796)                               |
|   | <b>5,830</b>         | <b>6,505</b>                         | <b>37,903</b>        | <b>13,213</b>                       |
| <b>Earnings / (Loss) per ordinary share (sen)</b> |                      |                                      |                      |                                     |
| (a) Basic   | 6.43                 | 9.97                                 | 45.08                | 21.62                               |
| (b) Fully diluted                                 | 6.43                 | 9.97                                 | 45.08                | 21.62                               |

(The Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statement for the year ended 30 June 2009)



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

**Condensed consolidated balance sheet**  
**As at 30 June 2010**  
**(The figures have not been audited)**

|   | <b>30 June 2010</b>   | <b>(Audited)<br/>30 June 2009</b> |
|---|-----------------------|-----------------------------------|
|   | <b>RM'000</b>         | <b>RM'000</b>                     |
| <b>ASSETS</b>   |                       |                                   |
| <b>Non-current assets</b>   |                       |                                   |
| Property, plant and equipment   | 201,973               | 191,949                           |
| Prepaid land lease payments   | 18,789                | 23,007                            |
| Investments   | 1,301                 | 2,081                             |
| Share of Associate Co's net Assets  | 1,498                 | -                                 |
| Deferred tax assets   | 73                    | 481                               |
|   | <u>223,634</u>        | <u>217,518</u>                    |
| <b>Current assets</b>   |                       |                                   |
| Inventories   | 76,667                | 59,780                            |
| Trade And Other receivables   | 40,228                | 35,224                            |
| Deposits, cash and bank balances  | 91,176                | 50,464                            |
|   | <u>208,071</u>        | <u>145,468</u>                    |
| Non-current assets held for sale  | 146                   | 146                               |
| <b>TOTAL ASSETS</b>   | <b><u>431,851</u></b> | <b><u>363,132</u></b>             |
| <b>EQUITY AND LIABILITIES</b>   |                       |                                   |
| <b>Equity attributable to equity holders of the parent</b>                      |                       |                                   |
| Share capital   | 64,805                | 64,805                            |
| Reserves  | 122,293               | 112,681                           |
|   | <u>187,098</u>        | <u>177,486</u>                    |
| Minority interest   | 39,999                | 13,439                            |
| <b>Total equity</b>   | <b><u>227,097</u></b> | <b><u>190,925</u></b>             |
| <b>Non-current liabilities</b>  |                       |                                   |
| Borrowings  | 42,648                | 44,384                            |
| Deferred tax liabilities  | 300                   | -                                 |
|   | <u>42,948</u>         | <u>44,384</u>                     |
| <b>Current liabilities</b>  |                       |                                   |
| Trade and Other payables  | 70,813                | 59,735                            |
| Borrowings  | 90,993                | 68,088                            |
|   | <u>161,806</u>        | <u>127,823</u>                    |
| <b>TOTAL LIABILITIES</b>  | <b><u>204,754</u></b> | <b><u>172,207</u></b>             |
| <b>TOTAL EQUITY AND LIABILITIES</b>   | <b><u>431,851</u></b> | <b><u>363,132</u></b>             |
| Net assets per share attributable to ordinary equity holders of the parent (RM) | 2.8871                | 2.7388                            |

(The Condensed Consolidated Balance Sheets should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2009)



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

**Condensed consolidated statement of changes in equity  
For 12 months ended 30 June 2010  
(The figures have not been audited)**

