



LATITUDE TREE HOLDINGS BERHAD (302829-W)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
(UNAUDITED) FOR THE PERIOD ENDED 31 DECEMBER 2017

	Individual quarter ended		Cumulative quarter ended	
	Current year quarter 31.12.2017 RM'000	Preceding year corresponding quarter 31.12.2016 RM'000	Current year quarter 31.12.2017 RM'000	Preceding year corresponding quarter 31.12.2016 RM'000
Revenue	196,839	209,365	413,617	414,768
Cost of sales	(173,709)	(169,705)	(360,073)	(342,350)
Gross profit	23,130	39,660	53,544	72,418
Other income	1,394	7,606	2,721	10,134
Selling and marketing expenses	(5,470)	(5,305)	(10,911)	(10,029)
Administrative expenses	(5,595)	(5,348)	(11,348)	(10,669)
Other expenses	(3,194)	(867)	(5,459)	(1,460)
Operating profit	10,265	35,746	28,547	60,394
Finance costs	(815)	(671)	(1,523)	(1,259)
Profit before taxation	9,450	35,075	27,024	59,135
Taxation	(1,768)	(3,078)	(3,932)	(6,045)
Profit for the period	7,682	31,997	23,092	53,090
Attributable to :				
Owners of the parent	7,682	31,997	23,092	53,090
Non-controlling interest	-	-	-	-
Profit for the period	7,682	31,997	23,092	53,090
Earnings per share (sen) :				
(a) Basic	7.90	32.92	23.76	54.62
(b) Diluted	7.90	32.92	23.76	54.62
Number of ordinary shares ('000)	97,207.5	97,207.5	97,207.5	97,207.5
Profit for the period	7,682	31,997	23,092	53,090
Other comprehensive income:				
Foreign currency translation	(9,409)	21,827	(13,375)	30,614
Net gain on available-for-sale financial assets				
- Gain on fair value changes	30	-	61	-
Total comprehensive income for the period	(1,697)	53,824	9,778	83,704
Total comprehensive income attributable to :				
Owners of the parent	(1,697)	53,824	9,778	83,704
Non-controlling interest	-	-	-	-
Total comprehensive income for the period	(1,697)	53,824	9,778	83,704

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 31 DECEMBER 2017**

	Unaudited 31.12.2017 RM'000	Audited 30.06.2017 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	252,393	258,733
Land use rights	16,906	17,623
Other investments	81	81
Derivatives	18	18
Deferred tax assets	1,893	1,917
	<u>271,291</u>	<u>278,372</u>
Current assets		
Inventories	163,149	163,514
Trade and other receivables	91,411	79,194
Prepayments	823	2,539
Tax recoverable	554	417
Derivatives	906	241
Cash and bank balances	196,056	208,095
Investment securities	73,279	37,895
	<u>526,178</u>	<u>491,895</u>
TOTAL ASSETS	<u><u>797,469</u></u>	<u><u>770,267</u></u>



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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017 (CONT'D)

	Unaudited 31.12.2017 RM'000	Audited 30.06.2017 RM'000
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	98,433	98,433
Retained earnings	409,910	386,776
Fair value adjustment reserve	170	109
Foreign currency translation reserve	61,764	75,132
	<u>570,277</u>	<u>560,450</u>
Non-controlling interest	-	-
Total equity	<u>570,277</u>	<u>560,450</u>
Non-current liabilities		
Bank borrowings	15,232	17,610
Provision for severance allowance	32	37
Retirement benefit obligation	136	138
Deferred tax liabilities	2,564	2,606
	<u>17,964</u>	<u>20,391</u>
Current liabilities		
Trade and other payables	111,795	96,342
Bank borrowings	96,645	78,907
Tax payable	769	14,158
Derivatives	19	19
	<u>209,228</u>	<u>189,426</u>
Total liabilities	<u>227,192</u>	<u>209,817</u>
TOTAL EQUITY AND LIABILITIES	<u>797,469</u>	<u>770,267</u>
Net assets per share attributable to equity holders of the Company (RM)	<u>5.87</u>	<u>5.77</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
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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE PERIOD ENDED 31 DECEMBER 2017

