



**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)**  
**FOR THE PERIOD ENDED 30 JUNE 2021**

	Individual quarter ended		Cumulative quarter ended	
	Current year quarter 30.06.2021 RM'000	Preceding year corresponding quarter 30.06.2020 RM'000	Current year quarter 30.06.2021 RM'000	Preceding year corresponding quarter 30.06.2020 RM'000
Revenue	216,023	138,561	911,943	684,740
Cost of sales	(188,696)	(124,743)	(786,070)	(611,464)
<b>Gross profit</b>	<b>27,327</b>	<b>13,818</b>	<b>125,873</b>	<b>73,276</b>
Other income	1,156	2,723	13,198	9,175
Selling and marketing expenses	(7,829)	(4,622)	(26,978)	(20,704)
Administrative expenses	(7,870)	(4,538)	(30,466)	(23,409)
Other expenses	(1,921)	(4,319)	(7,089)	(11,385)
<b>Operating profit</b>	<b>10,863</b>	<b>3,062</b>	<b>74,538</b>	<b>26,953</b>
Finance costs	(827)	(851)	(2,954)	(3,978)
<b>Profit before taxation</b>	<b>10,036</b>	<b>2,211</b>	<b>71,584</b>	<b>22,975</b>
Taxation	(7,469)	(1,804)	(17,793)	(6,186)
<b>Profit for the period</b>	<b>2,567</b>	<b>407</b>	<b>53,791</b>	<b>16,789</b>
Attributable to :				
Owners of the parent	2,567	407	53,791	16,789
Non-controlling interest	-	-	-	-
<b>Profit for the period</b>	<b>2,567</b>	<b>407</b>	<b>53,791</b>	<b>16,789</b>
<b>Earnings per share (sen) :</b>				
(a) Basic	2.06	0.33 *	43.20	13.54 *
(b) Diluted	2.06	0.33 *	43.20	13.54 *
Weighted average number of ordinary shares ('000)	124,529.6	124,020.2	124,529.6	124,020.2
Profit for the period	2,567	407	53,791	16,789
Other comprehensive income:				
Foreign currency translation	9	(298)	(8,979)	8,375
<b>Total comprehensive income for the period</b>	<b>2,576</b>	<b>109</b>	<b>44,812</b>	<b>25,164</b>
Total comprehensive income attributable to :				
Owners of the parent	2,576	109	44,812	25,164
Non-controlling interest	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>2,576</b>	<b>109</b>	<b>44,812</b>	<b>25,164</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.

\* For comparative purpose, the EPS for the quarter and year to date ended 30 June 2020 has been adjusted to reflect the bonus issue of 1 bonus share for every 1 existing ordinary share which was completed on 16 March 2021.



**LATITUDE TREE HOLDINGS BERHAD**  
(Registration No.: 199401017151 (302829-W))

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)**  
**AS AT 30 JUNE 2021**

	<b>Unaudited</b>	<b>Audited</b>
	<b>30.06.2021</b>	<b>30.06.2020</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	251,235	246,891
Investment properties	59,562	65,508
Right-of-use assets	34,510	37,661
Other investments	81	81
Investment securities	-	10,052
Deferred tax assets	907	1,332
	<u>346,295</u>	<u>361,525</u>
<b>Current assets</b>		
Inventories	228,979	194,867
Trade and other receivables	61,257	71,593
Prepayments	3,816	1,199
Tax recoverable	1,154	1,792
Cash and bank balances	196,602	126,206
Investment securities	55,452	42,974
	<u>547,260</u>	<u>438,631</u>
<b>TOTAL ASSETS</b>	<u><u>893,555</u></u>	<u><u>800,156</u></u>



**LATITUDE TREE HOLDINGS BERHAD**  
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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)**  
**AS AT 30 JUNE 2021 (CONT'D)**

