



LATITUDE TREE HOLDINGS BERHAD (302829-W)

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

	Individual quarter ended		Cumulative quarter ended	
	Current year quarter 30.06.2018 RM'000	Preceding year corresponding quarter 30.06.2017 RM'000	Current year quarter 30.06.2018 RM'000	Preceding year corresponding quarter 30.06.2017 RM'000
Revenue	174,715	183,979	752,829	786,016
Cost of sales	(159,304)	(152,534)	(668,626)	(654,046)
Gross profit	15,411	31,445	84,203	131,970
Other income	419	(2,539)	5,409	7,973
Selling and marketing expenses	(5,144)	(5,076)	(20,665)	(19,795)
Administrative expenses	(6,223)	(8,283)	(24,061)	(26,513)
Other expenses	(12,343)	(277)	(23,061)	(2,668)
Operating (loss)/profit	(7,880)	15,270	21,825	90,967
Finance costs	(840)	(704)	(3,164)	(2,620)
(Loss)/profit before taxation	(8,720)	14,566	18,661	88,347
Taxation	(4,630)	(10,106)	(6,520)	(19,282)
(Loss)/profit for the period	(13,350)	4,460	12,141	69,065
Attributable to :				
Owners of the parent	(13,350)	4,460	12,141	69,065
Non-controlling interest	-	-	-	-
(Loss)/profit for the period	(13,350)	4,460	12,141	69,065
(Loss)/earnings per share (sen) :				
(a) Basic	(13.73)	4.59	12.49	71.05
(b) Diluted	(13.73)	4.59	12.49	71.05
Number of ordinary shares ('000)	97,207.5	97,207.5	97,207.5	97,207.5
(Loss)/profit for the period	(13,350)	4,460	12,141	69,065
Other comprehensive income:				
Foreign currency translation	10,012	(9,203)	(14,363)	18,136
Net gain on available-for-sale financial assets				
- (Loss)/Gain on fair value changes	(236)	109	(77)	109
Total comprehensive (loss)/income for the period	(3,574)	(4,634)	(2,299)	87,310
Total comprehensive (loss)/income attributable to :				
Owners of the parent	(3,574)	(4,634)	(2,299)	87,310
Non-controlling interest	-	-	-	-
Total comprehensive (loss)/income for the period	(3,574)	(4,634)	(2,299)	87,310

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



LATITUDE TREE HOLDINGS BERHAD (302829-W)

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

	Unaudited 30.06.2018 RM'000	Audited 30.06.2017 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	250,946	258,733
Land use rights	16,015	17,623
Other investments	81	81
Derivatives	30	18
Investment securities	1,000	-
Deferred tax assets	1,811	1,917
	<u>269,883</u>	<u>278,372</u>
Current assets		
Inventories	172,136	163,514
Trade and other receivables	81,767	79,194
Prepayments	1,449	2,539
Tax recoverable	2,415	417
Derivatives	205	241
Cash and bank balances	169,882	208,095
Investment securities	53,297	37,895
	<u>481,151</u>	<u>491,895</u>
TOTAL ASSETS	<u><u>751,034</u></u>	<u><u>770,267</u></u>



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

	Unaudited 30.06.2018 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
Treasury shares	(851)	-
Retained earnings	387,294	386,776
Fair value adjustment reserve	32	109
Foreign currency translation reserve	60,776	75,132
	<u>545,684</u>	<u>560,450</u>
Non-controlling interest	-	-
Total equity	<u>545,684</u>	<u>560,450</u>
Non-current liabilities		
Bank borrowings	13,198	17,610
Provision for severance allowance	26	37
Retirement benefit obligation	148	138
Deferred tax liabilities	3,198	2,606
	<u>16,570</u>	<u>20,391</u>
Current liabilities		
Trade and other payables	101,909	96,342
Bank borrowings	78,076	78,907
Tax payable	8,795	14,158
Derivatives	-	19
	<u>188,780</u>	<u>189,426</u>
Total liabilities	<u>205,350</u>	<u>209,817</u>
TOTAL EQUITY AND LIABILITIES	<u>751,034</u>	<u>770,267</u>
Net assets per share attributable to equity holders of the Company (RM)	<u>5.61</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.



