



**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)  
FOR THE PERIOD ENDED 31 MARCH 2022**

	Individual quarter ended		Cumulative quarter ended	
	Current year quarter	Preceding year corresponding quarter	Current year quarter	Preceding year corresponding quarter
	31.03.2022 RM'000	31.03.2021 RM'000	31.03.2022 RM'000	31.03.2021 RM'000
Revenue	194,779	216,660	516,130	695,920
Cost of sales	(167,572)	(186,482)	(455,411)	(597,374)
<b>Gross profit</b>	<b>27,207</b>	<b>30,178</b>	<b>60,719</b>	<b>98,546</b>
Other income	1,044	823	4,671	12,042
Selling and distribution expenses	(5,179)	(6,026)	(14,154)	(19,149)
Administrative expenses	(8,775)	(9,479)	(22,682)	(22,596)
Other expenses	(542)	(294)	(3,137)	(5,168)
<b>Operating profit</b>	<b>13,755</b>	<b>15,202</b>	<b>25,417</b>	<b>63,675</b>
Finance costs	(548)	(679)	(1,783)	(2,127)
<b>Profit before taxation</b>	<b>13,207</b>	<b>14,523</b>	<b>23,634</b>	<b>61,548</b>
Taxation	(2,366)	(2,962)	(5,563)	(10,324)
<b>Profit for the period</b>	<b>10,841</b>	<b>11,561</b>	<b>18,071</b>	<b>51,224</b>
Attributable to :				
Owners of the parent	10,841	11,561	18,071	51,224
Non-controlling interest	-	-	-	-
<b>Profit for the period</b>	<b>10,841</b>	<b>11,561</b>	<b>18,071</b>	<b>51,224</b>
<b>Earnings per share (sen) :</b>				
(a) Basic	5.58	6.00 *	9.30	26.56 *
(b) Diluted	5.58	6.00 *	9.30	26.56 *
Weighted average number of ordinary shares ('000)	194,310.0	192,836.1	194,310.0	192,836.1
Profit for the period	10,841	11,561	18,071	51,224
Other comprehensive income:				
Foreign currency translation	3,166	7,980	3,335	(8,988)
<b>Total comprehensive income for the period</b>	<b>14,007</b>	<b>19,541</b>	<b>21,406</b>	<b>42,236</b>
Total comprehensive income attributable to :				
Owners of the parent	14,007	19,541	21,406	42,236
Non-controlling interest	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>14,007</b>	<b>19,541</b>	<b>21,406</b>	<b>42,236</b>

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

\* For comparative purpose, the EPS for the quarter and year to date ended 31 March 2021 have been adjusted to reflect the bonus issue of 1 bonus share for every 1 existing ordinary share which was completed on 16 March 2021.



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

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)**  
**AS AT 31 MARCH 2022**

	<b>Unaudited</b>	<b>Audited</b>
	<b>31.03.2022</b>	<b>30.06.2021</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	244,244	251,235
Investment properties	59,268	59,562
Right-of-use assets	31,754	34,510
Other investments	81	81
Investment securities	-	-
Deferred tax assets	907	907
	<u>336,254</u>	<u>346,295</u>
<b>Current assets</b>		
Inventories	222,081	228,979
Trade and other receivables	92,295	61,257
Prepayments	3,479	3,816
Tax recoverable	135	1,154
Cash and bank balances	143,411	196,602
Investment securities	82,181	55,452
Derivatives	121	-
	<u>543,703</u>	<u>547,260</u>
<b>TOTAL ASSETS</b>	<u><u>879,957</u></u>	<u><u>893,555</u></u>



**LATITUDE TREE HOLDINGS BERHAD**  
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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)**  
**AS AT 31 MARCH 2022 (CONT'D)**

	<b>Unaudited</b> <b>31.03.2022</b> <b>RM'000</b>	<b>Audited</b> <b>30.06.2021</b> <b>RM'000</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the parent</b>		
Share capital	98,433	98,433
Treasury shares	(155)	(155)
Retained earnings	455,784	443,542
Foreign currency translation reserve	71,755	68,420
	<u>625,817</u>	<u>610,240</u>
Non-controlling interest	-	-
<b>Total equity</b>	<u>625,817</u>	<u>610,240</u>
<b>Non-current liabilities</b>		
Loans and borrowings	19,466	22,062
Lease liabilities	4,787	4,834
Provision for severance allowance	215	231
Retirement benefit obligation	219	224
Deferred tax liabilities	3,615	3,213
	<u>28,302</u>	<u>30,564</u>
<b>Current liabilities</b>		
Trade and other payables	99,520	111,664
Loans and borrowings	96,398	108,076
Lease liabilities	225	883
Tax payable	29,695	32,001
Derivatives	-	127
	<u>225,838</u>	<u>252,751</u>
<b>Total liabilities</b>	<u>254,140</u>	<u>283,315</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>879,957</u>	<u>893,555</u>
Net assets per share attributable to owners of the parent (RM)	<u>3.22</u>	<u>3.14</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 MARCH 2022**