|   | Attributable to Equity Holders of the Parent |                            |                                  |   |                                |                              |                 |                                | Total<br>Equity<br>RM'000 |
|---|--|----------------------------|----------------------------------|---|--------------------------------|------------------------------|-----------------|--------------------------------|---------------------------|
|   | Non-distributable                            |                            |                                  |   | Distributable                  |                              | Total<br>RM'000 | Minority<br>Interest<br>RM'000 |                           |
|   | Share<br>capital<br>RM'000                   | Share<br>premium<br>RM'000 | Revaluation<br>reserve<br>RM'000 | Foreign<br>currency<br>translation<br>reserve<br>RM'000 | Retained<br>earnings<br>RM'000 | Treasury<br>shares<br>RM'000 |                 |                                |                           |
| <b>At 1 July 2008</b>   | 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/(Loss) for the year  | -  | -                          | -                                | -   | 14,009                         | -                            | 14,009          | (796)                          | 13,213                    |
| Foreign currency translation difference   | -  | -                          | -                                | 5,716   | -                              | -                            | 5,716           | (427)                          | 5,289                     |
| Dividends - FY 2008   | -  | -                          | -                                | -   | (2,592)                        | -                            | (2,592)         | -                              | (2,592)                   |
| <b>At 30 June 2009</b>  | <b>64,805</b>                                | <b>1,225</b>               | <b>1,114</b>                     | <b>(2,411)</b>  | <b>112,753</b>                 | <b>-</b>                     | <b>177,486</b>  | <b>13,439</b>                  | <b>190,925</b>            |
| <b>At 1 July 2009</b>   | 64,805                                       | 1,225                      | 1,114                            | (2,411)   | 112,753                        | -                            | 177,486         | 13,439                         | 190,925                   |
| Change of interests in a subsidiary   | -  | -                          | -                                | -   | -                              | -                            | -               | 16,280                         | 16,280                    |
| Change in minority interests in reserves upon the issue of shares by subsidiary company | -  | -                          | -                                | -   | (6,628)                        | -                            | (6,628)         | 6,628                          | -                         |
| Profit/(Loss) for the year  | -  | -                          | -                                | -   | 29,211                         | -                            | 29,211          | 8,692                          | 37,903                    |
| Treasury shares   | -  | -                          | -                                | -   | -                              | (35)                         | (35)            | -                              | (35)                      |
| Foreign currency translation difference   | -  | -                          | -                                | (7,233)   | -                              | -                            | (7,233)         | (634)                          | (7,867)                   |
| Dividend to minority shareholders   | -  | -                          | -                                | -   | -                              | -                            | -               | (4,406)                        | (4,406)                   |
| Dividends - FY 2009 (final)   | -  | -                          | -                                | -   | (3,759)                        | -                            | (3,759)         | -                              | (3,759)                   |
| Dividends - FY 2010 (interim)   | -  | -                          | -                                | -   | (1,944)                        | -                            | (1,944)         | -                              | (1,944)                   |
| <b>At 30 June 2010</b>  | <b>64,805</b>                                | <b>1,225</b>               | <b>1,114</b>                     | <b>(9,644)</b>  | <b>129,633</b>                 | <b>(35)</b>                  | <b>187,098</b>  | <b>39,999</b>                  | <b>227,097</b>            |

(The Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2009)



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

**Condensed consolidated Cash Flow Statements**  
**For 12 months ended 30 June 2010**  
**(The figures have not been audited)**

|   | 30 June 2010<br>RM'000 | 30 June 2009<br>RM'000 |
|---|------------------------|------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                 |                        |                        |
| Profit before taxation  | 42,172                 | 9,880                  |
| Adjustments for:  |                        |                        |
| Depreciation and amortisation   | 14,499                 | 14,136                 |
| Non cash items  | (643)                  | 2,993                  |
| Net financing costs   | 6,490                  | 8,581                  |
| <b>Operating profit before working capital changes</b>                      | <b>62,518</b>          | <b>35,590</b>          |
| <b>Changes in working capital</b>   |                        |                        |
| Net change in current assets  | (24,092)               | 16,621                 |
| Net change in current liabilities   | 10,592                 | (2,001)                |
| Net income taxes paid   | (3,081)                | 917                    |
| Net financing costs paid  | (6,490)                | (8,581)                |
| <b>Net cash generated from operating activities</b>                         | <b>39,447</b>          | <b>42,546</b>          |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                                 |                        |                        |
| Other investments   | (32,780)               | (5,794)                |
| Proceeds from disposal of non-current assets                                | 3,470                  | 9,909                  |
| Proceeds from placement of new shares                                       | 21,296                 | -                      |
| Proceeds from disposal of shares  | -                      | 8,191                  |
| <b>Net cash used in investing activities</b>                                | <b>(8,014)</b>         | <b>12,306</b>          |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                                 |                        |                        |
| Net (repayment)/drawdown of borrowings                                      | 20,848                 | (25,063)               |
| Dividend paid   | (6,503)                | (2,592)                |
| Deposits (placed)/uplift as security for bank borrowings                    | (9,521)                | 4,160                  |
| <b>Net cash generated/(used) in financing activities</b>                    | <b>4,824</b>           | <b>(23,495)</b>        |
| <b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>                              | <b>36,257</b>          | <b>31,357</b>          |
| <b>CASH &amp; CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>                   | <b>37,693</b>          | <b>9,873</b>           |
| <b>EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b> | <b>(4,955)</b>         | <b>(3,537)</b>         |
| <b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>                           | <b>68,995</b>          | <b>37,693</b>          |

