



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

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE QUARTER ENDED 30 SEPTEMBER 2012

	Individual quarter ended		Cumulative quarter ended	
	Current year quarter 30.9.2012 RM'000	Preceding year corresponding quarter 30.9.2011 RM'000	Current year quarter 30.9.2012 RM'000	Preceding year corresponding quarter 30.9.2011 RM'000
Revenue	139,694	128,445	139,694	128,445
Cost of sales	(119,623)	(116,647)	(119,623)	(116,647)
Gross profit	20,071	11,798	20,071	11,798
Other income	1,846	1,915	1,846	1,915
Selling and marketing expenses	(3,121)	(2,961)	(3,121)	(2,961)
Administrative expenses	(3,474)	(4,334)	(3,474)	(4,334)
Other expenses	(1,951)	(2,986)	(1,951)	(2,986)
Operating profit	13,371	3,432	13,371	3,432
Finance costs	(1,138)	(1,251)	(1,138)	(1,251)
Share of loss of associate	-	(352)	-	(352)
Profit before taxation	12,233	1,829	12,233	1,829
Taxation	(862)	(390)	(862)	(390)
Profit for the period	11,371	1,439	11,371	1,439
Attributable to :				
Owners of the parent	9,018	311	9,018	311
Non-controlling interests	2,353	1,128	2,353	1,128
Profit for the period	11,371	1,439	11,371	1,439
Earnings per share (sen) :				
(a) Basic	9.28	0.32	9.28	0.32
(b) Diluted	9.28	0.32	9.28	0.32
Number of ordinary shares ('000)	97,207.5	97,207.5	97,207.5	97,207.5
Profit for the period	11,371	1,439	11,371	1,439
Other comprehensive income				
Foreign currency translation	(4,799)	6,414	(4,799)	6,414
Total comprehensive income for the period	6,572	7,853	6,572	7,853
Total comprehensive income attributable to :				
Owners of the parent	5,293	5,195	5,293	5,195
Non-controlling interest	1,279	2,658	1,279	2,658
Total comprehensive income for the period	6,572	7,853	6,572	7,853

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



**LATITUDE TREE HOLDINGS
BERHAD**

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (UNAUDITED)
AS AT 30 SEPTEMBER 2012**

	Unaudited 30.9.2012 RM'000	Unaudited 30.6.2012 RM'000 (Restated)	Unaudited 1.7.2011 RM'000 (Restated)
ASSETS			
Non-current assets			
Property, plant and equipment	212,671	217,977	215,503
Land use rights	13,673	14,828	14,496
Investment in associate	-	-	1,016
Other investments	81	81	521
Deferred tax assets	800	812	743
	<u>227,225</u>	<u>233,698</u>	<u>232,279</u>
Current assets			
Inventories	81,075	76,101	84,765
Trade and other receivables	46,082	41,871	36,628
Due from associate	1,024	1,138	20
Tax recoverable	1,010	1,101	1,771
Term deposits	19,443	19,049	18,736
Cash and bank balances	56,604	40,893	35,693
Investment securities	200	1,196	1,018
Derivatives	438	-	655
	<u>205,876</u>	<u>181,349</u>	<u>179,286</u>
TOTAL ASSETS	<u><u>433,101</u></u>	<u><u>415,047</u></u>	<u><u>411,565</u></u>



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**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2012 (cont'd)**

	Unaudited 30.9.2012 RM'000	Unaudited 30.6.2012 RM'000 (Restated)	Unaudited 1.7.2011 RM'000 (Restated)
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Company			
Share capital	97,208	97,208	97,208
Share premium	1,225	1,225	1,225
Retained earnings	115,903	106,885	97,781
Revaluation reserve	-	-	-
Foreign currency translation reserve	632	4,357	-
	<u>214,968</u>	<u>209,675</u>	<u>196,214</u>
Non-controlling interest	37,893	36,614	36,435
Total equity	<u>252,861</u>	<u>246,289</u>	<u>232,649</u>
Non-current liabilities			
Hire purchase payables	-	6	25
Bank borrowings	21,851	9,178	13,914
Provision for severance allowance	495	564	612
Retirement benefit obligation	40	40	-
	<u>22,386</u>	<u>9,788</u>	<u>14,551</u>
Current liabilities			
Trade and other payables	72,072	64,187	64,639
Hire purchase payables	25	24	23
Bank borrowings	84,930	93,543	99,340
Provision for taxation	827	909	363
Derivatives	-	307	-
	<u>157,854</u>	<u>158,970</u>	<u>164,365</u>
Total liabilities	<u>180,240</u>	<u>168,758</u>	<u>178,916</u>
TOTAL EQUITY AND LIABILITIES	<u>433,101</u>	<u>415,047</u>	<u>411,565</u>
Net assets per share attributable to equity holders of the Company (RM)	<u>2.21</u>	<u>2.16</u>	<u>2.02</u>

