



**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE PERIOD ENDED 30 SEPTEMBER 2020**

	Individual quarter ended		Cumulative quarter ended	
	Current year quarter 30.09.2020 RM'000	Preceding year corresponding quarter 30.09.2019 RM'000	Current year quarter 30.09.2020 RM'000	Preceding year corresponding quarter 30.09.2019 RM'000
Revenue	234,976	194,702	234,976	194,702
Cost of sales	(204,707)	(175,172)	(204,707)	(175,172)
Gross profit	30,269	19,530	30,269	19,530
Other income	1,822	1,404	1,822	1,404
Selling and marketing expenses	(6,016)	(5,174)	(6,016)	(5,174)
Administrative expenses	(5,611)	(6,253)	(5,611)	(6,253)
Other expenses	(3,058)	(615)	(3,058)	(615)
Operating profit	17,406	8,892	17,406	8,892
Finance costs	(655)	(988)	(655)	(988)
Profit before taxation	16,751	7,904	16,751	7,904
Taxation	(3,658)	(1,335)	(3,658)	(1,335)
Profit for the period	13,093	6,569	13,093	6,569
Attributable to :				
Owners of the parent	13,093	6,569	13,093	6,569
Non-controlling interest	-	-	-	-
Profit for the period	13,093	6,569	13,093	6,569
Earnings per share (sen) :				
(a) Basic	13.75	6.80	13.75	6.80
(b) Diluted	13.75	6.80	13.75	6.80
Weighted average number of ordinary shares ('000)	95,250.0	96,545.2	95,250.0	96,545.2
Profit for the period	13,093	6,569	13,093	6,569
Other comprehensive income/(loss):				
Foreign currency translation	(8,308)	3,132	(8,308)	3,132
Total comprehensive income for the period	4,785	9,701	4,785	9,701
Total comprehensive income attributable to :				
Owners of the parent	4,785	9,701	4,785	9,701
Non-controlling interest	-	-	-	-
Total comprehensive income for the period	4,785	9,701	4,785	9,701

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS AT 30 SEPTEMBER 2020

	Unaudited	Audited
	30.09.2020	30.06.2020
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	243,396	246,891
Investment properties	65,363	65,508
Right-of-use assets	36,201	37,661
Other investments	81	81
Investment securities	10,052	10,052
Deferred tax assets	1,140	1,332
	<u>356,233</u>	<u>361,525</u>
Current assets		
Inventories	192,598	194,867
Trade and other receivables	84,400	71,593
Prepayments	1,245	1,199
Tax recoverable	1,960	1,792
Derivatives	289	-
Cash and bank balances	182,290	126,206
Investment securities	39,288	42,974
	<u>502,070</u>	<u>438,631</u>
TOTAL ASSETS	<u><u>858,303</u></u>	<u><u>800,156</u></u>



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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS AT 30 SEPTEMBER 2020 (CONT'D)

	Unaudited 30.09.2020 RM'000	Audited 30.06.2020 RM'000
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	98,433	98,433
Treasury shares	(5,798)	(5,798)
Retained earnings	421,060	407,967
Foreign currency translation reserve	69,091	77,399
	<u>582,786</u>	<u>578,001</u>
Non-controlling interest	-	-
Total equity	<u>582,786</u>	<u>578,001</u>
Non-current liabilities		
Loans and borrowings	24,557	9,293
Lease liabilities	5,464	5,896
Provision for severance allowance	35	36
Retirement benefit obligation	191	202
Derivatives	762	762
Deferred tax liabilities	3,738	3,305
	<u>34,747</u>	<u>19,494</u>
Current liabilities		
Trade and other payables	113,247	78,398
Loans and borrowings	98,324	95,595
Lease liabilities	946	956
Tax payable	28,251	27,322
Derivatives	2	390
	<u>240,770</u>	<u>202,661</u>
Total liabilities	<u>275,517</u>	<u>222,155</u>
TOTAL EQUITY AND LIABILITIES	<u>858,303</u>	<u>800,156</u>
Net assets per share attributable to owners of the parent (RM)	<u>6.12</u>	<u>6.07</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**

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

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE PERIOD ENDED 30 SEPTEMBER 2020**