	Attributable to Equity Holders of the Company							Total equity RM'000
	Share capital RM'000	Share premium 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 2016	97,208	1,225	-	56,996	329,376	484,805	-	484,805
Total comprehensive income for the period	-	-	-	30,614	53,090	83,704	-	83,704
At 31 December 2016	97,208	1,225	-	87,610	382,466	568,509	-	568,509
At 1 July 2017	98,433	-	109	75,132	386,776	560,450	-	560,450
Total comprehensive income for the period	-	-	61	(13,375)	23,092	9,778	-	9,778
Effects of liquidation of a subsidiary	-	-	-	7	42	49	-	49
At 31 December 2017	98,433	-	170	61,764	409,910	570,277	-	570,277

Note a

With the Companies Act 2016 ("New Act") coming into effect on 31 January 2017, the credit standing in the share premium account of RM1,225,000 has been transferred to the share capital account. Pursuant to Subsection 618(3) of the New Act, the Group may exercise its right to use the credit amount being transferred from share premium account within 24 months after the commencement of the New Act. The Board of Directors will make a decision thereon by 31 January 2019.

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 31 DECEMBER 2017

	31.12.2017 RM'000	31.12.2016 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	27,024	59,135
Adjustments for:		
Depreciation and amortisation	9,311	9,824
Property, plant and equipment written off	2	-
(Gain)/loss on derivatives	(665)	161
Unrealised foreign exchange loss/(gain)	2,656	(4,500)
Gain on disposal of property, plant and equipment	(6)	(55)
Investment income	(671)	(619)
Non cash items	(7)	71
Net financing costs	745	415
Operating profit before working capital changes	38,389	64,432
Changes in working capital		
Net change in current assets	(10,136)	(44,325)
Net change in current liabilities	15,453	11,335
Net income taxes paid	(5,522)	(7,143)
Net financing costs paid	(745)	(415)
Net cash flows from operating activities	37,439	23,884
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment income	671	619
Purchase of property, plant and equipment	(9,241)	(5,574)
Proceeds from disposal of property, plant and equipment	6	55
Decrease in deposits placed with licensed banks	3,556	8,040
Purchase of investment securities	(34,884)	(6,167)
Net cash flows used in investing activities	(39,892)	(3,027)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net drawdown of bank borrowings	19,640	10,878
Movement of deposits placed as securities for bank borrowings and guarantees	(4,898)	(130)
Net cash flows from financing activities	14,742	10,748
Exchange difference in translation of financial statements of foreign subsidiaries	(17,508)	7,409
NET CHANGE IN CASH AND CASH EQUIVALENTS	(5,219)	39,014
CASH & CASH EQUIVALENTS AT BEGINNING OF PERIOD	195,741	165,758
EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(8,162)	13,166
CASH AND CASH EQUIVALENTS AT END OF PERIOD	182,360	217,938
Cash and cash equivalents included in the Consolidated Statement of Cash Flows comprise the following balance sheet amounts :		
Cash and bank balances	135,677	169,121
Term deposits	60,379	58,199
Bank overdrafts	-	-
	196,056	227,320
Less:		
Deposits pledged as securities for bank borrowings and guarantees	(13,696)	(9,382)
Deposits with licensed banks with tenure more than three months	-	-
	182,360	217,938

The unaudited Condensed Consolidated Statement 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 – 31 DECEMBER 2017

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 2017.

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 2017 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 2017.

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.

A2. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The latest audited financial statements for the financial year ended 30 June 2017 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 31 December 2017.

A4. VALUATION OF PROPERTY, PLANT & EQUIPMENT

There was no revaluation of properties of the Group during the financial period ended 31 December 2017.