	<b>Unaudited</b>	<b>Audited</b>
	<b>30.06.2021</b>	<b>30.06.2020</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the parent</b>		
Share capital	98,433	98,433
Treasury shares	(155)	(5,798)
Retained earnings	443,542	407,967
Foreign currency translation reserve	68,420	77,399
	<u>610,240</u>	<u>578,001</u>
Non-controlling interest	-	-
<b>Total equity</b>	<u>610,240</u>	<u>578,001</u>
<b>Non-current liabilities</b>		
Loans and borrowings	22,062	9,293
Lease liabilities	4,834	5,896
Provision for severance allowance	231	36
Retirement benefit obligation	224	202
Derivatives	-	762
Deferred tax liabilities	3,213	3,305
	<u>30,564</u>	<u>19,494</u>
<b>Current liabilities</b>		
Trade and other payables	111,664	78,398
Loans and borrowings	108,076	95,595
Lease liabilities	883	956
Tax payable	32,001	27,322
Derivatives	127	390
	<u>252,751</u>	<u>202,661</u>
<b>Total liabilities</b>	<u>283,315</u>	<u>222,155</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>893,555</u>	<u>800,156</u>
Net assets per share attributable to owners of the parent (RM)	<u>3.14</u>	<u>3.00</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.

\* For comparative purpose, the Net asset per share attributable to the owners of the Company as at 30 June 2020 has been adjusted to reflect the bonus issue of 1 bonus share for every 1 existing ordinary share which was completed on 16 March 2021.



**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)**  
**FOR THE PERIOD ENDED 30 JUNE 2021**

	Share capital RM'000	Treasury shares RM'000	Non- distributable Foreign currency translation reserve RM'000	Distributable Retained earnings RM'000	Total RM'000	Non- controlling interest RM'000	Total equity RM'000
At 1 July 2019 (as previously stated)	98,433	(870)	69,024	397,848	564,435	-	564,435
Effect of adoption of MFRS 16	-	-	-	(952)	(952)	-	(952)
At 1 July 2019 (restated)	98,433	(870)	69,024	396,896	563,483	-	563,483
Total comprehensive income for the period	-	-	8,375	16,789	25,164	-	25,164
Dividend paid	-	-	-	(5,718)	(5,718)	-	(5,718)
Purchase of treasury shares	-	(4,928)	-	-	(4,928)	-	(4,928)
At 30 June 2020	<b>98,433</b>	<b>(5,798)</b>	<b>77,399</b>	<b>407,967</b>	<b>578,001</b>	-	<b>578,001</b>
At 1 July 2020	98,433	(5,798)	77,399	407,967	578,001	-	578,001
Total comprehensive income for the period	-	-	(8,979)	53,791	44,812	-	44,812
Dividend paid	-	-	-	(12,573)	(12,573)	-	(12,573)
Share dividend	-	5,643	-	(5,643)	-	-	-
At 30 June 2021	<b>98,433</b>	<b>(155)</b>	<b>68,420</b>	<b>443,542</b>	<b>610,240</b>	-	<b>610,240</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.



**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)  
FOR THE PERIOD ENDED 30 JUNE 2021**

	30.06.2021 RM'000	30.06.2020 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Profit before taxation</b>	71,584	22,975
<b>Adjustments for:</b>		
Write-back of allowance for expected credit losses of trade receivables	(169)	(2)
Depreciation and amortisation	19,917	19,565
Inventories written off	236	-
Inventories written down	2,035	2,451
Property, plant and equipment written off	57	-
Allowance for expected credit losses on trade receivables	-	4,009
Fair value (gain)/loss on derivatives	(1,025)	1,317
Fair value loss/(gain) on investment securities	214	(690)
Net unrealised foreign exchange loss/(gain)	982	(586)
Gain on disposal of property, plant and equipment	(122)	(8)
Investment income from investment securities	(692)	(920)
Non cash items	216	5
Net financing costs	1,147	946
<b>Operating profit before working capital changes</b>	<b>94,380</b>	<b>49,062</b>
<b>Changes in working capital</b>		
Net change in current assets	(35,391)	20,168
Net change in current liabilities	34,588	(14,723)
Net income taxes paid	(10,788)	(3,871)
Net financing costs paid	(1,370)	(1,064)
<b>Net cash flows from operating activities</b>	<b>81,419</b>	<b>49,572</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investment income from investment securities	692	920
Purchase of property, plant and equipment	(22,079)	(29,027)
Purchase of investment properties	-	(30,585)
Purchase of right-of-use assets	-	(11,189)
Proceeds from disposal of property, plant and equipment	224	51
Decrease/(increase) in deposits placed with licensed banks	4,707	(956)
(Purchase of)/proceeds from investment securities	(2,844)	2,787
<b>Net cash flows used in investing activities</b>	<b>(19,300)</b>	<b>(67,999)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net drawdown/(repayment) of bank borrowings	27,837	(11,709)
Repayments for principal portion of lease liabilities	(922)	(899)
Dividends paid on ordinary shares	(12,573)	(5,718)
Movement of deposits placed as securities for bank borrowings and guarantees	8,431	(1,611)
Treasury shares acquired	-	(4,928)
<b>Net cash flows from/(used in) financing activities</b>	<b>22,773</b>	<b>(24,865)</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>84,892</b>	<b>(43,292)</b>
<b>CASH &amp; CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>101,426</b>	<b>137,354</b>
<b>EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>	<b>(1,358)</b>	<b>7,364</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>184,960</b>	<b>101,426</b>
<b>Cash and cash equivalents included in the Consolidated Statement of Cash Flows comprise the following balance sheet amounts :</b>		
<b>Cash and bank balances</b>	151,442	71,947
<b>Term deposits</b>	45,160	54,259
	196,602	126,206
<b>Less:</b>		
<b>Deposits pledged as securities for bank borrowings and guarantees</b>	(7,385)	(15,816)
<b>Deposits with licensed banks with tenure more than three months</b>	(4,257)	(8,964)
	184,960	101,426