	<u>Share capital</u> RM'000	<u>Treasury shares</u> RM'000	<u>Non-distributable Foreign currency translation reserve</u> RM'000	<u>Distributable Retained earnings</u> RM'000	<u>Total</u> RM'000	<u>Non- controlling interest</u> RM'000	<u>Total equity</u> RM'000
At 1 July 2019	98,433	(870)	69,024	397,848	564,435	-	564,435
Total comprehensive income for the period	-	-	3,132	6,569	9,701	-	9,701
Purchase of treasury shares	-	(4,424)	-	-	(4,424)	-	(4,424)
At 30 September 2019	98,433	(5,294)	72,156	404,417	569,712	-	569,712
At 1 July 2020	98,433	(5,798)	77,399	407,967	578,001	-	578,001
Total comprehensive income for the period	-	-	(8,308)	13,093	4,785	-	4,785
At 30 September 2020	98,433	(5,798)	69,091	421,060	582,786	-	582,786

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 SEPTEMBER 2020**

	30.09.2020 RM'000	30.09.2019 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	16,751	7,904
Adjustments for:		
Depreciation and amortisation	5,029	4,652
Fair value (gain)/loss on derivatives	(676)	260
Fair value gain on investment securities	(87)	(128)
Net unrealised foreign exchange loss/(gain)	1,444	(269)
Investment income from investment securities	(250)	(113)
Net financing costs	(51)	325
Operating profit before working capital changes	22,160	12,631
Changes in working capital		
Net change in current assets	(17,144)	(7,262)
Net change in current liabilities	36,715	3,108
Net income taxes paid	(1,500)	(820)
Net financing costs received/(paid)	32	(663)
Net cash flows from operating activities	40,263	6,994
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment income from investment securities	250	113
Purchase of property, plant and equipment	(6,053)	(3,336)
Decrease in deposits placed with licensed banks	4,728	1,767
Proceeds from investment securities	3,412	6,560
Net cash flows from investing activities	2,337	5,104
CASH FLOWS FROM FINANCING ACTIVITIES		
Net drawdown of bank borrowings	20,554	7,496
Repayments for principal portion of lease liabilities	(291)	-
Movement of deposits placed as securities for bank borrowings and guarantees	411	(83)
Treasury shares acquired	-	(4,424)
Net cash flows from financing activities	20,674	2,989
NET CHANGE IN CASH AND CASH EQUIVALENTS	63,274	15,087
CASH & CASH EQUIVALENTS AT BEGINNING OF PERIOD	101,426	137,354
EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(2,051)	928
CASH AND CASH EQUIVALENTS AT END OF PERIOD	162,649	153,369
Cash and cash equivalents included in the Consolidated Statement of Cash Flows comprise the following balance sheet amounts :		
Cash and bank balances	129,422	85,686
Term deposits	52,868	88,212
	182,290	173,898
Less:		
Deposits pledged as securities for bank borrowings and guarantees	(15,405)	(14,288)
Deposits with licensed banks with tenure more than three months	(4,236)	(6,241)
	162,649	153,369

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 September 2020 RM'000
Group				
Loans and borrowings	104,888	20,554	(2,561)	122,881
Lease liabilities	6,852	(291)	(151)	6,410
Total	111,740	20,263	(2,712)	129,291

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
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NOTES TO THE QUARTERLY REPORT – 30 SEPTEMBER 2020

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 September 2020.

A4. VALUATION OF PROPERTY, PLANT & EQUIPMENT

There was no revaluation of properties of the Group during the financial period ended 30 September 2020.



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A5. TAXATION

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

	Individual Quarter		Cumulative Quarter	
	30.09.2020	30.09.2019	30.09.2020	30.09.2019
	RM'000	RM'000	RM'000	RM'000
Current tax expense				
Malaysian	390	513	390	513
Overseas	2,665	556	2,665	556
Total	3,055	1,069	3,055	1,069
Deferred tax expense				
Malaysian	596	266	596	266
Overseas	7	-	7	-
Total	603	266	603	266
	3,658	1,335	3,658	1,335

A6. CHANGES IN THE COMPOSITION OF THE GROUP

There was no change to the composition of the Group in the quarter ended 30 September 2020.