			Non-distributable				
	<u>Share capital</u>	<u>Treasury shares</u>	<u>Foreign currency translation reserve</u>	<u>Distributable Retained earnings</u>	<u>Total</u>	<u>Non-controlling interest</u>	<u>Total equity</u>
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
As at 1 July 2020	98,433	(5,798)	77,399	407,967	578,001	-	578,001
Total comprehensive income for the period	-	-	(8,988)	51,224	42,236	-	42,236
Dividend paid	-	-	-	(2,858)	(2,858)	-	(2,858)
Share dividend	-	5,643	-	(5,643)	-	-	-
As at 31 March 2021	<b>98,433</b>	<b>(155)</b>	<b>68,411</b>	<b>450,690</b>	<b>617,379</b>	-	<b>617,379</b>
As at 1 July 2021	98,433	(155)	68,420	443,542	610,240	-	610,240
Total comprehensive income for the period	-	-	3,335	18,071	21,406	-	21,406
Dividend paid	-	-	-	(5,829)	(5,829)	-	(5,829)
As at 31 March 2022	<b>98,433</b>	<b>(155)</b>	<b>71,755</b>	<b>455,784</b>	<b>625,817</b>	-	<b>625,817</b>

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



**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)  
FOR THE PERIOD ENDED 31 MARCH 2022**

	31.03.2022 RM'000	31.03.2021 RM'000		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Profit before taxation</b>	23,634	61,548		
<b>Adjustments for:</b>				
Reversal of allowance for expected credit losses on trade receivables	(15)	(179)		
Depreciation and amortisation	14,443	14,777		
Property, plant and equipment written off	-	57		
Net fair value gain on derivatives	(248)	(1,083)		
Net fair value loss/(gain) on investment securities	479	(197)		
Net unrealised loss on foreign exchange	522	746		
Gain on disposal of property, plant and equipment	(14)	(103)		
Gain on disposal of right-of-use assets	(631)	-		
Distribution from investment securities	(817)	(611)		
Non cash items	73	51		
Net financing costs	294	320		
<b>Operating profit before working capital changes</b>	<b>37,720</b>	<b>75,326</b>		
<b>Changes in working capital</b>				
Net change in current assets	(21,252)	(42,862)		
Net change in current liabilities	(13,794)	21,388		
Net income taxes paid	(6,849)	(7,587)		
Net financing costs paid	(312)	(344)		
<b>Net cash flows (used in)/generated from operating activities</b>	<b>(4,487)</b>	<b>45,921</b>		
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchase of property, plant and equipment	(4,692)	(17,269)		
Purchase of investment properties	(15)	(316)		
Proceeds from disposal of property, plant and equipment	260	163		
Proceeds from disposal of right-of-use assets	2,351	-		
Withdrawal of deposits with licensed banks	717	4,725		
Purchase of investment securities	(26,251)	(4,004)		
<b>Net cash flows used in investing activities</b>	<b>(27,630)</b>	<b>(16,701)</b>		
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Net (repayment)/drawdown of loans and borrowings	(15,732)	32,346		
Repayments for principal portion of lease liabilities	(780)	(832)		
Dividends paid on ordinary shares	(5,829)	(2,858)		
(Placement)/withdrawal of deposits placed as securities for bank borrowings and guarantees	(48)	317		
<b>Net cash flows (used in)/generated from financing activities</b>	<b>(22,389)</b>	<b>28,973</b>		
<b>NET CHANGES IN CASH AND CASH EQUIVALENTS</b>	<b>(54,506)</b>	<b>58,193</b>		
<b>CASH &amp; CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>184,960</b>	<b>101,426</b>		
<b>EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>	<b>1,984</b>	<b>(1,539)</b>		
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>132,438</b>	<b>158,080</b>		
<b>Cash and cash equivalents included in the Consolidated Statement of Cash Flows comprise the following balance sheet amounts :</b>				
<b>Cash and bank balances</b>	<b>104,136</b>	<b>133,464</b>		
<b>Term deposits</b>	<b>39,275</b>	<b>44,354</b>		
	<b>143,411</b>	<b>177,818</b>		
<b>Less:</b>				
<b>Deposits pledged as securities for bank borrowings and guarantees</b>	<b>(7,433)</b>	<b>(15,499)</b>		
<b>Deposits with licensed banks with tenure more than three months</b>	<b>(3,540)</b>	<b>(4,239)</b>		
	<b>132,438</b>	<b>158,080</b>		
<b>Reconciliation of liabilities arising from financing activities:</b>				
	<b>Carrying amount as at 1 July 2021</b>	<b>Cash flows</b>	<b>Effects of foreign exchange</b>	<b>Carrying amount as at 31 March 2022</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Group</b>				
Loans and borrowings	130,138	(15,732)	1,458	115,864
Lease liabilities	5,717	(780)	75	5,012
Total	<b>135,855</b>	<b>(16,512)</b>	<b>1,533</b>	<b>120,876</b>