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A5. TAXATION

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

	Individual Quarter		Cumulative Quarter	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
	RM'000	RM'000	RM'000	RM'000
Current tax Expense				
Malaysian	1,028	770	1,984	1,545
Overseas	782	2,308	1,990	4,500
Total	1,810	3,078	3,974	6,045
Deferred tax expense				
Malaysian	(42)	-	(42)	-
Overseas	-	-	-	-
Total	(42)	-	(42)	-
	1,768	3,078	3,932	6,045

A6. CHANGES IN THE COMPOSITION OF THE GROUP

There was no change to the composition of the Group in the quarter ended 31 December 2017 except for on 21 December 2017, Linkage Creation International Co. Ltd. ("Linkage Creation"), a wholly-owned subsidiary of the Company has been struck off from Register of Companies pursuant to the requirement of the International Business Companies Order 2000 in Brunei Darussalam. On even date, Linkage Creation has ceased to be a wholly-owned subsidiary of the Company. The striking off of Linkage Creation has no material financial and operational impact on the Company and its subsidiaries.

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 31 December 2017.



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A9. BORROWINGS AND DEBTS SECURITIES

Details of the Group's borrowings were as follows:

	As at 31 December 2017					
	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
Secured						
Term loan (USD)	5,687	-	3,250	-	8,937	-
Term loan (RM)	-	9,545	-	670	-	10,215
Revolving credit (USD)	-	-	8,124	-	8,124	-
Bankers' acceptances (RM)	-	-	-	5,325	-	5,325
Unsecured						
Trust receipts (USD)	-	-	79,276	-	79,276	-
Total	5,687	9,545	90,650	5,995	96,337	15,540

	As at 30 June 2017					
	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
Secured						
Term loan (USD)	7,727	-	3,434	-	11,161	-
Term loan (RM)	-	9,883	-	656	-	10,539
Bankers' acceptances (RM)	-	-	-	2,811	-	2,811
Unsecured						
Trust receipts (USD)	-	-	72,006	-	72,006	-
Total	7,727	9,883	75,440	3,467	83,167	13,350



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NOTES TO THE QUARTERLY REPORT – 31 DECEMBER 2017

A10. REALISED AND UNREALISED PROFITS/LOSSES

The breakdown of the retained earnings of the Group as at 31 December 2017 and 30 June 2017 are as follows:

	As at end of current quarter 31.12.2017 RM'000	As at end of preceding financial year 30.06.2017 RM'000
Total retained earnings of Latitude Tree Holdings Berhad and its subsidiaries:		
- Realised	410,595	384,369
- Unrealised	(3,495)	(864)
	<u>407,100</u>	<u>383,505</u>
Add: Consolidation adjustments	2,810	3,271
Total group retained earnings	<u>409,910</u>	<u>386,776</u>

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.

A11. FINANCIAL INSTRUMENTS - DERIVATIVES

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

	As at 31 December 2017 RM'000			As at 30 June 2017 RM'000		
	Contract/ Notional amount	Assets	Liabilities	Contract/ Notional amount	Assets	Liabilities
Non-hedging derivatives:						
Current						
Forward currency contracts	52,171	906	-	31,362	241	-
Interest rate swap	8,937	-	(19)	11,161	-	(19)
Non-current						
Interest rate swap	8,937	18	-	11,161	18	-
Total non-hedging derivatives		<u>924</u>	<u>(19)</u>		<u>259</u>	<u>(19)</u>



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NOTES TO THE QUARTERLY REPORT – 31 DECEMBER 2017

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 August 2018. During the financial period under review, the Group recognised a gain of RM664,882 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.

A12. 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 February 2018.

A13. 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.



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NOTES TO THE QUARTERLY REPORT – 31 DECEMBER 2017

Results for the Individual Quarter ended 31 December

	Malaysia		Vietnam		Thailand		Others		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Total revenue	35,357	37,564	183,422	168,480	9,868	8,113	57,679	52,917	286,326	267,074
Inter-segment revenue	(87)	(4,803)	(31,672)	(106)	(1,086)	(1,418)	(56,642)	(51,382)	(89,487)	(57,709)
External revenue	35,270	32,761	151,750	168,374	8,782	6,695	1,037	1,535	196,839	209,365
Profit/(loss) before taxation	4,578	5,453	7,469	22,142	492	759	(3,089)	6,721	9,450	35,075
Segment assets	246,950	204,257	423,589	464,474	26,065	27,080	370,370	346,811	1,066,974	1,042,622
Segment liabilities	168,428	137,054	184,769	178,446	9,984	13,248	55,324	63,528	418,505	392,276