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 except for on 3 November 2020, RK Resources Co. Ltd. ("RKR"), an indirect wholly-owned subsidiary of the Company had received the final insurance compensation of VND42.6 billion (equivalent to approximately RM7.7 million) from insurer for the fire incident occurred in financial year 2018. The Company will recognise the compensation as Other Income in the second quarter ending 31 December 2020.

A8. CHANGES IN EQUITY AND LONG TERM DEBTS

There were no changes in equity and long term debts for the current quarter ended 30 September 2020.



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NOTES TO THE QUARTERLY REPORT – 30 SEPTEMBER 2020

A9. BORROWINGS AND DEBTS SECURITIES

Details of the Group's borrowings were as follows:

	As at 30 September 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
Secured						
Term loan (USD)	15,589	-	1,801	-	17,390	-
Term loan (RM)	-	7,535	-	802	-	8,337
Term loan (THB)	1,433	-	438	-	1,871	-
Bankers' acceptances (RM)	-	-	-	1,819	-	1,819
Revolving credit (USD)	-	-	2,079	-	2,079	-
Unsecured						
Trust receipts (USD)	-	-	91,385	-	91,385	-
Total	17,022	7,535	95,703	2,621	112,725	10,156

	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
Secured						
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



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NOTES TO THE QUARTERLY REPORT – 30 SEPTEMBER 2020

	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
Revolving credit (USD)	-	-	4,280	-	4,280	-
Unsecured						
Trust receipts (USD)	-	-	87,944	-	87,944	-
Total	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 September 2020 RM'000			As at 30 June 2020 RM'000		
	Contract/ Notional amount	Assets	Liabilities	Contract/ Notional amount	Assets	Liabilities
Non-hedging derivatives:						
Current						
Forward currency contracts	32,085	289	-	31,423	-	(388)
Interest rate swap		-	(2)	856	-	(2)
		<u>289</u>	<u>(2)</u>		<u>-</u>	<u>(390)</u>
Non-current						
Forward currency contracts	8,333	-	(762)	16,790	-	(762)
Interest rate swap		-	-		-	-
		<u>-</u>	<u>(762)</u>		<u>-</u>	<u>(762)</u>
Total non-hedging derivatives		<u>289</u>	<u>(764)</u>		<u>-</u>	<u>(1,152)</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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NOTES TO THE QUARTERLY REPORT – 30 SEPTEMBER 2020

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 RM676,349 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 27 November 2020.

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 September

RM'000	Malaysia		Vietnam		Thailand		Others		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Total revenue	45,227	44,233	191,324	149,753	6,040	6,405	888	1,294	243,479	201,685
Inter-segment revenue	(6,062)	(5,426)	(105)	(86)	(2,336)	(1,471)	-	-	(8,503)	(6,983)
External revenue	39,165	38,807	191,219	149,667	3,704	4,934	888	1,294	234,976	194,702
Profit/(loss) before taxation	3,276	2,838	13,536	3,708	(149)	315	88	1,043	16,751	7,904



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NOTES TO THE QUARTERLY REPORT – 30 SEPTEMBER 2020

	Malaysia		Vietnam		Thailand		Others		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Segment assets	250,195	236,937	468,842	442,815	35,093	35,952	600,164	544,571	1,354,294	1,260,275
Segment liabilities	49,224	33,430	220,580	207,002	14,646	13,554	258,025	217,465	542,475	471,451

Results for the Cumulative Quarter ended 30 September

	Malaysia		Vietnam		Thailand		Others		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Total revenue	45,227	44,233	191,324	149,753	6,040	6,405	888	1,294	243,479	201,685
Inter-segment revenue	(6,062)	(5,426)	(105)	(86)	(2,336)	(1,471)	-	-	(8,503)	(6,983)
External revenue	39,165	38,807	191,219	149,667	3,704	4,934	888	1,294	234,976	194,702
Profit/(loss) before taxation	3,276	2,838	13,536	3,708	(149)	315	88	1,043	16,751	7,904
Segment assets	250,195	236,937	468,842	442,815	35,093	35,952	600,164	544,571	1,354,294	1,260,275
Segment liabilities	49,224	33,430	220,580	207,002	14,646	13,554	258,025	217,465	542,475	471,451

