



LATITUDE TREE HOLDINGS BERHAD (302829-W)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
(UNAUDITED) FOR THE PERIOD ENDED 30 SEPTEMBER 2018

	Individual quarter ended		Cumulative quarter ended	
	Current year quarter 30.09.2018 RM'000	Preceding year corresponding quarter 30.09.2017 RM'000	Current year quarter 30.09.2018 RM'000	Preceding year corresponding quarter 30.09.2017 RM'000
Revenue	214,194	216,778	214,194	216,778
Cost of sales	(189,554)	(186,364)	(189,554)	(186,364)
<b>Gross profit</b>	<b>24,640</b>	<b>30,414</b>	<b>24,640</b>	<b>30,414</b>
Other income	3,311	1,327	3,311	1,327
Selling and marketing expenses	(5,266)	(5,441)	(5,266)	(5,441)
Administrative expenses	(5,728)	(5,753)	(5,728)	(5,753)
Other expenses	(1,021)	(2,265)	(1,021)	(2,265)
<b>Operating profit</b>	<b>15,936</b>	<b>18,282</b>	<b>15,936</b>	<b>18,282</b>
Finance costs	(843)	(708)	(843)	(708)
<b>Profit before taxation</b>	<b>15,093</b>	<b>17,574</b>	<b>15,093</b>	<b>17,574</b>
Taxation	(1,964)	(2,164)	(1,964)	(2,164)
<b>Profit for the period</b>	<b>13,129</b>	<b>15,410</b>	<b>13,129</b>	<b>15,410</b>
Attributable to :				
Owners of the parent	13,129	15,410	13,129	15,410
Non-controlling interest	-	-	-	-
<b>Profit for the period</b>	<b>13,129</b>	<b>15,410</b>	<b>13,129</b>	<b>15,410</b>
<b>Earnings per share (sen) :</b>				
(a) Basic	13.54	15.85	13.54	15.85
(b) Diluted	13.54	15.85	13.54	15.85
Weighted average number of ordinary shares ('000)	96,943.0	97,207.5	96,943.0	97,207.5
Profit for the period	13,129	15,410	13,129	15,410
Other comprehensive income:				
Foreign currency translation	6,852	(3,966)	6,852	(3,966)
Net gain on available-for-sale financial assets				
- Gain on fair value changes	157	31	157	31
<b>Total comprehensive income for the period</b>	<b>20,138</b>	<b>11,475</b>	<b>20,138</b>	<b>11,475</b>
Total comprehensive income attributable to :				
Owners of the parent	20,138	11,475	20,138	11,475
Non-controlling interest	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>20,138</b>	<b>11,475</b>	<b>20,138</b>	<b>11,475</b>

The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.



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

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)  
AS AT 30 SEPTEMBER 2018**

	<b>Unaudited 30.09.2018 RM'000</b>	<b>Audited 30.06.2018 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	235,416	229,707
Investment properties	21,164	21,239
Land use rights	16,273	16,015
Other investments	81	81
Derivatives	30	30
Investment securities	1,000	1,000
Deferred tax assets	1,900	1,811
	<u>275,864</u>	<u>269,883</u>
<b>Current assets</b>		
Inventories	172,535	172,136
Trade and other receivables	97,892	81,767
Prepayments	2,925	1,448
Tax recoverable	2,761	2,415
Derivatives	289	205
Cash and bank balances	190,784	169,882
Investment securities	57,193	53,297
	<u>524,379</u>	<u>481,150</u>
<b>TOTAL ASSETS</b>	<u><u>800,243</u></u>	<u><u>751,033</u></u>



LATITUDE TREE HOLDINGS BERHAD (302829-W)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 SEPTEMBER 2018 (CONT'D)

	Unaudited 30.09.2018 RM'000	Audited 30.06.2018 RM'000
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share capital	98,433	98,433
Treasury shares	(869)	(851)
Retained earnings	400,317	387,188
Fair value adjustment reserve	189	32
Foreign currency translation reserve	67,621	60,769
	<u>565,691</u>	<u>545,571</u>
Non-controlling interest	-	-
<b>Total equity</b>	<u>565,691</u>	<u>545,571</u>
<b>Non-current liabilities</b>		
Bank borrowings	12,372	13,268
Provision for severance allowance	31	26
Retirement benefit obligation	156	148
Deferred tax liabilities	3,218	3,198
	<u>15,777</u>	<u>16,640</u>
<b>Current liabilities</b>		
Trade and other payables	93,540	90,768
Bank borrowings	104,451	78,006
Tax payable	20,515	20,048
Derivatives	269	-
	<u>218,775</u>	<u>188,822</u>
<b>Total liabilities</b>	<u>234,552</u>	<u>205,462</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>800,243</u>	<u>751,033</u>
Net assets per share attributable to equity holders of the Company (RM)	<u>5.84</u>	<u>5.61</u>

The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.