Results for the Cumulative Quarter ended 31 December

	Malaysia		Vietnam		Thailand		Others		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Total revenue	84,626	70,984	355,270	336,968	19,012	15,716	59,071	54,330	517,979	477,998
Inter-segment revenue	(12,997)	(8,872)	(31,927)	(170)	(2,796)	(2,446)	(56,642)	(51,742)	(104,362)	(63,230)
External revenue	71,629	62,112	323,343	336,798	16,216	13,270	2,429	2,588	413,617	414,768
Profit/(loss) before taxation	6,776	9,617	21,561	38,977	794	1,915	(2,107)	8,626	27,024	59,135
Segment assets	246,950	204,257	423,589	464,474	26,065	27,080	370,370	346,811	1,066,974	1,042,622
Segment liabilities	168,428	137,054	184,769	178,446	9,984	13,248	55,324	63,528	418,505	392,276



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NOTES TO THE QUARTERLY REPORT – 31 DECEMBER 2017

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

	31.12.2017	31.12.2016
	RM'000	RM'000
Inter-segment assets	<u>269,505</u>	<u>268,201</u>
Inter-segment liabilities	<u>191,313</u>	<u>186,364</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 (%)
	31.12.2017	30.09.2017	
Revenue	196.8	216.8	-9.2%
Gross profit	23.1	30.4	-24.0%
Profit before taxation	9.5	17.6	-46.0%
Profit after taxation	7.7	15.4	-50.0%

Revenue

For the quarter under review, the Group's revenue declined 9.2% to RM196.8 million as compared to the preceding quarter of RM216.8 million. The decrease was mainly due to lower orders received by USD3.9 million and weakening of US Dollar against Ringgit Malaysia by 1.2% in the quarter under review compared to preceding quarter.

Gross profit

The Group has recorded lower gross profit from RM30.4 million in the preceding quarter to RM23.1 million in current quarter, representing a decrease of 24.0%. The substantial decrease was mainly due to the followings:

- in line with the decrease in revenue;
- hike in prices of raw materials;
- higher sales of lower margin products; and
- higher labour costs in Vietnam plants due to increase in minimum wages.



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Profit before taxation (“PBT”)

The Group has recorded a decrease in PBT from RM17.6 million in preceding quarter to RM9.5 million in current quarter, representing a decrease of 46.0%. The substantial decrease in PBT was mainly attributable to the followings:

- in line with the decrease in gross profit; and
- higher foreign exchange losses by RM2.4 million in current quarter compared to preceding quarter due to weakening of US Dollar.

Profit after taxation (“PAT”)

PAT of the Group amounted to RM7.7 million in current quarter, representing a decrease of 50.0% from RM15.4 million in preceding quarter was in line with decrease in PBT.

B2. REVIEW OF PERFORMANCE

RM' Million	Cumulative quarter		Changes (%)
	31.12.2017	31.12.2016	
Revenue	413.6	414.8	-0.3%
Gross profit	53.5	72.4	-26.1%
Profit before taxation	27.0	59.1	-54.3%
Profit after taxation	23.1	53.1	-56.5%

Revenue

The Group recorded revenue of RM413.6 million for the six months financial period ended 31 December 2017 (“Q2FY2018”), representing a slight decrease of 0.3% as compared to the six months financial period ended 31 December 2016 (“Q2FY2017”) of RM414.8 million. The decrease was mainly due to the followings:

- lower orders received by furniture plants amounting to USD3.1 million; offset with
- better orders recorded by sawmill plant amounting to RM2.9 million; and
- strengthening of US Dollar against Ringgit Malaysia by 0.6%.