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

	30.09.2020	30.09.2019
	RM'000	RM'000
Inter-segment assets	<u>495,991</u>	<u>450,167</u>
Inter-segment liabilities	<u>266,958</u>	<u>231,055</u>



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NOTES TO THE QUARTERLY REPORT – 30 SEPTEMBER 2020

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 (%)
	30.09.2020	30.06.2020	
Revenue	235.0	138.6	+69.6%
Gross profit	30.3	13.8	>+100.0%
Profit before taxation	16.8	2.2	>+100.0%
Profit after taxation	13.1	0.4	>+100.0%

Revenue

For the quarter under review, the Group's revenue surged 69.6% to RM235.0 million as compared to the preceding quarter of RM138.6 million. The substantial increase was mainly attributable to the followings:

- higher production output recorded as preceding quarter operations were impacted by the MCO enforced in Malaysia; and
- pent up demand resulted higher sales recorded by all furniture plants amounting to RM92.1 million.

Gross profit

The Group has recorded higher gross profit from RM13.8 million in preceding quarter compared to RM30.3 million in current quarter, representing a significant increase of more than 100.0%. The substantial increase in gross profit was mainly attributable to the followings:

- in line with the increase in revenue;
- all divisions recorded improved productivity and lower operating costs during the quarter;
- higher sales of better margin products; and
- absence of impairment loss on inventories in current quarter compared to RM2.5 million in preceding quarter.

Profit before taxation ("PBT")

The Group has recorded a significant increase in PBT from RM2.2 million in preceding quarter to RM16.8 million in current quarter, representing an increase of more than 100.0%. The substantial increase in PBT was in line with the significant increase in gross profit.



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NOTES TO THE QUARTERLY REPORT – 30 SEPTEMBER 2020

Profit after taxation (“PAT”)

The Group recorded PAT of RM13.1 million in current quarter, representing a significant increase of more than 100.0% from RM0.4 million in preceding quarter was in line with the significant increase in PBT.

B2. REVIEW OF PERFORMANCE

RM' Million	Cumulative quarter		Changes (%)
	30.09.2020	30.09.2019	
Revenue	235.0	194.7	+20.7%
Gross profit	30.3	19.5	+55.4%
Profit before taxation	16.8	7.9	>+100.0%
Profit after taxation	13.1	6.6	+98.5%

Revenue

The Group recorded revenue of RM235.0 million for the three months financial period ended 30 September 2020 (“Q1FY2021”), representing an increase of 20.7% as compared to the three months financial period ended 30 September 2019 (“Q1FY2020”) of RM194.7 million. The sharp increase was mainly attributable to the followings:

- higher sales recorded by furniture plants in Vietnam amounting to RM40.2 million;
- higher orders received by panel board lamination plant amounting to RM2.7 million;
- strengthening of US Dollar (“USD”) against Ringgit Malaysia (“RM”) by 0.9%; offset with
- lower orders received by Thailand sawmill plant amounting to RM1.2 million.

Gross profit

Gross profit of the Group amounted to RM30.3 million in Q1FY2021, representing an increase of 55.4% from RM19.5 million in Q1FY2020. The substantial increase in gross profit was mainly attributable to the followings:

- in line with the increase in revenue;
- furniture and sawmill plants recorded higher sales of better margin products; and
- lower production costs due to higher production output across all divisions.



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Profit before taxation (“PBT”)

PBT of the Group amounted to RM16.8 million in Q1FY2021, representing an increase of more than 100.0% from RM7.9 million in Q1FY2020 was mainly attributable to the followings:

- in line with increase in gross profit;
- fair value gain on derivatives of RM0.7 million in Q1FY2021 compared to fair value loss on derivatives of RM0.3 million in Q1FY2020; offset with
- foreign exchange loss of RM2.1 million in Q1FY2021 compared to foreign exchange gain of RM0.1 million in Q1FY2020.

Profit after taxation (“PAT”)

PAT of the Group amounted to RM13.1 million in Q1FY2021, representing an increase of 98.5% from RM6.6 million in Q1FY2020 was in line with increase in PBT offset with current period tax provision.