ATITUDE TREE HOLDINGS BERHAD (302829-W)

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

	Attributable to Equity Holders of the Company								
	Non-distributable			Fair value adjustment reserve RM'000	Foreign currency translation reserve RM'000	Distributable Retained earnings RM'000	Total RM'000	Non-controlling interest RM'000	Total equity RM'000
Share capital RM'000	Share premium RM'000	Treasury shares RM'000							
At 1 July 2016	97,208	1,225	-	-	56,996	329,376	484,805	-	484,805
Transfer on 31 January 2017 (Note a)	1,225	(1,225)	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	109	18,136	69,065	87,310	-	87,310
Dividend paid	-	-	-	-	-	(11,665)	(11,665)	-	(11,665)
At 30 June 2017	98,433	-	-	109	75,132	386,776	560,450	-	560,450
At 1 July 2017	98,433	-	-	109	75,132	386,776	560,450	-	560,450
Total comprehensive income for the period	-	-	-	(77)	(14,363)	12,141	(2,299)	-	(2,299)
Dividend paid	-	-	-	-	-	(11,665)	(11,665)	-	(11,665)
Effects of liquidation of a subsidiary	-	-	-	-	7	42	49	-	49
Treasury shares purchased	-	-	(851)	-	-	-	(851)	-	(851)
At 30 June 2018	98,433	-	(851)	32	60,776	387,294	545,684	-	545,684

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 30 JUNE 2018

	30.06.2018 RM'000	30.06.2017 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	18,661	88,347
Adjustments for:		
Reversal of impairment loss of trade receivables	-	(17)
Impairment loss on trade and other receivables	5	9
Depreciation and amortisation	17,948	20,109
Inventories written off	10,818	-
Inventories written down	525	54
Property, plant and equipment written off	3,129	18
Fair value loss/(gain) on derivatives	5	(418)
Net unrealised foreign exchange loss/(gain)	3,573	(1,047)
Loss/(gain) on disposal of property, plant and equipment	89	(108)
Investment income from investment securities	(1,318)	(1,239)
Non cash items	(794)	101
Net financing costs	1,489	907
Operating profit before working capital changes	54,130	106,716
Changes in working capital		
Net change in current assets	(21,453)	(59,115)
Net change in current liabilities	5,567	8,336
Net income taxes paid	(7,609)	(15,083)
Net financing costs paid	(1,489)	(907)
Net cash flows from operating activities	29,146	39,947
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment income from investment securities	1,318	1,239
Purchase of property, plant and equipment	(20,575)	(34,019)
Proceeds from disposal of property, plant and equipment	168	1,050
(Increase)/decrease in deposits placed with licensed banks	(4,521)	4,484
(Purchase of)/proceeds from investment securities	(15,189)	5,629
Net cash flows used in investing activities	(38,799)	(21,617)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net drawdown of bank borrowings	(945)	11,423
Dividends paid on ordinary shares	(11,665)	(11,665)
Movement of deposits placed as securities for bank borrowings and guarantees	(1,463)	454
Treasury shares acquired	(851)	-
Net cash flows (used in)/from financing activities	(14,924)	212
Exchange difference in translation of financial statements of foreign subsidiaries	(9,465)	4,807
NET CHANGE IN CASH AND CASH EQUIVALENTS	(34,042)	23,349
CASH & CASH EQUIVALENTS AT BEGINNING OF PERIOD	195,741	165,758
EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(10,155)	6,634
CASH AND CASH EQUIVALENTS AT END OF PERIOD	151,544	195,741
Cash and cash equivalents included in the Consolidated Statement of Cash Flows comprise the following balance sheet amounts :		
Cash and bank balances	88,757	147,201
Term deposits	81,125	60,894
	169,882	208,095
Less:		
Deposits pledged as securities for bank borrowings and guarantees	(10,261)	(8,798)
Deposits with licensed banks with tenure more than three months	(8,077)	(3,556)
	151,544	195,741

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 – 30 JUNE 2018

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 30 June 2018.