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

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)**  
**FOR THE PERIOD ENDED 30 SEPTEMBER 2018**

	Attributable to Equity Holders of the Company							Total equity RM'000
	Share capital RM'000	Treasury shares RM'000	Non-distributable		Distributable Retained earnings RM'000	Total RM'000	Non-controlling interest RM'000	
Fair value adjustment reserve RM'000			Foreign currency translation reserve RM'000					
At 1 July 2017	98,433	-	109	75,132	386,776	560,450	-	560,450
Total comprehensive income for the period	-	-	31	(3,966)	15,410	11,475	-	11,475
<b>At 30 September 2017</b>	<b>98,433</b>	<b>-</b>	<b>140</b>	<b>71,166</b>	<b>402,186</b>	<b>571,925</b>	<b>-</b>	<b>571,925</b>
At 1 July 2018	98,433	(851)	32	60,769	387,188	545,571	-	545,571
Total comprehensive income for the period	-	-	157	6,852	13,129	20,138	-	20,138
Purchase of treasury shares	-	(18)	-	-	-	(18)	-	(18)
<b>At 30 September 2018</b>	<b>98,433</b>	<b>(869)</b>	<b>189</b>	<b>67,621</b>	<b>400,317</b>	<b>565,691</b>	<b>-</b>	<b>565,691</b>

The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.



LATITUDE TREE HOLDINGS BERHAD (302829-W)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)  
FOR THE PERIOD ENDED 30 SEPTEMBER 2018

	30.09.2018 RM'000	30.09.2017 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	15,093	17,574
Adjustments for:		
Depreciation and amortisation	4,590	4,903
Property, plant and equipment written off	-	2
Fair value loss/(gain) on derivatives	185	(109)
Net unrealised foreign exchange (gain)/loss	(1,393)	960
Gain on disposal of property, plant and equipment	(18)	-
Investment income from investment securities	(207)	(309)
Non cash items	(3)	(26)
Net financing costs	196	345
<b>Operating profit before working capital changes</b>	<b>18,443</b>	<b>23,340</b>
<b>Changes in working capital</b>		
Net change in current assets	(12,758)	(12,601)
Net change in current liabilities	726	11,316
Net income taxes paid	(1,398)	(3,083)
Net financing costs paid	(496)	(345)
<b>Net cash flows from operating activities</b>	<b>4,517</b>	<b>18,627</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investment income from investment securities	207	309
Purchase of property, plant and equipment	(6,461)	(5,686)
Proceeds from disposal of property, plant and equipment	65	-
Increase in deposits placed with licensed banks	(8,622)	(33)
Purchase of investment securities	(3,207)	(13,489)
<b>Net cash flows used in investing activities</b>	<b>(18,018)</b>	<b>(18,899)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net drawdown of bank borrowings	23,602	25,632
Movement of deposits placed as securities for bank borrowings and guarantees	(58)	(4,789)
Treasury shares acquired	(18)	-
<b>Net cash flows from financing activities</b>	<b>23,526</b>	<b>20,843</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>10,025</b>	<b>20,571</b>
<b>CASH &amp; CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>151,569</b>	<b>195,741</b>
<b>EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>	<b>2,196</b>	<b>(15,999)</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>163,790</b>	<b>200,313</b>
Cash and cash equivalents included in the Consolidated Statement of Cash Flows comprise the following balance sheet amounts :		
Cash and bank balances	107,438	160,157
Term deposits	83,346	57,332
	190,784	217,489
Less:		
Deposits pledged as securities for bank borrowings and guarantees	(9,083)	(13,587)
Deposits with licensed banks with tenure more than three months	(17,911)	(3,589)
	163,790	200,313

Reconciliation of liabilities arising from financing activities

	Carrying amount as at 1 July 2018 RM'000	Cash flows RM'000	Effects of foreign exchange RM'000	Carrying amount as at 30 September 2018 RM'000
Group				
Loans and borrowings	91,274	23,602	1,947	116,823

The unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.