**Reconciliation of liabilities arising from financing activities:**

	Carrying amount as at 1 July 2020 RM'000	Cash flows RM'000	Effects of foreign exchange RM'000	Carrying amount as at 30 June 2021 RM'000
<u>Group</u>				
Loans and borrowings	104,888	27,837	(2,587)	130,138
Lease liabilities	6,852	(922)	(213)	5,717
<b>Total</b>	<b>111,740</b>	<b>26,915</b>	<b>(2,800)</b>	<b>135,855</b>

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**

**(Registration No.: 199401017151 (302829-W))**

## **NOTES TO THE QUARTERLY REPORT – 30 JUNE 2021**

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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 2020.

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 2020 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 2020.

The adoption of relevant MFRSs, Amendment to MFRSs and IC Interpretations did not have any material effect on the financial performance or position of the Group.

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

The latest audited financial statements for the financial year ended 30 June 2020 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 June 2021.

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

There was no revaluation of properties of the Group during the financial period ended 30 June 2021.



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**NOTES TO THE QUARTERLY REPORT – 30 JUNE 2021**

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**A5. TAXATION**

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

	Individual Quarter		Cumulative Quarter	
	30.06.2021	30.06.2020	30.06.2021	30.06.2020
	RM'000	RM'000	RM'000	RM'000
Current tax expense				
Malaysian	(46)	260	2,554	2,256
Overseas	7,488	1,812	14,924	3,878
<b>Total</b>	<b>7,442</b>	<b>2,072</b>	<b>17,478</b>	<b>6,134</b>
Deferred tax expense				
Malaysian	858	(183)	1,134	137
Overseas	(831)	(85)	(819)	(85)
<b>Total</b>	<b>27</b>	<b>(268)</b>	<b>315</b>	<b>52</b>
	<b>7,469</b>	<b>1,804</b>	<b>17,793</b>	<b>6,186</b>

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

There was no change to the composition of the Group in the quarter ended 30 June 2021.

**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 June 2021.

**A9. BORROWINGS AND DEBTS SECURITIES**

Details of the Group's borrowings were as follows:



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**NOTES TO THE QUARTERLY REPORT – 30 JUNE 2021**

	As at 30 June 2021					
	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)	14,218	-	1,801	-	16,019	-
Term loan (RM)	-	7,007	-	1,075	-	8,082
Term loan (THB)	837	-	576	-	1,413	-
Bankers' acceptances (RM)	-	-	-	1,921	-	1,921
Bankers' acceptances (USD)	-	-	941	-	941	-
Revolving credit (USD)	-	-	2,075	-	2,075	-
<b>Unsecured</b>						
Trust receipts (USD)	-	-	99,687	-	99,687	-
<b>Total</b>	15,055	7,007	105,080	2,996	120,135	10,003

	As at 30 June 2020					
	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)	-	-	856	-	856	-
Term loan (RM)	-	7,780	-	809	-	8,589
Term loan (THB)	1,513	-	463	-	1,976	-
Bankers' acceptances (RM)	-	-	-	1,243	-	1,243
Revolving credit (USD)	-	-	4,280	-	4,280	-