A4. VALUATION OF PROPERTY, PLANT & EQUIPMENT

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



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NOTES TO THE QUARTERLY REPORT – 30 JUNE 2018

A5. TAXATION

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

	Individual Quarter		Cumulative Quarter	
	30.06.2018	30.06.2017	30.06.2018	30.06.2017
	RM'000	RM'000	RM'000	RM'000
Current tax expense				
Malaysian	2,477	533	1,181	3,333
Overseas	1,783	10,232	4,207	16,469
Total	4,260	10,765	5,388	19,802
Deferred tax expense				
Malaysian	138	(899)	900	(760)
Overseas	232	240	232	240
Total	370	(659)	1,132	(520)
	4,630	10,106	6,520	19,282

A6. CHANGES IN THE COMPOSITION OF THE GROUP

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



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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 2018, other than the following repurchase of shares by the Company:

Month	Number of shares purchased and retained as treasury shares	Lowest price paid RM	Highest price paid RM	Average price paid RM	Total consideration paid RM
May 2018	263,000	3.20	3.27	3.23	850,688.75

A9. BORROWINGS AND DEBTS SECURITIES

Details of the Group's borrowings were as follows:

	As at 30 June 2018					
	Long term		Short term		Total borrowings	
	RM equivalents of amount denominated in foreign currency (RM'000)	RM'000	RM equivalents of amount denominated in foreign currency (RM'000)	RM'000	RM equivalents of amount denominated in foreign currency (RM'000)	RM'000
Secured						
Term loan (USD)	3,967	-	3,300	-	7,267	-
Term loan (RM)	-	9,231	-	652	-	9,883
Bankers' acceptances (RM)	-	-	-	5,127	-	5,127
Unsecured						
Trust receipts (USD)	-	-	68,997	-	68,997	-
Total	3,967	9,231	72,297	5,779	76,264	15,010



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	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

A10. FINANCIAL INSTRUMENTS - DERIVATIVES

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

	As at 30 June 2018			As at 30 June 2017		
	RM'000 Contract/ Notional amount	Assets	Liabilities	RM'000 Contract/ Notional amount	Assets	Liabilities
Non-hedging derivatives:						
Current						
Forward currency contracts	42,747	156	-	31,362	241	-
Interest rate swap	7,267	49	-	11,161	-	(19)
Non-current						
Interest rate swap	7,267	30	-	11,161	18	-
Total non-hedging derivatives		<u>235</u>	<u>-</u>		<u>259</u>	<u>(19)</u>

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.



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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 loss of RM5,440 arising from fair value changes of forward currency contracts. The fair value changes are attributable to changes in foreign exchange closing and forward rate.

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

A11. CHANGES IN MATERIAL LITIGATION

There was no material litigation or any pending material litigation since the date of the last annual statement of financial position until 28 August 2018.

A12. SEGMENTAL INFORMATION

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

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

Geographical segments

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

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



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NOTES TO THE QUARTERLY REPORT – 30 JUNE 2018

Results for the Individual Quarter ended 30 June

RM'000	Malaysia		Vietnam		Thailand		Others		Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Total revenue	34,305	36,197	137,143	146,039	7,749	8,430	1,340	10,727	180,537	201,393
Inter-segment revenue	(4,945)	(6,076)	(147)	(321)	(730)	(1,357)	-	(9,660)	(5,822)	(17,414)
External revenue	29,360	30,121	136,996	145,718	7,019	7,073	1,340	1,067	174,715	183,979
Profit before taxation	(1,838)	4,632	(11,664)	10,397	590	993	4,192	(1,456)	(8,720)	14,566
Segment assets	255,811	224,138	396,381	462,291	28,712	26,731	337,292	319,414	1,018,196	1,032,574
Segment liabilities	179,234	149,748	168,101	179,548	11,618	11,381	49,330	52,275	408,283	392,952