# LATITUDE TREE HOLDINGS BERHAD

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## NOTES TO THE QUARTERLY REPORT – 30 SEPTEMBER 2018

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### A1. BASIS OF PREPARATION

The interim financial report is unaudited and have been prepared in accordance with the requirements of MFRS 134: Interim Financial Reporting and Chapter 9 paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and should be read in conjunction with the Group's audited financial statements for the year ended 30 June 2018.

The accounting policies and presentation adopted for this interim financial report are consistent with those adopted in the audited financial statements for the financial year ended 30 June 2018 except for the changes in accounting policies and presentation resulting from the adoption of relevant MFRSs, Amendment to MFRSs and IC Interpretations that are effective for the financial periods beginning on 1 July 2018.

The adoption of relevant MFRSs, Amendment to MFRSs and IC Interpretations are not expected to have any significant financial impact on the financial statements of the Group, except as disclosed below:

#### MFRS 15 Revenue from Contracts with Customers

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

#### MFRS 9 Financial Instruments

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

### A2. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The latest audited financial statements for the financial year ended 30 June 2018 were not subject to any qualification.

### A3. UNUSUAL ITEMS AFFECTING ASSETS, LIABILITIES, EQUITY, NET INCOME OR CASH FLOWS

There were no items affecting assets, liabilities, equity, net income or cash flows that were unusual because of their nature, size or incidence for the current quarter and financial period ended 30 September 2018.

### A4. VALUATION OF PROPERTY, PLANT & EQUIPMENT

There was no revaluation of properties of the Group during the financial period ended 30 September 2018.



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## NOTES TO THE QUARTERLY REPORT – 30 SEPTEMBER 2018

### A5. TAXATION

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

	Individual Quarter		Cumulative Quarter	
	30.09.2018	30.09.2017	30.09.2018	30.09.2017
	RM'000	RM'000	RM'000	RM'000
Current tax expense				
Malaysian	76	956	76	956
Overseas	1,868	1,208	1,868	1,208
<b>Total</b>	<b>1,944</b>	<b>2,164</b>	<b>1,944</b>	<b>2,164</b>
Deferred tax expense				
Malaysian	20	-	20	-
Overseas	-	-	-	-
<b>Total</b>	<b>20</b>	<b>-</b>	<b>20</b>	<b>-</b>
	<b>1,964</b>	<b>2,164</b>	<b>1,964</b>	<b>2,164</b>

### A6. CHANGES IN THE COMPOSITION OF THE GROUP

There was no change to the composition of the Group in the quarter ended 30 September 2018.

### A7. SUBSEQUENT EVENTS

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

### A8. CHANGES IN EQUITY AND LONG TERM DEBTS

There were no changes in equity and long term debts for the current quarter ended 30 September 2018, other than the following repurchase of shares by the Company:

Month	Number of shares purchased and retained as treasury shares	Lowest price paid RM	Highest price paid RM	Average price paid RM	Total consideration paid RM
August 2018	5,700	3.29	3.30	3.29	18,814.80



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## NOTES TO THE QUARTERLY REPORT – 30 SEPTEMBER 2018

### A9. BORROWINGS AND DEBTS SECURITIES

Details of the Group's borrowings were as follows:

	As at 30 September 2018					
	Long term		Short term		Total borrowings	
	RM equivalents of amount denominated in foreign currency (RM'000)	RM'000	RM equivalents of amount denominated in foreign currency (RM'000)	RM'000	RM equivalents of amount denominated in foreign currency (RM'000)	RM'000
<b>Secured</b>						
Term loan (USD)	3,310	-	3,310	-	6,620	-
Term loan (RM)	-	9,062	-	668	-	9,730
Bankers' acceptances (RM)	-	-	-	7,365	-	7,365
Revolving credit (USD)	-	-	4,138	-	4,138	-
<b>Unsecured</b>						
Trust receipts (USD)	-	-	88,970	-	88,970	-
<b>Total</b>	3,310	9,062	96,418	8,033	99,728	17,095

	As at 30 June 2018					
	Long term		Short term		Total borrowings	
	RM equivalents of amount denominated in foreign currency (RM'000)	RM'000	RM equivalents of amount denominated in foreign currency (RM'000)	RM'000	RM equivalents of amount denominated in foreign currency (RM'000)	RM'000
<b>Secured</b>						
Term loan (USD)	4,037	-	3,230	-	7,267	-
Term loan (RM)	-	9,231	-	652	-	9,883
Bankers' acceptances (RM)	-	-	-	5,127	-	5,127
<b>Unsecured</b>						
Trust receipts (USD)	-	-	68,997	-	68,997	-
<b>Total</b>	4,037	9,231	72,227	5,779	76,264	15,010