Gross profit

Gross profit of the Group amounted to RM53.5 million in Q2FY2018, representing a decline of 26.1% from RM72.4 million in Q2FY2017. The substantial decrease was mainly due to the followings:

- higher prices of raw materials in Q2FY2018 as compared to Q2FY2017 especially rubber wood sawn timbers;



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

Profit before taxation (“PBT”)

PBT of the Group amounted to RM27.0 million in Q2FY2018, representing a decrease of 54.3% from RM59.1 million in Q2FY2017 was mainly due to the followings:

- in line with decrease in gross profit;
- registered foreign exchange loss of RM3.8 million in Q2FY2018 as compared to foreign exchange gain of RM8.0 million in Q2FY2017;
- higher selling and marketing expenses; and
- higher finance expenses.

Profit after taxation (“PAT”)

PAT of the Group amounted to RM23.1 million in Q2FY2018, representing a decrease of 56.5% from RM53.1 million in Q2FY2017 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	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
	RM'000	RM'000	RM'000	RM'000
Interest income	(415)	(530)	(778)	(844)
Interest expense	815	671	1,523	1,259
Investment income	(362)	(375)	(671)	(619)
Depreciation and amortization	4,408	5,005	9,311	9,824
Gain on disposal of property, plant and equipment	(6)	(16)	(6)	(55)
Property, plant and equipment written off	-	-	2	-
Unrealised foreign exchange loss/(gain)	1,696	(3,116)	2,656	(4,500)
Realised foreign exchange loss/(gain)	1,437	(3,360)	1,182	(3,547)
(Gain)/loss on derivatives	(556)	32	(665)	161



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NOTES TO THE QUARTERLY REPORT – 31 DECEMBER 2017

B4. TRADE AND OTHER RECEIVABLES

	31.12.2017 RM'000	30.06.2017 RM'000
Trade receivables		
Third parties	61,847	50,655
Less: Allowance for impairment	(227)	(231)
Trade receivables, net	61,620	50,424
Other receivables		
Deposits	409	252
Staff loans	113	123
Goods and services tax receivable	198	1,615
Sundry receivables	29,338	27,051
	30,058	29,041
Less: Allowance for impairment-sundry receivables	(267)	(271)
Other receivables, net	29,791	28,770
Total trade and other receivables	91,411	79,194

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

	31.12.2017 RM'000	30.06.2017 RM'000
Neither past due nor impaired	54,315	43,728
Past due not impaired:		
1 - 30 days	5,535	4,917
31 - 60 days	1,180	1,189
61 - 90 days	590	482
> 91 days	-	108
Impaired	227	231
Gross trade receivables	61,847	50,655

Trade receivables

Trade receivables are non-interest bearing and are generally on 1 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 RM10,319,000 (30.06.2017: RM8,351,000); and
- ii) Advance to suppliers of RM16,772,000 (30.06.2017: RM17,362,000) that mainly relates to payment in advance for raw materials and machinery.

B5. CORPORATE PROPOSAL

There were no corporate proposals announced but not completed as at 26 February 2018.



LATITUDE TREE HOLDINGS BERHAD

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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

In view of the uncertainty of the global economy, the Group will continue to address the rising material costs, labour costs and increasing competition from manufacturers in Vietnam.

Continuous efforts will also be taken to strengthen its operations in order to enhance productivity, new products development and maximise its profit margin. The Group will also continue to explore new markets to expand its revenue base.

Barring unforeseen circumstances, the Board is confident that the Group will continue to remain profitable for the financial year ending 30 June 2018.

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 31 December 2017.

B9. DIVIDEND

The Company had on 30 January 2018 paid a final tax exempt dividend of 12.0 sen per share for the financial year ended 30 June 2017.

The Board of Directors did not recommend any interim dividend for the current quarter ended 31 December 2017.

B10. EARNINGS PER SHARE

Basic EPS	Individual Quarter		Cumulative Quarter	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Net profit attributable to equity holders of the Company (RM'000)	7,682	31,997	23,092	53,090
Weighted average no. of shares ('000)	97,207.5	97,207.5	97,207.5	97,207.5
Basic EPS (sen)	7.90	32.92	23.76	54.62



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B11. CAPITAL COMMITMENTS

Capital commitments for property, plant and equipment not provided for in the financial statements as at 31 December 2017 were as follows:

	RM'000
Authorised by Directors and contracted	3,866
Authorised by Directors and not contracted	-
	3,866