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



# **LATITUDE TREE HOLDINGS BERHAD**

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

## **NOTES TO THE QUARTERLY REPORT – 31 MARCH 2022**

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### **A1. BASIS OF PREPARATION**

The interim financial report is unaudited and have been prepared in accordance with the requirements of MFRS 134: Interim Financial Reporting and Chapter 9 paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and should be read in conjunction with the Group's audited financial statements for the year ended 30 June 2021.

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 2021 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 2021.

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 2021 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 March 2022.

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

There was no revaluation of properties of the Group during the financial period ended 31 March 2022.



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**NOTES TO THE QUARTERLY REPORT – 31 MARCH 2022**

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**A5. TAXATION**

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

	Individual Quarter		Cumulative Quarter	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
	RM'000	RM'000	RM'000	RM'000
Current tax expense				
Malaysian	1,055	1,114	2,134	2,600
Overseas	1,304	1,964	3,006	7,436
<b>Total</b>	<b>2,359</b>	<b>3,078</b>	<b>5,140</b>	<b>10,036</b>
Deferred tax expense				
Malaysian	4	(116)	402	276
Overseas	3	-	21	12
<b>Total</b>	<b>7</b>	<b>(116)</b>	<b>423</b>	<b>288</b>
	<b>2,366</b>	<b>2,962</b>	<b>5,563</b>	<b>10,324</b>

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

There was no change to the composition of the Group in the quarter ended 31 March 2022.

**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 March 2022.

**A9. BORROWINGS AND DEBTS SECURITIES**

Details of the Group's borrowings were as follows:



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**NOTES TO THE QUARTERLY REPORT – 31 MARCH 2022**

	As at 31 March 2022					
	Long term		Short term		Total borrowings	
	RM equivalents of amount denominated in foreign currency (RM'000)	RM'000	RM equivalents of amount denominated in foreign currency (RM'000)	RM'000	RM equivalents of amount denominated in foreign currency (RM'000)	RM'000
<b>Secured</b>						
Term loan (USD)	13,052	-	1,826	-	14,878	-
Term loan (RM)	-	6,414	-	787	-	7,201
Bankers' acceptances (RM)	-	-	-	3,249	-	3,249
<b>Unsecured</b>						
Trust receipts (USD)	-	-	84,276	-	84,276	-
Debentures (USD)	-	-	6,260	-	6,260	-
<b>Total</b>	13,052	6,414	92,362	4,036	105,414	10,450

	As at 30 June 2021					
	Long term		Short term		Total borrowings	
	RM equivalents of amount denominated in foreign currency (RM'000)	RM'000	RM equivalents of amount denominated in foreign currency (RM'000)	RM'000	RM equivalents of amount denominated in foreign currency (RM'000)	RM'000
<b>Secured</b>						
Term loan (USD)	14,218	-	1,801	-	16,019	-
Term loan (RM)	-	7,007	-	768	-	7,775
Term loan (THB)	837	-	576	-	1,413	-
Bankers' acceptances (RM)	-	-	-	2,228	-	2,228
Bankers' acceptances (USD)	-	-	941	-	941	-
Revolving credit (USD)	-	-	2,075	-	2,075	-





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**NOTES TO THE QUARTERLY REPORT – 31 MARCH 2022**

	As at 30 June 2021					
	Long term		Short term		Total borrowings	
	RM equivalents of amount denominated in foreign currency (RM'000)	RM'000	RM equivalents of amount denominated in foreign currency (RM'000)	RM'000	RM equivalents of amount denominated in foreign currency (RM'000)	RM'000
<b>Unsecured</b>						
Trust receipts (USD)	-	-	99,687	-	99,687	-
<b>Total</b>	15,055	7,007	105,080	2,996	120,135	10,003