# LATITUDE TREE HOLDINGS BERHAD

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## NOTES TO THE QUARTERLY REPORT – 30 SEPTEMBER 2018

### A10. FINANCIAL INSTRUMENTS - DERIVATIVES

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

	As at 30 September 2018			As at 30 June 2018		
	Contract/ Notional amount	Assets	Liabilities	Contract/ Notional amount	Assets	Liabilities
<b>Non-hedging derivatives:</b>						
<b>Current</b>						
Forward currency contracts	42,593	240	(269)	42,747	156	-
Interest rate swap	10,758	49	-	7,267	49	-
		289	(269)		205	-
<b>Non-current</b>						
Interest rate swap	10,758	30	-	7,267	30	-
<b>Total non-hedging derivatives</b>		319	(269)		235	-

The Group uses forward currency contracts to manage some of the transaction exposure. These contracts are not designated as cash flow or fair value hedges and are entered into for periods consistent with currency transaction exposure and fair value changes exposure. Such derivatives do not qualify for hedge accounting.

Forward currency contracts are used to hedge the Group's bank balance denominated in United States Dollar ("USD") for which Group's commitments existed at the reporting date, extending to November 2019. During the financial period under review, the Group recognised a loss of RM185,155 arising from fair value changes of forward currency contracts. The fair value changes are attributable to changes in foreign exchange closing and forward rate.

The Group has an interest rate swap agreement in place which is used to hedge cash flow interest rate risk arising from a floating rate bank loan. This interest rate swap receives floating interest equal to USD loan at Effective Cost Of Funds + 1.75% per annum, pays a fixed rate of interest of 3.31% p.a. and has the same maturity terms as the bank loan.

### A11. CHANGES IN MATERIAL LITIGATION

There was no material litigation or any pending material litigation since the date of the last annual statement of financial position until 27 November 2018.



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## NOTES TO THE QUARTERLY REPORT – 30 SEPTEMBER 2018

### A12. SEGMENTAL INFORMATION

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

Business segmental information has not been prepared as the Group's revenue, operating profit, assets and liabilities, capital expenditure, depreciation and amortisation and non-cash expenses are mainly confined to one business segment.

#### **Geographical segments**

The Group's business segment operates principally in Malaysia, Vietnam and Thailand.

In presenting information on the basis of geographical segments, segment revenue and profit before taxation, segment assets and liabilities were based on the geographical location of assets.

#### **Results for the Individual Quarter ended 30 September**

	Malaysia		Vietnam		Thailand		Others		Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Total revenue	44,159	43,029	167,223	171,848	7,837	9,144	1,160	7,632	220,379	231,653
Inter-segment revenue	(5,065)	(6,670)	(96)	(255)	(1,024)	(1,710)	-	(6,240)	(6,185)	(14,875)
External revenue	39,094	36,359	167,127	171,593	6,813	7,434	1,160	1,392	214,194	216,778
Profit before taxation	1,888	2,255	9,338	14,634	1,096	302	2,771	383	15,093	17,574
Segment assets	259,078	245,512	437,004	485,720	32,306	26,845	351,454	320,240	1,079,842	1,078,317
Segment liabilities	180,654	169,823	195,565	193,947	12,821	10,949	96,459	52,632	485,499	427,351

#### **Results for the Cumulative Quarter ended 30 September**

	Malaysia		Vietnam		Thailand		Others		Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Total revenue	44,159	43,029	167,223	171,848	7,837	9,144	1,160	7,632	220,379	231,653
Inter-segment revenue	(5,065)	(6,670)	(96)	(255)	(1,024)	(1,710)	-	(6,240)	(6,185)	(14,875)



# LATITUDE TREE HOLDINGS BERHAD

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## NOTES TO THE QUARTERLY REPORT – 30 SEPTEMBER 2018

External revenue	39,094	36,359	167,127	171,593	6,813	7,434	1,160	1,392	214,194	216,778
Profit/(loss) before taxation	1,888	2,255	9,338	14,634	1,096	302	2,771	383	15,093	17,574
Segment assets	259,078	245,512	437,004	485,720	32,306	26,845	351,454	320,240	1,079,842	1,078,317
Segment liabilities	180,654	169,823	195,565	193,947	12,821	10,949	96,459	52,632	485,499	427,351

