1. BASIS OF PREPARATION

The interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the Group's audited financial statements for the year ended 30 June 2010. These explanatory notes attached to the 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 financial year ended 30 June 2010.

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 30 June 2010, except for the adoption of the following new Financial Reporting Standards (FRSs), Amendments to FRSs and Interpretations with effect from 1 July 2010:

FRS 3	Business Combinations (revised)
FRS 4	Insurance Contracts
FRS 5	Non-current Assets Held for Sale and Discontinued Operations
FRS 7	Financial Instruments: Disclosures
FRS 8	Operating Segments
FRS 101	Presentation of Financial Statements (as revised in 2009)
FRS 123	Borrowing Costs
FRS 139	Financial Instruments: Recognition and Measurement
Amendments to FRS 1 and FRS 127	First-time Adoption of Financial Reporting Standards and Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
Amendments to FRS 5	Non-current Assets Held for Sale and Discontinued Operations
Amendment to FRS 8	Operating Segments
Amendment to FRS 107	Cash Flow Statements
Amendment to FRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
Amendment to FRS 110	Events After the Balance Sheet Date
Amendment to FRS 116	Property, Plant and Equipment
Amendment to FRS 117	Leases
Amendment to FRS 118	Revenue
Amendment to FRS 119	Employee Benefits
Amendment to FRS 123	Borrowing Costs
Amendment to FRS 128	Investments in Associates
Amendments to FRS 132	Financial Instruments: Presentation, Classification of Rights Issues
Amendment to FRS 134	Interim Financial Reporting
Amendment to FRS 136	Impairment of Assets
Amendment to FRS 138	Intangible Assets
Amendment to FRS 140	Investment Property
Amendments to FRS 139, FRS 7, and IC Interpretation 9	Financial Instruments: Recognition and Measurement, Disclosures and Reassessment of Embedded Derivatives

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 30 June 2010, except for the adoption of the following new Financial Reporting Standards ("FRSs"), Amendments to FRSs and Interpretations by the Group with effect from 1 July 2010:

Improvement to FRSs 2009	Improvement to FRSs (2009)
IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 10	Interim Financial Reporting and Impairment
IC Interpretation 11	FRS 2 - Group and Treasury Share Transactions
IC Interpretation 14	FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation
IC Interpretation 17	Disclosures of Non-cash Assets to Owners

The above new FRSs, Amendments to 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 arising from the adoption of FRS 7, FRS 8, FRS 101, FRS 139, revised FRS 3 and the amendments to FRS 127 as discussed below:

a) FRS 8: Operating Segments

Segment Reporting requires a ‘management approach’, under which segment information is presented on a similar basis to that used for internal reporting purposes. As a result, the Group's external segmental reporting will be based on the internal reporting to the "chief operating decision maker", who makes decisions on the allocation of resources and assesses the performance of the reportable segments. As this is a disclosure standard, there will be no impact on the financial position or results of the Group.

b) FRS 101: Presentation of Financial Statements

The revised FRS 101 separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with all non-owner changes in equity presented in the statement of other comprehensive income. In addition, the Standard introduces the statement of comprehensive income which presents income and expense recognised in the period. This statement may be presented in one single statement, or two linked statements. As this is a disclosure standard, there will be no impact to the financial position or results of the Group.

c) FRS 139: Financial Instruments: Recognition and Measurement, FRS 7: Financial Instruments: Disclosures and Amendments to FRS 139: Financial Instruments: Recognition and Measurement, FRS 7: Financial Instruments: Disclosures

The new Standard on FRS 139: Financial Instruments: Recognition and Measurement Establishes principles for recognising and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items. Requirements for presenting information about financial instruments are in FRS 132: Financial Instruments: Presentation and the requirements for disclosing information about financial instruments are in FRS 7: Financial Instruments: Disclosures.

FRS 7: Financial Instruments: Disclosures is a new Standard that requires new disclosures in relation to financial instruments. The Standard is considered to result in increased disclosures, both quantitative and qualitative of the Group's exposure to risks, enhanced disclosure regarding components of the Group's financial position and performance, and possible changes to the way of presenting certain items in the financial statements.