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



LATITUDE TREE HOLDINGS BERHAD
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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)
FOR THE QUARTER ENDED 30 SEPTEMBER 2012

	Attributable to Equity Holders of the Company							Total equity RM'000
	Non-distributable			Foreign currency translation reserve RM'000	Distributable Retained earnings RM'000	Total RM'000	Non- controlling interest RM'000	
	Share capital RM'000	Share premium RM'000	Revaluation reserve RM'000					
At 1 July 2011, as previously stated	97,208	1,225	1,114	(10,346)	107,013	196,214	36,435	232,649
- Effects of transition to MFRS	-	-	(1,114)	10,346	(9,232)	-	-	-
At 1 July 2011, as restated	97,208	1,225	-	-	97,781	196,214	36,435	232,649
Total comprehensive income for the period	-	-	-	4,884	311	5,195	2,658	7,853
At 30 September 2011	97,208	1,225	-	4,884	98,092	201,409	39,093	240,502
At 1 July 2012, as previously stated	97,208	1,225	1,114	(5,989)	116,117	209,675	36,614	246,289
- Effects of transition to MFRS	-	-	(1,114)	10,346	(9,232)	-	-	-
At 1 July 2012, as restated	97,208	1,225	-	4,357	106,885	209,675	36,614	246,289
Total comprehensive income for the period	-	-	-	(3,725)	9,018	5,293	1,279	6,572
At 30 September 2012	97,208	1,225	-	632	115,903	214,968	37,893	252,861

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



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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2012

	30.9.2012 RM'000	30.9.2011 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	12,233	1,829
Adjustments for:		
Depreciation and amortisation	4,244	3,932
Allowance for diminution in value of investment	-	195
Share of loss of associate	-	352
Loss/(gain) on disposal of property, plant and equipment	1	(39)
Non cash items	(280)	653
Net financing costs	1,019	1,251
Operating profit before working capital changes	17,217	8,173
Changes in working capital		
Net change in current assets	(9,502)	(1,598)
Net change in current liabilities	7,906	4,319
Net change in amount due from associate	-	(1,072)
Net income taxes paid	(964)	(346)
Net financing costs paid	(1,019)	(1,251)
Net cash generated from operating activities	13,638	8,225
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(2,698)	(4,482)
Proceeds from disposal of property, plant and equipment	270	51
Proceeds from investment securities	1,000	997
Net cash used in investing activities	(1,428)	(3,434)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net drawdown/(repayment) of borrowings	3,533	(7,055)
Net deposits uplifted from security for bank borrowings	797	-
Net cash generated from/(used in) financing activities	4,330	(7,055)
Exchange difference in translation of financial statements of foreign subsidiaries	(1,507)	(2,261)
NET CHANGE IN CASH AND CASH EQUIVALENTS	15,033	(4,525)
CASH & CASH EQUIVALENTS AT BEGINNING OF PERIOD	54,040	45,517
EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(1,006)	2,620
CASH AND CASH EQUIVALENTS AT END OF PERIOD	68,067	43,612
Cash and cash equivalents included in the Consolidated Statements of Cash Flows comprise the following balance sheet amounts :		
Cash and bank balances	56,604	35,368
Term deposits	19,443	17,326
Bank overdrafts	(2,759)	(3,514)
	73,288	49,180
Less: Term deposits not available for use	(5,221)	(5,568)
	68,067	43,612

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



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NOTES TO THE QUARTERLY REPORT – 30 September 2012

A1. FIRST-TIME ADOPTION OF MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”)

The condensed consolidated interim financial statements, for the period ended 30 September 2012, have been prepared in accordance with MFRS 134 *Interim Financial Reporting* and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. These condensed consolidated interim financial statements also comply with IAS 34 *Interim Financial Reporting* issued by the International Accounting Standards Board. For the periods up to and including the year ended 30 June 2012, the Group prepared its financial statements in accordance with Financial Reporting Standards (“FRS”).