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

	<b>30.09.2018</b>	<b>30.09.2017</b>
	<b>RM'000</b>	<b>RM'000</b>
Inter-segment assets	<u>279,599</u>	<u>273,575</u>
Inter-segment liabilities	<u>250,947</u>	<u>194,534</u>

### **ADDITIONAL INFORMATION REQUIRED BY MAIN MARKET LISTING REQUIREMENT (APPENDIX 9B)**

#### **B1. MATERIAL CHANGE IN PROFIT BEFORE TAXATION COMPARED TO IMMEDIATE PRECEDING QUARTER**

RM' Million	Individual quarter		Changes (%)
	30.09.2018	30.06.2018	
Revenue	214.2	174.7	+22.6%
Gross profit	24.6	16.0	+53.8%
Profit/(loss) before taxation	15.1	(6.6)	>+100.0%
Profit/(loss) after taxation	13.1	(13.4)	>+100.0%

#### **Revenue**

For the quarter under review, the Group's revenue surged 22.6% to RM214.2 million as compared to the preceding quarter of RM174.7 million. The substantial increase was mainly due to higher orders received by furniture plants amounting to USD7.5 million and strengthening of US Dollar ("USD") against Ringgit Malaysia ("RM").

#### **Gross profit**

The Group has recorded higher gross profit from RM16.0 million in preceding quarter compared to RM24.6 million in current quarter, representing an increase of 53.8%. The significant increase in gross profit was mainly attributable to the followings:



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## NOTES TO THE QUARTERLY REPORT – 30 SEPTEMBER 2018

- in line with the increase in revenue;
- higher sales of better margin products; and
- lower average prices of raw materials in current quarter compared to preceding quarter.

### **Profit/(loss) before taxation (“(PBT)/LBT”)**

The Group has recorded a significant increase in PBT from a loss of RM6.6 million in preceding quarter to a profit of RM15.1 million in current quarter, representing an increase of more than 100.0%. The substantial increase in PBT was mainly attributable to the followings:

- in line with the increase in gross profit; and
- exceptional write off of property, plant and equipment and inventories amounting to RM13.9 million due to fire incident in preceding quarter.

### **Profit/(loss) after taxation (“(PAT)/LAT”)**

The Group recorded PAT of RM13.1 million in current quarter, representing an increase of more than 100.0% from LAT of RM13.4 million in preceding quarter was in line with increase in PBT/(LBT).

## **B2. REVIEW OF PERFORMANCE**

RM' Million	Cumulative quarter		Changes (%)
	30.09.2018	30.09.2017	
Revenue	214.2	216.8	-1.2%
Gross profit	24.6	30.4	-19.1%
Profit before taxation	15.1	17.6	-14.2%
Profit after taxation	13.1	15.4	-14.9%

### **Revenue**

The Group recorded revenue of RM214.2 million for the three months financial period ended 30 September 2018 (“Q1FY2019”), representing a marginal decrease of 1.2% as compared to the three months financial period ended 30 September 2017 (“Q1FY2018”) of RM216.8 million. The decrease was mainly due to weakening of USD against RM by 4.1%. However, the Group’s revenue in the USD term increased USD1.1 million or approximately 2.5% due to better orders received.

### **Gross profit**

Gross profit of the Group amounted to RM24.6 million in Q1FY2019, representing a decline of 19.1% from RM30.4 million in Q1FY2018. The decrease was mainly due to the followings:

- in line with the decrease in revenue;



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## NOTES TO THE QUARTERLY REPORT – 30 SEPTEMBER 2018

- higher sales of lower margin products;
- lower productivity due to production of new models; and
- higher labour costs in Vietnam plants due to increase in minimum wages.

### **Profit before taxation (“PBT”)**

PBT of the Group amounted to RM15.1 million in Q1FY2019, representing a decrease of 14.2% from RM17.6 million in Q1FY2018 was mainly due to the followings:

- in line with decrease in gross profit; offset with
- foreign exchange gain of RM2.1 million in Q1FY2019 compared to foreign exchange loss of RM0.7 million in Q1FY2018.

### **Profit after taxation (“PAT”)**

PAT of the Group amounted to RM13.1 million in Q1FY2019, representing a decrease of 14.9% from RM15.4 million in Q1FY2018 was in line with decrease in PBT.