Financial assets

Financial assets are classified as financial assets at fair value through profit or loss, loans and receivables, held to maturity investments, available-for-sale ("AFS") financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

The Group's financial assets include cash and short-term deposits, loans and receivables and AFS investments.

i) Loans and receivables

Prior to 1 January 2010, loans and receivables were stated at gross receivables less provision for doubtful debts. Under FRS 139, loans and receivables are initially measured at fair value and subsequently at amortised cost using the effective interest rate ("EIR") method. Gains and losses arising from the derecognition of the loans and receivables, EIR amortisation and impairment losses are recognised in the income statement.

ii) AFS investments

Prior to 1 January 2010, AFS financial assets such as investments were accounted for at cost adjusted for amortisation of premium and accretion of discount less impairment or at the lower of cost and market value, determined on an aggregate basis. Under FRS 139, AFS financial asset is measured at fair value initially and subsequently with amortisation of premium with accretion of discount and other accrual of income recognised in income statement and with unrealized gains or losses recognised as other comprehensive income in the AFS reserve until the investment is derecognised, at which time the cumulative gain or loss is recognised in the income statement or determined to be impaired, at which time the cumulative loss is recognised in the income statement and removed from the AFS reserve.

Financial liabilities

Financial liabilities are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group's financial liabilities include trade and other payables and are carried at amortised cost.

d) Revised FRS 3 Business Combinations and Amendments to FRS 127 Consolidated and Separate Financial Statements

The revised standards are effective for annual periods beginning on or after 1 July 2010. The revised FRS 3 introduces a number of changes in the accounting for business combinations occurring after 1 July 2010. These changes will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and future reported results. The Amendments to FRS 127 require that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as an equity transaction. Therefore, such transactions will no longer give rise to goodwill, nor will they give rise to a gain or loss. Furthermore, the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. Other consequential amendments have been made to FRS 107 Statement of Cash Flows, FRS 112 Income Taxes, FRS 121 The Effects of Changes in Foreign Exchange Rates, FRS 128 Investments in Associates and FRS 131 Interests in Joint Ventures. The changes from revised FRS 3 and Amendments to FRS 127 will affect future acquisitions or loss of control and transactions with minority interests. The standards may be early adopted. However, the Group does not intend to early adopt.

d) Amendments to FRSs 'Improvements to FRSs (2010)'

Amendments to FRS 117: Leases requires entities with unexpired land leases to reassess the classification of such land as a finance or operating lease. The Group has reclassified the existing leasehold land to property, plant and equipment following this reassessment, with no effect on reported profit or equity. However, as a result of the adoption of the Amendments to FRS 117, comparative balances have been restated as follows:

	As previously reported RM'000	**Effects of changes in accounting policy RM'000**	**As restated RM'000**
Balance Sheet as at 31 December 2010			
Property, plant and equipment	226,640	(17,738)	208,902
Prepaid lease payments	-	17,738	17,738
Balance Sheet as at 31 December 2009			
Property, plant and equipment	215,865	(22,467)	193,398
Prepaid lease payments	-	22,467	22,467

2. STATUS OF AUDIT QUALIFICATION

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

3. EXCEPTIONAL/EXTRAORDINARY/INDIVIDUALLY SIGNIFICANT ITEMS

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

4. VALUATION OF PROPERTY, PLANT & EQUIPMENT

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

5. TAXATION

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

	Individual Quarter		Cumulative Quarter	
	31.12.2010	**31.12.2009**	**31.12.2010**	**31.12.2009**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Current tax expense				
Malaysian	16	6	42	79
Overseas	637	777	1,572	1,622
Total	**653**	**783**	**1,614**	**1,701**

6. SALES OF UNQUOTED INVESTMENTS AND PROPERTIES

There were no sales of unquoted investments or properties for the quarter ended 31 December 2010.

7. QUOTED SECURITIES

There were no purchase or disposal of quoted securities for the quarter ended 31 December 2010.

8. CHANGES IN THE COMPOSITION OF THE GROUP

There was no change to the composition of the Group in the quarter ended 31 December 2010.

9. STATUS OF CORPORATE PROPOSAL

There were no corporate proposals announced during the quarter ended 31 December 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 31 December 2010.

11. BORROWINGS AND DEBTS SECURITIES

Details of the Group's borrowings were as follows:

	Total (RM'000)	**RM equivalents of amount denominated in foreign currency included in the borrowings (RM'000)**
Long Term Liabilities		
Unsecured :		
Long term loans	20,000	-
Portion repayable within twelve months	(20,000)	-
	-	**-**
Secured :		
Hire Purchase payables	74	-
Long term loans	25,433	19,253
Portion repayable within twelve months	(10,162)	(9,315)
	15,344	**9,938**
Total Long Term Liabilities	**15,344**	**9,938**
Short Term Liabilities		
Unsecured :		
Current portion of long term loans	20,000	-
Short term loans	-	-
	-	**-**
Secured :		
Hire Purchase payables	74	13
Current portion of long term loans	10,089	9,302
Short term loan	89,750	80,058
Bank overdraft	4,468	2,421
Total Short Term Liabilities	**124,381**	**91,794**

12. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Group
As at 31 December 2010, there were no contingent liabilities and contingent assets for the Group.