The consolidated financial statements of the Group for the year ended 30 June 2012 which were prepared under FRS are available upon request from the Company registered office at Lot 6.05, Level 6, KPMG Tower, 8 First Avenue, Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan.

These condensed consolidated interim financial statements are the Group’s first MFRS condensed interim financial statements for part of the period covered by the Group’s first MFRS annual financial statements for the year ending 30 June 2013. MFRS 1 *First-Time Adoption of Malaysian Financial Reporting Standards* (“MFRS 1”) has been applied.

The explanatory notes attached to these condensed consolidated interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 30 June 2012.

In preparing its opening MFRS Statements of Financial Position as at 1 July 2011 (which is also the date of transition), the Group has adjusted the amounts previously reported in financial statements prepared in accordance with FRS. An explanation of how the transition from FRS to MFRS has affected the Group’s financial position, financial performance and cash flows is set out in Note A2 below. These notes include reconciliations of equity at the date of transition reported under FRS to those reported for those periods and at the date of transition under MFRS. The transition from FRS to MFRS has not had a material impact on the statement of cash flows.

A2. SIGNIFICANT ACCOUNTING POLICIES AND APPLICATION OF MFRS 1

The audited financial statements of the Group for the year ended 30 June 2012 were prepared in accordance with FRS. Except for certain differences, the requirements under FRS and MFRS are similar. The significant accounting policies adopted in preparing these condensed consolidated interim financial statements are consistent with those of the audited financial statements for the year ended 30 June 2012 except as discussed below:

a) Business combination

MFRS 1 provides the option to apply MFRS 3 *Business Combinations*, prospectively from the date of transition or from a specific date prior to the date of transition. This provides relief from full retrospective application of MFRS 3 which would require restatement of all business combinations prior to the date of transition.



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Acquisition before date of transition

The Group has elected to apply MFRS 3 prospectively from the date of transition. In respect of acquisitions prior to the date of transition,

- (i) The classification of former business combinations under FRS is maintained;
- (ii) There is no re-measurement of original fair values determined at the time of business combination (date of acquisition); and
- (iii) The carrying amount of goodwill recognised under FRS is not adjusted.

b) Property, plant and equipment

The Group has previously adopted the transitional provisions available on the first application of the MASB Approved Accounting Standard IAS 16 (Revised) Property, Plant and Equipment which was effective for periods ending on or after 1 September 1998. By virtue of this transitional provision, the Group had recorded certain freehold land and buildings at revalued amounts but had not adopted a policy of revaluation and continued to carry those freehold land and buildings on the basis of their previous revaluations subject to continuity in its depreciation policy and requirement to write down the assets to their recoverable amounts for impairment adjustments.

Upon transition to MFRS, the Group has elected to measure all its property, plant and equipment using the cost model under MFRS 116 *Property, Plant and Equipment*. At the date of transition to MFRS, the Group uses previous revaluation at or before the date of transition as deemed cost. Accordingly, the revaluation reserve of RM1,114,000 (30 September 2011: RM1,114,000; 30 June 2012: RM1,114,000) was transferred to retained earnings on the date of transition to MFRS.

c) Foreign currency translation reserve

Under FRS, the Group recognised translation differences on foreign operations in a separate component of equity. Cumulative foreign currency translation differences for all foreign operations are deemed to be zero as at the date of transition to MFRS. Accordingly, at date of transition to MFRS, the cumulative foreign currency translation differences of RM10,346,000 (30 September 2011: RM10,346,000; 30 June 2012: RM10,346,000) were adjusted to retained earnings.