Cash and cash equivalents included in the consolidated cash flow statements comprise the following balance sheet amounts :

|   |               |               |
|---|---------------|---------------|
| Cash and bank balances                    | 64,462        | 22,967        |
| Term deposits                             | 26,714        | 27,497        |
| Bank overdrafts                           | (3,509)       | (3,620)       |
|   | 87,667        | 46,844        |
| Less: Term deposits not available for use | (18,672)      | (9,151)       |
|   | <b>68,995</b> | <b>37,693</b> |

(The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2009)



# LATITUDE TREE HOLDINGS BERHAD

(302829-W)

## EXPLANATORY NOTES FOR FOURTH QUARTER ENDED 30 JUNE 2010

### 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 2009.

#### Standards and Interpretation

At the date of authorization of this interim financial report, 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 :

| FRSs / Interpretation   | Effective for financial periods beginning on or after |
|---|---|
| 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   | 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  |   |
| IC Interpretation 13 : Customer Loyalty Programmes  | 1 January 2010  |
| IC Interpretation 14 : FRS 119 – The Limit on a Defined Benefit Assets, 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.

### 2. STATUS OF AUDIT QUALIFICATION

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



# LATITUDE TREE HOLDINGS BERHAD

(302829-W)

## EXPLANATORY NOTES FOR FOURTH QUARTER ENDED 30 JUNE 2010

### 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.

### 5. TAXATION

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

|                     | Individual Quarter      |  | Cumulative Quarter      |   |
|---------------------|-------------------------|--|-------------------------|---|
|                     | Current Year<br>Quarter | Preceding Year<br>Corresponding<br>Quarter | Current Year<br>To Date | Preceding Year<br>Corresponding<br>Period |
|                     | 30 June 2010            | 30 June 2009                               | 30 June 2010            | 30 June 2009                              |
|                     | RM'000                  | RM'000                                     | RM'000                  | RM'000                                    |
| Current tax expense |                         |  |                         |   |
| Malaysian           | 71                      | 8  | 150                     | 63  |
| Overseas            | 1,818                   | (446)                                      | 3,819                   | 722                                       |
| <b>Total</b>        | <b>1,889</b>            | <b>(438)</b>                               | <b>3,969</b>            | <b>785</b>                                |
| Deferred taxation   |                         |  |                         |   |
| Malaysian           | -                       | (2,273)                                    | 300                     | (4,118)                                   |
| Overseas            | -                       | -  | -                       | -   |
| <b>Total</b>        | <b>-</b>                | <b>(2,273)</b>                             | <b>300</b>              | <b>(4,118)</b>                            |
|                     | <b>1,889</b>            | <b>(2,711)</b>                             | <b>4,269</b>            | <b>(3,333)</b>                            |

### 6. SALES OF UNQUOTED INVESTMENTS AND PROPERTIES

There were no sales of unquoted investments or properties for the quarter ended 30 June 2010 except for the following :

On 2 April 2010, Rhong Khen Industried Sdn Bhd ("RKI"), a wholly owned subsidiary of the group had entered into a Sale & Purchase Agreement to sell an industrial land at Kawasan Perindustrian Telok Kalong in Telok Kalong, Kemaman, Terengganu measuring 5.546 hectares for a consideration of RM3.0 million which has resulted a loss of RM0.04 million.