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**NOTES TO THE QUARTERLY REPORT – 30 JUNE 2021**

	As at 30 June 2020					
	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>Unsecured</b>						
Trust receipts (USD)	-	-	87,944	-	87,944	-
<b>Total</b>	1,513	7,780	93,543	2,052	95,056	9,832

**A10. FINANCIAL INSTRUMENTS - DERIVATIVES**

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

	As at 30 June 2021 RM'000			As at 30 June 2020 RM'000		
	Contract/ Notional amount	Assets	Liabilities	Contract/ Notional amount	Assets	Liabilities
<b>Non-hedging derivatives:</b>						
<b>Current</b>						
Forward currency contracts	38,137	-	(127)	31,423	-	(388)
Interest rate swap	-	-	-	856	-	(2)
			(127)			(390)
<b>Non-current</b>						
Forward currency contracts	-	-	-	16,790	-	(762)
			-			(762)
<b>Total non-hedging derivatives</b>			(127)			(1,152)

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 February 2022 and March 2022. During the financial period under review, the Group recognised a gain of RM1,025,908 arising from fair value changes of forward currency contracts. The fair value changes are attributable to changes in foreign exchange closing and forward rate.



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**NOTES TO THE QUARTERLY REPORT – 30 JUNE 2021**

**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 23 September 2021.

**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 June**

RM'000	Malaysia		Vietnam		Thailand		Others		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Total revenue	31,665	23,540	183,470	113,947	5,446	3,951	5,423	581	226,004	142,019
Inter-segment revenue	(3,770)	(2,776)	(141)	(6)	(1,570)	(676)	(4,500)	-	(9,981)	(3,458)
External revenue	27,895	20,764	183,329	113,941	3,876	3,275	923	581	216,023	138,561
(Loss)/profit before taxation	(2,882)	(2,748)	14,960	5,088	(1,395)	(40)	(647)	(89)	10,036	2,211
Segment assets	250,332	248,726	508,332	428,908	33,767	36,875	603,221	580,728	1,395,652	1,295,237
Segment liabilities	49,689	50,101	232,318	184,450	14,414	15,132	259,389	250,765	555,810	500,448



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**NOTES TO THE QUARTERLY REPORT – 30 JUNE 2021**

**Results for the Cumulative Quarter ended 30 June**

RM'000	Malaysia		Vietnam		Thailand		Others		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Total revenue	176,618	141,671	737,297	541,391	24,097	21,003	33,131	27,449	971,143	731,514
Inter-segment revenue	(21,384)	(18,708)	(412)	(391)	(8,233)	(4,085)	(29,171)	(23,590)	(59,200)	(46,774)
External revenue	155,234	122,963	736,885	541,000	15,864	16,918	3,960	3,859	911,943	684,740
Profit/(loss) before taxation	5,695	3,860	67,269	18,862	(1,196)	(556)	(184)	809	71,584	22,975
Segment assets	250,332	248,726	508,332	428,908	33,767	36,875	603,221	580,728	1,395,652	1,295,237
Segment liabilities	49,689	50,101	232,318	184,450	14,414	15,132	259,389	250,765	555,810	500,448

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

	<b>30.06.2021</b>	<b>30.06.2020</b>
	<b>RM'000</b>	<b>RM'000</b>
Inter-segment assets	<u>502,097</u>	<u>495,081</u>
Inter-segment liabilities	<u>272,495</u>	<u>278,293</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 (%)
	30.06.2021	31.03.2021	
Revenue	216.0	216.7	-0.3%
Gross profit	27.3	30.2	-9.6%
Profit before taxation	10.0	14.5	-31.0%
Profit after taxation	2.6	11.6	-77.6%



# **LATITUDE TREE HOLDINGS BERHAD**

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## **NOTES TO THE QUARTERLY REPORT – 30 JUNE 2021**

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### **Revenue**

For the quarter under review, the Group's revenue dip marginally by 0.3% to RM216.0 million as compared to the preceding quarter of RM216.7 million. The decrease was mainly attributable to the followings:

- lower sales and production output recorded by all plants in Malaysia due to implementation of full lockdown effective 1 June 2021 as announced by the Government of Malaysia to curb high daily infection of Covid-19 pandemic; offset with
- higher sales recorded by a furniture plant in Vietnam.