The reconciliations of financial statements at the date of transition reported under FRS to those reported for those periods and at the date of transition under MFRS are provided below:

- (i) Reconciliation as at 1 July 2011



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NOTES TO THE QUARTERLY REPORT – 30 September 2012

	FRS as at 1 July 2011 RM'000	Note A2(b) Property, plant and equipment RM'000	Note A2(c) Foreign currency translation reserve RM'000	MFRS as at 1 July 2011 RM'000
Revaluation reserve	1,114	(1,114)	-	-
Foreign currency translation reserve	(10,346)	-	10,346	-
Retained earnings	107,013	1,114	(10,346)	97,781

(ii) Reconciliation as at 30 September 2011

	FRS as at 30 September 2011 RM'000	Note A2(b) Property, plant and equipment RM'000	Note A2(c) Foreign currency translation reserve RM'000	MFRS as at 30 September 2011 RM'000
Revaluation reserve	1,114	(1,114)	-	-
Foreign currency translation reserve	(5,462)	-	10,346	4,884
Retained earnings	107,324	1,114	(10,346)	98,092

(iii) Reconciliation as at 30 June 2012

	FRS as at 30 June 2012 RM'000	Note A2(b) Property, plant and equipment RM'000	Note A2(c) Foreign currency translation reserve RM'000	MFRS as at 30 June 2012 RM'000
Revaluation reserve	1,114	(1,114)	-	-
Foreign currency translation reserve	(5,989)	-	10,346	4,357
Retained earnings	116,117	1,114	(10,346)	106,885

A3. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENT

The latest audited financial statements for the financial year ended 30 June 2012 were not subject to any qualification.



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NOTES TO THE QUARTERLY REPORT – 30 September 2012

A4. 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 2012.

A5. VALUATION OF PROPERTY, PLANT & EQUIPMENT

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

A6. TAXATION

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

	Individual Quarter		Cumulative Quarter	
	30.9.2012	30.9.2011	30.9.2012	30.9.2011
	RM'000	RM'000	RM'000	RM'000
Current tax expense				
Malaysian	-	-	-	-
Overseas	862	390	862	390
Total	165	390	1,163	390
Deferred taxation				
Malaysian	-	-	-	-
Overseas	-	-	-	-
Total	-	-	-	-
	862	390	862	390

A7. CHANGES IN THE COMPOSITION OF THE GROUP

There was no change to the composition of the Group in the quarter ended 30 September 2012.

A8. CORPORATE PROPOSAL

There were no corporate proposals announced which are not completed as at 26 November 2012 except for the following:



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NOTES TO THE QUARTERLY REPORT – 30 September 2012

On 31 October 2011, Grob Holz Sdn Bhd, a wholly-owned subsidiary of the Company, had entered into a Sale and Purchase Agreement with LTIG, a subsidiary of the Company, for the disposal of 1,997,500 ordinary shares of THB100 each in Grob Holz Co. Ltd (“GHCL”), representing 85% of the issued and paid-up share capital of GHCL, to LTIG for a total cash consideration of THB148,560,000 or approximately RM14,831,972 (based on exchange rate of RM1.00:THB10.0162) (the “Agreement”).

On 1 March 2012, a supplemental agreement to the Agreement was entered to provide for, inter alia, the retention by LTIG of a sum of THB2,500,000 from the consideration pending the obtaining by GHSB of certain regulatory approvals arising from the due diligence exercise.

A9. CHANGES IN EQUITY AND LONG TERM DEBTS

There were no changes in equity and long term debts for the current quarter ended 30 September 2012.

A10. 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)
Long Term Liabilities		
Unsecured :		
Long term loans	-	-
Portion repayable within twelve months	-	-
	-	-
Secured :		
Hire purchase payables	-	-
Long term loans	26,620	7,102
Portion repayable within twelve months	(4,769)	(3,082)
	21,851	4,020
Total Long Term Liabilities	21,851	4,020
Short Term Liabilities		
Unsecured :		
Current portion of long term loans	-	-
Short term loans	-	-
Secured :		



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Hire purchase payables	25	-
Current portion of long term loans	4,769	3,082
Short term loan	77,402	67,448
Bank overdraft	2,759	1,972
	84,955	72,502
Total Short Term Liabilities	84,955	72,502

A11. REALISED AND UNREALISED PROFITS/LOSSES

The breakdown of the retained earnings of the Group as at 30 September 2012 and 30 June 2012 are as follows:

	As at end of current quarter 30.9.12 RM'000	As at end of preceding financial year 30.6.12 RM'000
Total retained earnings/(accumulated losses) of Latitude Tree Holdings Berhad and its subsidiaries:		
- Realised	189,405	176,857
- Unrealised	(152)	1,079
	189,253	177,936
Total share of accumulated losses from associated companies:		
- Realised	(527)	(527)
Less: Consolidation adjustments	(72,823)	(70,524)
Total group retained profits	115,903	106,885

The determination of realised and unrealised profits is compiled based on Guidance of Special Matter No. 1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Securities Listing Requirements*, issued by the Malaysian Institute of Accountants on 20 December 2010.

The disclosure of realised and unrealised profits above is solely for the purposes of complying with the disclosure requirements stipulated in the directive of Bursa Securities and should not be applied for any other purposes.

A12. FINANCIAL INSTRUMENTS - DERIVATIVES

As at 30 September 2012, the outstanding derivative financial instrument, which have been entered into by the Group are as follows:



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NOTES TO THE QUARTERLY REPORT – 30 September 2012

	Contract Value	Fair Value	Changes in Fair Value Gain/(Loss)
<u>Foreign Currency Contracts</u>	RM'000	RM'000	RM'000
US dollar - less than 1 year	14,843.8	14,405.5	438.3

The Group's derivatives are principally in respect of forward foreign currency contracts used to hedge its foreign currency sales.

Derivative financial assets and liabilities are initially recognised, and subsequently measured at fair value. The fair value of the foreign currency contracts is determined using a forward market rate at the end of report period and changes in the fair value are recognised in statement of comprehensive income.

Credit Risk

The above financial instruments were executed with creditworthy financial institutions in line with the Group's policy.

Cash requirements

The Group will fund the cash requirements of these derivatives from its net cash flow from operating activities when the payments fall due.

A13. 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 26 November 2012.

A14. 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:



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NOTES TO THE QUARTERLY REPORT – 30 September 2012

RM'000	MALAYSIA	VIETNAM	THAILAND	OTHERS	GROUP
TOTAL REVENUE	34,158	106,261	5,263	-	145,682
INTER-SEGMENT REVENUE	(4,924)	-	(1,064)	-	(5,988)
EXTERNAL REVENUE	29,234	106,261	4,199	-	139,694
PROFIT/(LOSS) BEFORE TAXATION	762	11,726	(187)	(68)	12,233

A15. SIGNIFICANT RELATED PARTY TRANSACTIONS

Transacting Parties	Related Party	Nature of Interest	Nature of Transaction	Current Quarter ended 30.9.2012 RM'000	Current Year To Date 30.9.2012 RM'000
GHCL and the LTHB Group	Mr. Yek Siew Liong and Konsortium Kontrek Sdn Bhd	GHCL is a 65.98% owned subsidiary of LTHB. Mr. Yek Siew Liong, a director and substantial shareholder of LTHB holds 24.92% 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.	1,064	1,064
The LTIG Group and the LTHB Group	Mr. Yek Siew Liong	LTHB is the holding company of LTIG. Mr Yek Siew Liong is a director and substantial shareholder of both LTIG and LTHB. Mr Yek Siew	Purchases of raw materials and supplies, furniture components and finished goods by LTIG Group from the LTHB Group.	170	170



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		Liong owns approximately 4.85% direct equity interest and 0.96% indirect equity interest in LTIG via his spouse and 15.03% indirect equity interest in LTHB via Konsortium Kontrek Sdn Bhd	Purchases of raw materials and supplies, furniture components and finished goods by LTHB Group from the LTIG Group.	803	803
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ADDITIONAL INFORMATION REQUIRED BY MAIN MARKET LISTING REQUIREMENT (APPENDIX 9B)

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

RM Million	30.9.2012	30.6.2012
Revenue	139.7	143.2
Gross profit	20.1	19.6
Consolidated profit before taxation	12.2	9.9

Revenue

For the quarter under review, the Group's revenues decreased approximately 2.4% to RM139.7 million as compared to the preceding quarter's RM143.2 million. The decrease was mainly attributable to lower orders received in the quarter under review.