Results for the Cumulative Quarter ended 30 June

RM'000	Malaysia		Vietnam		Thailand		Others		Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Total revenue	158,259	146,691	582,556	627,796	36,284	32,437	79,922	82,494	857,021	889,418
Inter-segment revenue	(23,682)	(20,350)	(704)	(512)	(4,264)	(5,178)	(75,542)	(77,362)	(104,192)	(103,402)
External revenue	134,577	126,341	581,852	627,284	32,020	27,259	4,380	5,132	752,829	786,016
Profit/(loss) before taxation	3,929	15,217	15,053	62,587	2,189	3,325	(2,510)	7,218	18,661	88,347
Segment assets	255,811	224,138	396,381	462,291	28,712	26,731	337,292	319,414	1,018,196	1,032,574
Segment liabilities	179,234	149,748	168,101	179,548	11,618	11,381	49,330	52,275	408,283	392,952



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

	30.06.2018	30.06.2017
	RM'000	RM'000
Inter-segment assets	<u>267,162</u>	<u>262,307</u>
Inter-segment liabilities	<u>202,933</u>	<u>183,135</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 (%)
	30.06.2018	31.03.2018	
Revenue	174.7	164.5	+6.2%
Gross profit	15.4	15.2	+1.3%
(Loss)/profit before taxation	(8.7)	0.4	>-100.0%
(Loss)/profit after taxation	(13.4)	2.4	>-100.0%

Revenue

For the quarter under review, the Group's revenue surged 6.2% to RM174.7 million as compared to the preceding quarter of RM164.5 million mainly due to higher orders received.

Gross profit

Despite revenue increased by 6.2%, the Group's gross profit only increase marginally by 1.3% from RM15.2 million in the preceding quarter to RM15.4 million in current quarter. The marginal increase in gross profit was mainly attributable to the followings:

- additional production cost incurred by RKR for replenishment of finished goods loss in fire incident; and
- discounts given to our customers to compete for orders with manufacturers in Vietnam.

(Loss)/profit before taxation (“(LBT)/PBT”)

The Group has recorded a significant decrease in PBT from RM0.4 million in preceding quarter to a loss of RM8.7 million in current quarter, representing a decrease of more than 100.0%. The substantial decrease in PBT was mainly due to inventories and property plant and equipment



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(“PPE”) amounting to RM10.8 million and RM3.1 million respectively were written off due to the fire incident.

(Loss)/profit after taxation (“(LAT)/PAT”)

The Group recorded LAT of RM13.4 million in current quarter, representing a decrease of more than 100.0% from PAT of RM2.4 million in preceding quarter was in line with decrease in (LBT)/PBT and provision of tax expense for current financial year.

B2. REVIEW OF PERFORMANCE

RM' Million	Cumulative quarter		Changes (%)
	30.06.2018	30.06.2017	
Revenue	752.8	786.0	-4.2%
Gross profit	84.2	132.0	-36.2%
Profit before taxation	18.7	88.3	-78.8%
Profit after taxation	12.1	69.1	-82.5%

Revenue

The Group recorded revenue of RM752.8 million for the financial year ended 30 June 2018 (“FY2018”), representing a decrease of 4.2% as compared to the financial year ended 30 June 2017 (“FY2017”) of RM786.0 million. The decrease was mainly due to the followings:

- lower orders received by furniture plants amounting to USD2.9 million;
- weakening of US Dollar against Ringgit Malaysia by 4.9%; and
- discounts given to our customers to compete for orders with manufacturers in Vietnam.

Gross profit

Gross profit of the Group amounted to RM84.2 million in FY2018, representing a decline of 36.2% from RM132.0 million in FY2017. The substantial decrease was mainly due to the followings:

- in line with the decrease in revenue;
- higher average prices of raw materials in FY2018 as compared to FY2017;
- 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”)

PBT of the Group amounted to RM18.7 million in FY2018, representing a dip of 78.8% from RM88.3 million in FY2017 was mainly due to the followings:

- in line with decrease in gross profit;
- inventories and PPE amounting to RM10.8 million and RM3.1 million respectively were written off due to the fire incident; and
- foreign exchange loss of RM5.1 million in FY2018 resulted by the weakening of USD.