# LATITUDE TREE HOLDINGS BERHAD

(302829-W)

## EXPLANATORY NOTES FOR FOURTH QUARTER ENDED 30 JUNE 2010

---

### 7. QUOTED SECURITIES

There were no purchase or disposal of quoted securities for the quarter ended 30 June 2010.

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

There was no change to the composition of the Group in the quarter ended 30 June 2010 except for the following :

On 8 February 2010, Uptown Promenade Sdn. Bhd. ("UPSB"), wholly owned subsidiary of the Group has subscribed 35% shareholding in Win Yuan Bio Tech Co. Ltd. (A company incorporated in Taiwan R.O.C.) under a joint venture agreement between UPSB, Mr Chen Cheng-Ping and Madam Chou Feng-Yin.

On 1 April 2010, Grob Holz Sdn Bhd ("GHSB"), wholly owned subsidiary of the group has acquired 34% shareholding in Grob Holz Co Ltd ("GHCL") from Silverbell Investments Pte Ltd. Subsequent to the acquisition, GHSB shareholding in GHCL has increased to 85%.

### 9. STATUS OF CORPORATE PROPOSAL

There were no corporate proposals announced during the quarter ended 30 June 2010.

### 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 2010 except for the following:

#### Treasury shares

19,900 ordinary shares of RM1.00 each were brought back and held as treasury shares with none of these shares being cancelled or sold.

The Company commenced its share buyback on 31 May 2010 and the details of the share buyback during the financial year ended 30 June 2010 are as follows:

| Month    | Price per share (RM) |         |         | Number of shares | Total Consideration RM'000 |
|----------|----------------------|---------|---------|------------------|----------------------------|
|          | Lowest               | Highest | Average |                  |                            |
| May 2010 | 1.76                 | 1.76    | 1.76    | 19,900           | 35                         |



# LATITUDE TREE HOLDINGS BERHAD

(302829-W)

## EXPLANATORY NOTES FOR FOURTH QUARTER ENDED 30 JUNE 2010

### 11. BORROWINGS AND DEBTS SECURITIES

Details of the Group's borrowings were as follows:

|   | Total<br>(RM'000) | RM equivalents of<br>amount denominated in<br>foreign currency<br>included in the<br>borrowings (RM'000) |
|---|-------------------|--|
| <b>Long Term Liabilities</b>              |                   |  |
| Unsecured :                               |                   |  |
| Long term loans                           | 20,000            | -  |
| Portion repayable within<br>twelve months | -                 | -  |
|   | <b>20,000</b>     | -  |
| Secured :                                 |                   |  |
| Hire Purchase payables                    | -                 | -  |
|   |                   |  |
| Long term loans                           | 28,496            | 28,496   |
| Portion repayable within<br>twelve months | (5,848)           | (5,848)  |
|   | <b>22,648</b>     | <b>22,648</b>  |
| <b>Total Long Term<br/>Liabilities</b>    | <b>42,648</b>     | <b>22,648</b>  |
| <b>Short Term Liabilities</b>             |                   |  |
| Unsecured :                               |                   |  |
| Current portion of long<br>term loans     | 4,627             | 4,627  |
| Short term loans                          | -                 | -  |
|   | <b>4,627</b>      | <b>4,627</b>   |
| Secured :                                 |                   |  |
| Hire Purchase payables                    | 125               | 22   |
|   |                   |  |
| Current portion of long<br>term loans     | 6,682             | 5,848  |
| Short term loan                           | 76,050            | 62,763   |
| Bank overdraft                            | 3,509             | 1,921  |
|   |                   |  |
| <b>Total Short Term<br/>Liabilities</b>   | <b>90,993</b>     | <b>75,181</b>  |





# LATITUDE TREE HOLDINGS BERHAD

(302829-W)

## EXPLANATORY NOTES FOR FOURTH QUARTER ENDED 30 JUNE 2010

### 12. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

#### Group

As at 30 June 2010, there were no contingent liabilities and contingent assets for the Group.