### **Gross profit**

The Group has recorded lower gross profit from RM30.2 million in preceding quarter compared to RM27.3 million in current quarter, representing a decline of 9.6%. The decrease in gross profit was mainly attributable to the followings:

- higher operating cost resulting from closure of all plants in Malaysia due to implementation of full lockdown by the Government of Malaysia during the quarter under review, and
- impairment loss on inventories amounting to RM2.0 million.

### **Profit before taxation ("PBT")**

The Group has recorded a decline in PBT from RM14.5 million in preceding quarter to RM10.0 million in current quarter, representing a decrease of 31.0%. The decrease in PBT was mainly attributable to the followings:

- in line with the decrease in gross profit;
- higher distribution expenses due to higher logistic costs and increase in sales of large items; and
- registered foreign exchange loss of RM0.7 million in current quarter compared to foreign exchange gain of RM0.8 million in preceding quarter.

### **Profit after taxation ("PAT")**

The Group recorded PAT of RM2.6 million in current quarter, representing a significant decrease of 77.6% from RM11.6 million in preceding quarter was mainly due to higher tax provision made in current quarter compared to preceding quarter.



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**NOTES TO THE QUARTERLY REPORT – 30 JUNE 2021**

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**B2. REVIEW OF PERFORMANCE**

RM' Million	Cumulative quarter		Changes (%)
	30.06.2021	30.06.2020	
Revenue	911.9	684.7	+33.2%
Gross profit	125.9	73.3	+71.8%
Profit before taxation	71.6	23.0	>+100.0%
Profit after taxation	53.8	16.8	>+100.0%

**Revenue**

The Group recorded all-time high revenue of RM911.9 million for the financial year ended 30 June 2021 ("FY2021"), representing an increase of 33.2% as compared to the financial year ended 30 June 2020 ("FY2020") of RM684.7 million. The substantial increase was mainly attributable to the followings:

- higher sales recorded by furniture plants due to strong demand for furniture in US in FY2021 compared to FY2020;
- higher local sales recorded by Malaysia sawmill plant and panel board lamination plant due to pent up demand from local market in FY2021 compared to FY2020; offset with
- weakening of US Dollar ("USD") against Ringgit Malaysia ("RM") by 1.9%.

**Gross profit**

Gross profit of the Group amounted to RM125.9 million in FY2021, representing a significant increase of 71.8% from RM73.3 million in FY2020. The substantial increase in gross profit was mainly attributable to the followings:

- in line with the increase in revenue;
- furniture plants recorded higher average selling prices; and
- lower production costs due to higher production output across all divisions.

**Profit before taxation ("PBT")**

PBT of the Group amounted to RM71.6 million in FY2021, representing an increase of more than 100.0% from RM23.0 million in FY2020 was in line with the substantial increase in gross profit and insurance compensation of RM5.0 million offset with higher selling and marketing expenses due to increase in logistic and shipping costs.

**Profit after taxation ("PAT")**

PAT of the Group amounted to RM53.8 million in FY2021, representing an increase of more than 100.0% from RM16.8 million in FY2020 was in line with increase in PBT offset with current year tax provision.



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**B3. PROFIT FOR THE PERIOD**

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

	Individual quarter ended		Cumulative quarter ended	
	30.06.2021	30.06.2020	30.06.2021	30.06.2020
	RM'000	RM'000	RM'000	RM'000
Interest income	-	(665)	(1,806)	(3,032)
Interest expense	827	851	2,953	3,978
Investment income from investment securities	(81)	(207)	(692)	(920)
Depreciation and amortization	5,140	5,822	19,917	19,565
Gain on disposal of property, plant and equipment	(19)	-	(122)	(8)
Property, plant and equipment written off	-	-	57	-
Provision/(write-back) of allowance for expected credit losses of trade receivables	10	(2)	(169)	(2)
Allowance for expected credit losses on trade receivables	-	1,498	-	4,009
Unrealised foreign exchange loss/(gain)	236	(437)	982	(586)
Realised foreign exchange loss	464	611	1,927	1,052
Fair value loss/(gain) on derivatives	58	(25)	(1,025)	1,317
Fair value loss/(gain) on investment securities	411	(678)	214	(690)
Insurance compensation	-	(23)	(7,744)	(2,710)
Inventories written down	2,035	2,451	2,035	2,451
Inventories written off	236	-	236	-