Profit after taxation (“PAT”)

PAT of the Group amounted to RM12.1 million in FY2018, representing a decrease of 82.5% from RM69.1 million in FY2017 was in line with decrease in PBT.

B3. PROFIT FOR THE PERIOD

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

	Individual quarter ended		Cumulative quarter ended	
	30.06.2018	30.06.2017	30.06.2018	30.06.2017
	RM'000	RM'000	RM'000	RM'000
Interest income	(393)	(316)	(1,675)	(1,713)
Interest expense	840	704	3,164	2,620
Investment income from investment securities	(253)	(280)	(1,318)	(1,239)
Depreciation and amortization	4,337	5,082	17,948	20,109
Loss/(gain) on disposal of property, plant and equipment	95	(1)	89	(108)
Property, plant and equipment written off	3,121	(1)	3,129	18
Unrealised foreign exchange (gain)/loss	(3,632)	1,556	3,573	(1,047)
Realised foreign exchange (gain)/loss	(149)	2,087	1,493	(2,136)
Fair value loss/(gain) on derivatives	1,867	(458)	5	(418)
Inventories written off	10,818	-	10,818	-
Inventories written down	525	54	525	54



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NOTES TO THE QUARTERLY REPORT – 30 JUNE 2018

B4. TRADE AND OTHER RECEIVABLES

	30.06.2018 RM'000	30.06.2017 RM'000
Trade receivables		
Third parties	52,600	50,655
Less: Allowance for impairment	(227)	(231)
Trade receivables, net	<u>52,373</u>	<u>50,424</u>
Other receivables		
Deposits	2,514	252
Staff loans	118	123
Goods and services tax receivable	2,138	1,615
Sundry receivables	24,886	27,051
	<u>29,656</u>	<u>29,041</u>
Less: Allowance for impairment-sundry receivables	(262)	(271)
Other receivables, net	<u>29,394</u>	<u>28,770</u>
Total trade and other receivables	<u>81,767</u>	<u>79,194</u>

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

	30.06.2018 RM'000	30.06.2017 RM'000
Neither past due nor impaired	37,939	43,728
Past due not impaired:		
1 - 30 days	12,463	4,917
31 - 60 days	1,008	1,189
61 - 90 days	406	482
> 91 days	557	108
Impaired	227	231
Gross trade receivables	<u>52,600</u>	<u>50,655</u>

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 RM11,263,000 (30.06.2017: RM8,351,000); and
- ii) Advance to suppliers of RM10,965,000 (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 28 August 2018.



LATITUDE TREE HOLDINGS BERHAD

(302829-W)

NOTES TO THE QUARTERLY REPORT – 30 JUNE 2018

B6. SEASONAL OR CYCLICAL FACTORS

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

B7. CURRENT YEAR PROSPECT

The Group's revenue and profitability for the current financial year were impacted by the fire incident, rising material costs, labour costs, forex volatility and competition from manufacturers in Vietnam.

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

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

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

B9. DIVIDEND

The Directors have recommended a final tax exempt dividend of 6.0 sen per ordinary share for the financial year ended 30 June 2018 subject to shareholders' approval at the forthcoming Annual General Meeting of the Company. The dividend entitlement and payment date for the proposed dividend will be determined, and thereafter announced at a later date.

B10. EARNINGS PER SHARE

Basic EPS	Individual Quarter		Cumulative Quarter	
	30.06.2018	30.06.2017	30.06.2018	30.06.2017
Net profit attributable to equity holders of the Company (RM'000)	(13,350)	4,460	12,141	69,065
Weighted average no. of shares ('000)	97,207.5	97,207.5	97,207.5	97,207.5
Basic EPS (sen)	(13.73)	4.59	12.49	71.05



LATITUDE TREE HOLDINGS BERHAD

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NOTES TO THE QUARTERLY REPORT – 30 JUNE 2018

B11. CAPITAL COMMITMENTS

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

	RM'000
Authorised by Directors and contracted	5,176
Authorised by Directors and not contracted	-
	5,176