Gross profit

The Group has recorded higher gross profit from RM19.6 million in the preceding quarter to RM20.1 million representing an increase of 2.6%. The increase was mainly attributable to the followings:

- upward revision of selling price of certain products;
- lower material costs as a result of decrease in the price of raw materials and packing materials; and
- improved productivity.



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Profit before taxation (“PBT”)

The Group has recorded an increase in PBT from RM9.9 million in the preceding quarter to RM12.2 million in current quarter. The increase in PBT was in line with the increase in gross profit margin and higher gain from forex translation.

B2. REVIEW OF PERFORMANCE

RM Million	30.9.2012	30.9.2011
Revenue	139.7	128.4
Gross profit	20.1	11.8
Consolidated profit before taxation	12.2	1.8

Revenue

The Group recorded revenue of RM139.7 million for the three months financial period ended 30 September 2012 (“Q1FY2013”) representing an increase of 8.8% as compared to the three months financial period ended 30 September 2011 (“Q1FY2012”) of RM128.4 million. The increase was mainly attributable to the followings:

- upward revision of selling price of certain products;
- higher orders received by the group’s operations in Malaysia and Vietnam;
- higher production output; and
- strengthening of US Dollar against Ringgit Malaysia by 3.5%.

Gross profit

Gross profit of the Group amounted to RM20.1 million in Q1FY2013, representing an increase of 70.3% from RM11.8 million in Q1FY2012. The significant increase was mainly attributable to the followings:

- increased in revenue by 8.8%;
- upward revision of selling price of certain products;
- lower material costs as a result of decrease in the price of raw materials and packing materials; and
- improved productivity.

PBT

PBT of the Group amounted to RM12.2 million in Q1FY2013, representing an increase of RM10.4 million from RM1.8 million in Q1FY2012. The substantial increase in PBT was in line with the increase in revenue and gross profit margin



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NOTES TO THE QUARTERLY REPORT – 30 September 2012

B3. PROFIT FOR THE PERIOD

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

	Individual quarter ended		Cumulative quarter ended	
	30.9.12	30.9.11	30.9.12	30.9.11
	RM'000	RM'000	RM'000	RM'000
Interest income	(119)	(89)	(119)	(89)
Interest expense	1,138	1,251	1,138	1,251
Depreciation & amortization	4,244	3,932	4,244	3,932
Allowance for diminution in value of investment	-	195	-	195
Loss/(gain) disposal of quoted or unquoted investments or properties	1	(39)	1	(39)
Unrealised forex loss/(gain)	536	(1,214)	536	(1,214)
Realised forex gain	(481)	(480)	(481)	(480)
(Gain)/loss on derivatives	(746)	1,908	(746)	1,908

B4. 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.

B5. 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.

B6. CURRENT YEAR PROSPECT

In view of the uncertainty of the global economy, the Group will adopt a cautious approach in its business strategy especially in managing rising costs and the volatility US Dollar.

Continuous efforts will also be taken to strengthen its operations to remain profitable.

Going forward, the Board is confident that the Group will continue to remain profitable for the financial year ending 30 June 2013.



LATITUDE TREE HOLDINGS BERHAD

(302829-W)

NOTES TO THE QUARTERLY REPORT – 30 September 2012

B7. 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 2012.

B8. DIVIDEND

At the forthcoming Annual General Meeting to be held on 18 December 2012, the shareholders' approval will be sought for the payment of a first and final tax exempt dividend of 3.0 sen per share in respect of the financial year ended 30 June 2012.

The Board of Directors did not recommend any interim dividend for the current quarter ended 30 September 2012.

B9. EARNINGS PER SHARE

	Individual Quarter		Cumulative Quarter	
	30.9.12	30.9.11	30.9.12	30.9.11
Basic EPS				
Net profit attributable to equity holders of the Company (RM'000)	9,018	311	9,018	311
Weighted average no. of shares ('000)	97,207.5	97,207.5	97,207.5	97,207.5
Basic EPS (sen)	9.28	0.32	9.28	0.32

B10. CAPITAL COMMITMENTS

Capital commitments for property, plant and equipment not provided for in the financial statements as at 30 September 2012 were as follows:

	RM'000
Authorised by Directors and contracted	242
Authorised by Directors and not contracted	-
	242