B3. PROFIT FOR THE PERIOD

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

	Individual quarter ended		Cumulative quarter ended	
	30.09.2020	30.09.2019	30.09.2020	30.09.2019
	RM'000	RM'000	RM'000	RM'000
Interest income	(706)	(663)	(706)	(663)
Interest expense	655	988	655	988
Investment income from investment securities	(250)	(113)	(250)	(113)
Depreciation and amortization	5,029	4,652	5,029	4,652
Unrealised foreign exchange loss/(gain)	1,444	(269)	1,444	(269)
Realised foreign exchange loss	631	136	631	136
Fair value (gain)/loss on derivatives	(676)	260	(676)	260
Fair value gain on investment securities	(87)	(128)	(87)	(128)



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NOTES TO THE QUARTERLY REPORT – 30 SEPTEMBER 2020

B4. TRADE AND OTHER RECEIVABLES

	30.09.2020 RM'000	30.06.2020 RM'000
Trade receivables		
Third parties	65,301	60,337
Less: Allowance for impairment	(5,465)	(5,632)
Trade receivables, net	<u>59,836</u>	<u>54,705</u>
Other receivables		
Deposits	1,064	1,097
Staff loans	147	182
Goods and services tax receivable	287	513
Sundry receivables	<u>23,348</u>	<u>15,394</u>
	24,846	17,186
Less: Allowance for impairment-sundry receivables	(282)	(298)
Other receivables, net	<u>24,564</u>	<u>16,888</u>
Total trade and other receivables	<u>84,400</u>	<u>71,593</u>

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

	30.09.2020 RM'000	30.06.2020 RM'000
Neither past due nor impaired	49,821	49,238
Past due not impaired:		
1 - 30 days	9,356	3,335
31 - 60 days	448	112
61 - 90 days	211	1,980
> 91 days	-	40
Impaired	<u>5,465</u>	<u>5,632</u>
Gross trade receivables	<u>65,301</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 RM11,834,000 (30.06.2020: RM7,831,000); and
- ii) Advance to suppliers of RM6,746,000 (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 27 November 2020.

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 results have gradually improved due to easing of the restricted movement control orders at most of our operating factories. Sales orders have also gradually improved as restrictions on movement of goods in our international markets are gradually lifted. However, as pandemic situation has not abated, with number of infections increasing especially in US, and coupled with impasse in the US presidential election, the uncertainty of the economic environment remains.

The operating environment in times like this, the global economic uncertainties, calls for much prudence and caution in all levels of decision making. The Group is continuing with its cost reduction 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 2021.

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 September 2020.

B9. DIVIDEND

The Company has declared a final single tier dividend of 3.0 sen per ordinary share for the financial year ended 30 June 2020 subject to shareholders' approval at the forthcoming Annual General Meeting.

On 27 November 2020, the Board of Directors approved and declared a special dividend via a share dividend distribution on the basis of one (1) treasury share for every fifty (50) existing ordinary shares held in respect of the financial year ending 30 June 2021. The entitlement and crediting dates are 15 January 2021 and 29 January 2021 respectively.



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Below is an illustration of the notional return from the proposed share dividend to a shareholder holding 1,000 shares:

Share Dividend Ratio	Assume Shareholdings of (No. of shares)	Proposed Share Dividend (No. of shares)	Based on Closing Price of 17 November 2020 (RM)	Notional Value of Share Dividend (RM)	Dividend per Share (RM)
1 for 50	1,000	20.0	3.93	78.60	0.08

B10. EARNINGS PER SHARE (“EPS”)

	Individual Quarter		Cumulative Quarter	
	30.09.2020	30.09.2019	30.09.2020	30.09.2019
Basic EPS				
Net profit attributable to owners the parent (RM'000)	13,093	6,569	13,093	6,569
Weighted average number of shares ('000)	95,250.0	96,545.2	95,250.0	96,545.2
Basic EPS (sen)	13.75	6.80	13.75	6.80

B11. CAPITAL COMMITMENTS

Capital commitments for property, plant and equipment not provided for in the financial statements as at 30 September 2020 were as follows:

	RM'000
Authorised by Directors and contracted	15,155
Authorised by Directors and not contracted	-
	15,155