Company
As at 31 December 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 RM46,843,366.

13. FINANCIAL INSTRUMENTS - DERIVATIVES

As at 31 December 2010, the outstanding derivative financial instrument, which have been entered into by the Group are as follows:

Foreign Currency Contracts	**Contract Value** RM'000	**Fair Value** RM'000	**Changes in Fair Value** RM'000
US dollar - less than 1 year	**15,578**	**15,261**	**317**

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 is 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.

14. CHANGES IN MATERIAL LITIGATION

There was no material litigation or any pending material litigation during and at the end of the quarter ended 31 December 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

RM'000	MALAYSIA	VIETNAM	THAILAND	SINGAPORE	OTHERS	GROUP
TOTAL REVENUE	87,860	206,419	13,992	-	-	308,271
INTER-SEGMENT REVENUE	(11,240)	-	(6,125)	-	-	(17,365)
EXTERNAL REVENUE	**76,620**	**206,419**	**7,867**	**-**	**-**	**290,906**
PROFIT/(LOSS) BEFORE TAXATION	**(3,675)**	**24,763**	**(608)**	**(2,307)**	**(4)**	**18,169**

16. SIGNIFICANT RELATED PARTY TRANSACTIONS

Transacting Parties	Related Party	Nature of Interest	Nature of Transaction	Current Quarter ended 31.12.2010 RM'000	Current Year To Date 31.12.2010 RM'000
GHCL and the LTHB Group	Mr. Yek Siew Liong and Konsortium Kontrek Sdn Bhd	GHCL is a 85.00% 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.	2,523	6,126

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 and LTHB. Mr Yek Siew Liong owns approximately 4.85% direct equity interest and 0.96% indirect equity interest in LTIGL (since 21 October 2009) 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 LTIGL Group from the LTHB Group.	625	1,067
			Purchases of raw materials and supplies, furniture components and finished goods by LTHB Group from the LTIGL Group.	-	-

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

RM Million	31.12.2010	30.9.2010
Revenue	143.7	147.2
Consolidated Profit before taxation	8.1	10.0

The Group's revenues decreased approximately 2.4% to RM143.7 million for the quarter ended 31 December 2010, as compared to the preceding quarter's RM147.2million. The decrease for the quarter was mainly attributable to lower production output and the weakening of US Dollar against Ringgit Malaysia.

The Group has recorded decrease in profit before taxation from RM10.0 million in the preceding quarter to RM8.1 million. The decrease in profit before taxation was mainly due to the weakening of US Dollar against Ringgit Malaysia and the increase in prices of raw materials.

18. REVIEW OF PERFORMANCE

RM Million	31.12.2010	31.12.2009
Revenue	143.7	135.2
Consolidated profit before taxation	8.1	15.7

The Group recorded revenues of RM143.7 million for the quarter ended 31 December 2010 representing an increase of 6.3% as compared to the preceding year corresponding quarter of RM135.2 million. The increase was attributable to the higher orders received and higher production output of the two factories in Vietnam.

The Group's profit before taxation for the quarter ended 31 December 2010 decreased to RM8.1 million from profit before taxation of RM15.7 million of preceding year corresponding quarter. The decrease was mainly due to weakening of US Dollar against Ringgit Malaysia and higher direct materials costs resulted by the increase in prices of raw materials, such as wooden materials, packing and coating materials.

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 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 31 December 2010.

23. DIVIDEND

At the 16th Annual General Meeting held on 21 December 2010, the shareholders approved the payment of a final dividend of 7.0 sen per share (tax exempt) (30 June 2009 : 5.8 sen , tax exempt) in respect of the financial year ended 30 June 2010.
It was paid on 21 January 2011 to shareholders whose names appear on the Record of Depositors as at 31 December 2010.

The Board of Directors did not recommend any interim dividend for the current quarter ended 31 December 2010.

24. EARNINGS PER SHARE

	Individual Quarter		Cumulative Quarter	
Basic EPS	**31.12.10**	**31.12.09**	**31.12.10**	**31.12.09**
Net profit attributable to equity holders of the Company (RM'000)	5,012	11,423	11,774	22,570
Weighted average no. of shares ('000)	64,805	64,805	64,805	64,805
Basic EPS (sen)	7.73	17.63	18.17	34.83

25. CAPITAL COMMITMENTS

Capital commitments for property, plant and equipment not provided for in the financial statements as at 31 December 2010 were as follows :

	RM'000
Authorised by Directors and contracted	14,612
Authorised by Directors and not contracted	-
	14,612