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**B4. TRADE AND OTHER RECEIVABLES**

	<b>30.06.2021</b>	<b>30.06.2020</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Trade receivables</b>		
Third parties	48,512	60,337
Less: Allowance for impairment	<u>(5,286)</u>	<u>(5,632)</u>
Trade receivables, net	<u>43,226</u>	<u>54,705</u>
<b>Other receivables</b>		
Deposits	963	1,097
Staff loans	204	182
Goods and services tax receivable	-	513
Sundry receivables	<u>17,142</u>	<u>15,394</u>
	18,309	17,186
Less: Allowance for impairment-sundry receivables	<u>(278)</u>	<u>(298)</u>
Other receivables, net	<u>18,031</u>	<u>16,888</u>
Total trade and other receivables	<u>61,257</u>	<u>71,593</u>

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

	<b>30.06.2021</b>	<b>30.06.2020</b>
	<b>RM'000</b>	<b>RM'000</b>
Neither past due nor impaired	31,294	49,238
Past due not impaired:		
1 - 30 days	9,483	3,335
31 - 60 days	1,523	112
61 - 90 days	779	1,980
> 91 days	147	40
Impaired	<u>5,286</u>	<u>5,632</u>
Gross trade receivables	<u>48,512</u>	<u>60,337</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 RM10,669,000 (30.06.2020: RM7,831,000); and
- ii) Advance to suppliers of RM4,665,000 (30.06.2020: RM3,819,000) that mainly relate to payments in advance for raw materials purchased.



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**B5. CORPORATE PROPOSAL**

There were no corporate proposals announced but not completed as at 23 September 2021.

**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 sudden surge on the demand of furniture was due to pandemic where most are working or attending school from home. The global travel restriction also contributed to the increase in sales of furniture as many will upgrade their furniture to have better and comfortable ambience at home for dining, working and studying. However, as pandemic situation has not abated, the continuous imposition of the Movement Control Order or lockdown is expected to cause some disruption to our Group's business activities in Malaysia, Vietnam and Thailand and resulted higher operating expenses. We hope with the vaccination programs across the globe would provide gradual recovery of global economy.

The operating environment in this extraordinary time especially the global economic uncertainties, the Group will remain resilient and vigilant in addressing these uncertainties in all levels of decision making. The Group is continuing with its cost controlling strategies, enhancing production efficiency, development of new products and new designs in the "new normal" environment and effective cost management across all functions.

Barring any unforeseen circumstances, the Board believes that the Group will remain profitable for the financial year ending 30 June 2022.

**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 June 2021.

**B9. DIVIDEND**

The Company had on 12 May 2021 paid a first interim single tier dividend of 5.0 sen per ordinary share for the financial year ending 30 June 2021.

The Directors have recommended a final single tier dividend of 3.0 sen per ordinary share for the financial year ended 30 June 2021 subject to shareholders' approval at the forthcoming Annual General Meeting of the Company. The dividend entitlement and





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## NOTES TO THE QUARTERLY REPORT – 30 JUNE 2021

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payment date for the proposed dividend will be determined, and thereafter announced at a later date.

### B10. EARNINGS PER SHARE (“EPS”)

Basic EPS	Individual Quarter		Cumulative Quarter	
	30.06.2021	30.06.2020	30.06.2021	30.06.2020
Net profit attributable to owners the parent (RM'000)	2,567	407	53,791	16,789
Weighted average number of shares ('000)	124,529.6	124,020.2	124,529.6	124,020.2
Basic EPS (sen)	2.06	0.33*	43.20	13.54*

\* For comparative purpose, the EPS for the quarter and year to date ended 30 June 2020 has been adjusted to reflect the bonus issue of 1 bonus share for every 1 existing ordinary share which was completed on 16 March 2021.

### B11. CAPITAL COMMITMENTS

Capital commitments for property, plant and equipment not provided for in the financial statements as at 30 June 2021 were as follows:

	RM'000
Authorised by Directors and contracted	9,341
Authorised by Directors and not contracted	-
	<b>9,341</b>