### **B3. PROFIT FOR THE PERIOD**

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

	Individual quarter ended		Cumulative quarter ended	
	30.09.2018	30.09.2017	30.09.2018	30.09.2017
	RM'000	RM'000	RM'000	RM'000
Interest income	(647)	(363)	(647)	(363)
Interest expense	843	708	843	708
Investment income from investment securities	(207)	(309)	(207)	(309)
Depreciation and amortization	4,590	4,903	4,590	4,903
Gain on disposal of property, plant and equipment	(18)	-	(18)	-
Property, plant and equipment written off	-	2	-	2
Unrealised foreign exchange (gain)/loss	(1,393)	960	(1,393)	960
Realised foreign exchange (gain)/loss	(680)	(255)	(680)	(255)
Fair value loss/(gain) on derivatives	185	(109)	185	(109)



# LATITUDE TREE HOLDINGS BERHAD

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## NOTES TO THE QUARTERLY REPORT – 30 SEPTEMBER 2018

### B4. TRADE AND OTHER RECEIVABLES

	<b>30.09.2018</b> <b>RM'000</b>	<b>30.06.2018</b> <b>RM'000</b>
<b>Trade receivables</b>		
Third parties	66,847	52,600
Less: Allowance for impairment	(239)	(227)
Trade receivables, net	<u>66,608</u>	<u>52,373</u>
<b>Other receivables</b>		
Deposits	5,515	2,514
Staff loans	139	118
Goods and services tax receivable	846	2,138
Sundry receivables	25,059	24,886
	<u>31,559</u>	<u>29,656</u>
Less: Allowance for impairment-sundry receivables	(275)	(262)
Other receivables, net	<u>31,284</u>	<u>29,394</u>
Total trade and other receivables	<u>97,892</u>	<u>81,767</u>

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

	<b>30.09.2018</b> <b>RM'000</b>	<b>30.06.2018</b> <b>RM'000</b>
Neither past due nor impaired	55,857	37,939
Past due not impaired:		
1 - 30 days	7,414	12,463
31 - 60 days	2,085	1,008
61 - 90 days	173	406
> 91 days	1079	557
Impaired	239	227
Gross trade receivables	<u>66,847</u>	<u>52,600</u>

#### **Trade receivables**

Trade receivables are non-interest bearing and are generally on 7 to 90 days terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

#### **Other receivables**

Included in sundry receivables of the Group are:

- i) Import duty and other direct taxes receivable in foreign subsidiaries of RM11,184,000 (30.06.2018: RM11,263,000); and
- ii) Advance to suppliers of RM10,175,000 (30.06.2018: RM10,965,000) that mainly relates to payment in advance for raw materials and machinery.



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## NOTES TO THE QUARTERLY REPORT – 30 SEPTEMBER 2018

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### **B5. CORPORATE PROPOSAL**

There were no corporate proposals announced but not completed as at 27 November 2018.

### **B6. SEASONAL OR CYCLICAL FACTORS**

The Group operation is seasonal in nature whereby the turnover for the first three months of a calendar year is slightly lower due to long festive holidays which fall on the first quarter of the calendar year and also the lower demand in the United States which normally slows down after Christmas and New Year.

### **B7. CURRENT YEAR PROSPECT**

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

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

### **B8. VARIANCE BETWEEN ACTUAL RESULT AND FORECAST PROFIT OR PROFIT GUARANTEE**

The Group did not issue any profit forecast or profit guarantee for the quarter ended 30 September 2018.

### **B9. DIVIDEND**

The Company has declared a final tax exempt dividend of 6.0 sen per ordinary share for the financial year ended 30 June 2018 subject to shareholders' approval at the forthcoming Annual General Meeting.

The Board of Directors did not recommend any interim dividend for the current quarter ended 30 September 2018.



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## NOTES TO THE QUARTERLY REPORT – 30 SEPTEMBER 2018

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### B10. EARNINGS PER SHARE

Basic EPS	Individual Quarter		Cumulative Quarter	
	30.09.2018	30.09.2017	30.09.2018	30.09.2017
Net profit attributable to equity holders of the Company (RM'000)	13,129	15,410	13,129	15,410
Weighted average number of shares ('000)	96,943.0	97,207.5	96,943.0	97,207.5
Basic EPS (sen)	13.54	15.85	13.54	15.85

### B11. CAPITAL COMMITMENTS

Capital commitments for property, plant and equipment not provided for in the financial statements as at 30 September 2018 were as follows:

	RM'000
Authorised by Directors and contracted	8,458
Authorised by Directors and not contracted	-
	<b>8,458</b>