#### Company

As at 30 June 2010, 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 RM63,079,462.

### 13. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

The Group did not have any financial instruments with off balance sheet risk as at 30 June 2010, other than the following forward contracts to sell US Dollar in relation to the Group's sales:

|                            | Total  | Maturity :<br>Less than<br>3 months | Maturity :<br>Within 3 to 6<br>months | Maturity :<br>More than 6<br>months |
|----------------------------|--------|-------------------------------------|---------------------------------------|-------------------------------------|
| USD'000                    | 4,865  | 3,565                               | 1,300                                 | -                                   |
| Contracted<br>Rate (RM)    | 3.2923 | 3.2894                              | 3.3000                                | -                                   |
| RM Equivalents<br>(RM'000) | 16,017 | 11,727                              | 4,290                                 | -                                   |

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 2010.

### 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.

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, Singapore 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



# LATITUDE TREE HOLDINGS BERHAD

(302829-W)

## EXPLANATORY NOTES FOR FOURTH QUARTER ENDED 30 JUNE 2010

| RM'000                        | MALAYSIA | VIETNAM | THAILAND | S'PORE  | OTHERS | GROUP    |
|-------------------------------|----------|---------|----------|---------|--------|----------|
| TOTAL REVENUE                 | 161,116  | 361,643 | 26,333   | -       | -      | 549,092  |
| INTER-SEGMENT REVENUE         | (25,648) | (133)   | (13,566) | -       | -      | (39,347) |
| EXTERNAL REVENUE              | 135,468  | 361,510 | 12,767   | -       | -      | 509,745  |
| PROFIT/(LOSS) BEFORE TAXATION | (2,107)  | 50,050  | (1,074)  | (4,684) | (13)   | 42,172   |

| RM'000                            | MALAYSIA | VIETNAM | THAILAND | S'PORE | OTHERS | GROUP   |
|-----------------------------------|----------|---------|----------|--------|--------|---------|
| CARRYING AMOUNT OF SEGMENT ASSETS | 119,791  | 246,942 | 25,046   | 41,313 | 49     | 433,141 |
| CAPITAL EXPENDITURE               | 12,745   | 18,138  | 14       | -      | -      | 30,897  |

### 16. SIGNIFICANT RELATED PARTY TRANSACTIONS

| Transacting Parties                | Related Party                                     | Nature of Interest  | Nature of Transaction  | Current Quarter ended 30.6.2010 RM'000 | Current Year To Date 30.6.2010 RM'000 |
|------------------------------------|---|---|--|--|---------------------------------------|
| GHCL and the 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 and substantial shareholder of LTHB holds 15.03% equity interest in GHCL (via Konsortium Kontrek Sdn Bhd). | Purchases of raw materials and supplies, laminated boards and furniture components by the LTHB Group from GHCL.      | 4,042                                  | 13,566                                |
| The LTIGL Group and the LTHB Group | Mr. Yek Siew Liong                                | LTHB is the holding company of LTIGL. Mr Yek Siew Liong is a director of both LTIGL (since 21 May 2009) and LTHB (since 18 May 2007).<br><br>As at 30 October 2009, he owns               | Purchases of raw materials and supplies, furniture components and finished goods by LTIGL Group from the LTHB Group. | 634                                    | 4,001                                 |



# LATITUDE TREE HOLDINGS BERHAD

(302829-W)

## EXPLANATORY NOTES FOR FOURTH QUARTER ENDED 30 JUNE 2010

|  |  |  |  |   |     |
|--|--|--|--|---|-----|
|  |  | approximately 3.73% direct equity interest in LTIGL (since 21 October 2009) and 15.03% indirect equity interest in LTHB (since 18 May 2007) via Konsortium Kontrek Sdn Bhd | Purchases of raw materials and supplies, furniture components and finished goods by LTHB Group from the LTIGL Group. | 5 | 133 |
|--|--|--|--|---|-----|

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

| RM Million                          | Current Quarter<br>30 June 2010 | Preceding Quarter<br>31 March 2010 |
|-------------------------------------|---------------------------------|------------------------------------|
| Revenue                             | 132.735                         | 114.979                            |
| Consolidated Profit before taxation | 7.719                           | 4.434                              |

The Group's revenues increased approximately 16% to RM132.7 million for the quarter ended 30 June 2010, as compared to the preceding quarter's RM115 million. The increase was mainly attributable to higher orders received and higher production output as preceding quarter has lesser number of production days due to festive holidays.

The Group recorded a profit before taxation of RM7.7 million as compared to the profit before taxation of RM4.4 million in the preceding quarter. The increase in profit before taxation was in line with increase in revenue and lower factory costs per unit as a result of higher production output.

### 18. REVIEW OF PERFORMANCE

| RM Million                          | Current Quarter<br>30 June 2010 | Preceding Year<br>Corresponding<br>Quarter<br>30 June 2009 |
|-------------------------------------|---------------------------------|--|
| Revenue                             | 132.735                         | 102.429  |
| Consolidated profit before taxation | 7.719                           | 3.794  |

The Group recorded revenues of RM132.7 million for the quarter ended 30 June 2010 representing an increase of 30.3% as compared to the preceding year corresponding quarter of RM102.5 million. The increase was attributable to increase in production output and increase in orders from the pent up demand of furniture.



# LATITUDE TREE HOLDINGS BERHAD

(302829-W)

## EXPLANATORY NOTES FOR FOURTH QUARTER ENDED 30 JUNE 2010

---

The Group's profit before taxation for the quarter ended 30 June 2010 increased to RM7.7 million from profit before taxation of RM3.8 million of preceding year corresponding quarter. The increase was mainly due to higher revenue and improved production efficiency.

### 19. 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.

### 20. 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.

### 21. CURRENT YEAR PROSPECT

The Group expects to remain positive despite the prevailing uncertainty in the recovery of the US economy. Continuous efforts will be taken to strengthen and streamline its operations to remain profitable.

### 22. 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 2010.

### 23. DIVIDEND

At the 15th Annual General Meeting held on 16 December 2009, a first and final dividend of 5.8 sen per share (tax exempt) (30 June 2008 : 4.0 sen, tax exempt) in respect of the financial year ended 30 June 2009 had been approved by shareholders. It was paid on 28 January 2010 to shareholders whose names appear on the Record of Depositors as at 6 January 2010.

An interim dividend of 3.0 sen per share (tax exempt) for the financial year ending 30 June 2010 was paid on 30 April 2010.

The Board has recommended a final dividend of 7.0 sen per share (tax exempt) for the approval of shareholders at the forthcoming annual general meeting. The entitlement date and the payment date of the proposed final dividend shall be announced later.



# LATITUDE TREE HOLDINGS BERHAD

(302829-W)

## EXPLANATORY NOTES FOR FOURTH QUARTER ENDED 30 JUNE 2010

### 24. EARNINGS PER SHARE

|  | Current Quarter | Current Year-To-Date |
|--|-----------------|----------------------|
| <b>Basic EPS</b>                                 |                 |                      |
| Net profit attributable to shareholders (RM'000) | 4,170           | 29,211               |
| Weighted average no. of shares ('000)            | 64,805          | 64,805               |
| Basic EPS (sen)                                  | 6.43            | 45.08                |

#### 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 RM4.17 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 RM29.211 million and the weighted average number of ordinary shares outstanding of 64,805,000.

#### Diluted EPS

Not applicable.

### 25. CAPITAL COMMITMENTS

Capital commitments for property, plant and equipment not provided for in the financial statements as at 30 June 2010 were as follows :

|  | RM'000        |
|--|---------------|
| Authorised by Directors and contracted     | 12,034        |
| Authorised by Directors and not contracted | -             |
|  | <b>12,034</b> |