**A10. FINANCIAL INSTRUMENTS - DERIVATIVES**

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

	As at 31 March 2022 RM'000			As at 30 June 2021 RM'000		
	Contract/ Notional amount	Assets	Fair value gain	Contract/ Notional amount	Liabilities	Fair value gain
<b>Non-hedging derivatives:</b>						
<b>Non-current</b>						
Forward currency contracts	-	-	-	-	-	762
<b>Current</b>						
Forward currency contracts	27,249	121	248	38,137	(127)	261
Interest rate swap	-	-	-	-	-	2
	<u>27,249</u>	<u>121</u>	<u>248</u>	<u>38,137</u>	<u>(127)</u>	<u>263</u>
Total derivatives	27,249	121	248	38,137	(127)	1,025

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 March 2023. During the financial period under review, the Group recognised a gain of RM247,330 arising from fair value changes of forward currency contracts. The fair value changes are attributable to changes in foreign exchange closing and forward rate.



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**NOTES TO THE QUARTERLY REPORT – 31 MARCH 2022**

**A11. CHANGES IN MATERIAL LITIGATION**

There was no material litigation or any pending material litigation since the date of the last annual statement of financial position until 23 May 2022.

**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 31 March**

RM'000	Malaysia		Vietnam		Thailand		Others		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Total revenue	54,547	52,863	138,888	163,448	6,627	6,478	877	14,491	200,939	237,280
Inter-segment revenue	(4,605)	(5,308)	-	-	(1,555)	(1,788)	-	(13,524)	(6,160)	(20,620)
External revenue	49,942	47,555	138,888	163,448	5,072	4,690	877	967	194,779	216,660
Profit/(loss) before taxation	4,259	2,472	10,729	12,098	(126)	174	(1,655)	(221)	13,207	14,523
Segment assets	258,096	256,390	488,655	484,330	33,637	35,661	592,873	609,045	1,373,261	1,385,426
Segment liabilities	49,011	51,883	204,451	217,043	16,352	14,486	82,524	255,668	352,338	539,080



**LATITUDE TREE HOLDINGS BERHAD**  
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**NOTES TO THE QUARTERLY REPORT – 31 MARCH 2022**

**Results for the Cumulative Quarter ended 31 March**

RM'000	Malaysia		Vietnam		Thailand		Others		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Total revenue	125,311	144,953	388,108	553,829	17,544	18,888	10,591	27,708	541,554	745,378
Inter-segment revenue	(12,615)	(17,614)	(114)	(273)	(4,281)	(6,900)	(8,414)	(24,671)	(25,424)	(49,458)
External revenue	112,696	127,339	387,994	553,556	13,263	11,988	2,177	3,037	516,130	695,920
Profit/(loss) before taxation	10,756	8,577	15,837	52,309	(1,605)	437	(1,354)	225	23,634	61,548
Segment assets	258,096	256,390	488,655	484,330	33,637	35,661	592,873	609,045	1,373,261	1,385,426
Segment liabilities	49,011	51,883	204,451	217,043	16,352	14,486	82,524	255,668	352,338	539,080

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

	<b>31.03.2022</b>	<b>31.03.2021</b>
	<b>RM'000</b>	<b>RM'000</b>
Inter-segment assets	<u>493,304</u>	<u>497,830</u>
Inter-segment liabilities	<u>98,198</u>	<u>268,863</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 (%)
	31.03.2022	31.12.2021	
Revenue	194.8	152.5	+27.7%
Gross profit	27.2	18.5	+47.0%
Profit before taxation	13.2	7.5	+76.0%
Profit after taxation	10.8	5.7	+89.5%



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**NOTES TO THE QUARTERLY REPORT – 31 MARCH 2022**

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**Revenue**

For the quarter under review, the Group's revenue surged by 27.7% to RM194.8 million as compared to the preceding quarter of RM152.5 million. The increase was mainly attributable to the followings:

- higher sales recorded by furniture plants due to higher shipment in current quarter; and
- higher local sales recorded by sawmill plants.

**Gross profit**

The Group has recorded higher gross profit from RM18.5 million in preceding quarter compared to RM27.2 million in current quarter, representing an increase of 47.0%. The increase in gross profit was mainly attributable to the followings:

- in line with the increase in revenue; and
- lower manufacturing costs benefitted from higher production output across all division in current quarter compared to preceding quarter.

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

The Group has recorded a significant increase in PBT from RM7.5 million in preceding quarter to RM13.2 million in current quarter, representing an increase of 76.0%. The increase in PBT was in line with the increase in gross profit.

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

The Group recorded PAT of RM10.8 million in current quarter, representing a significant increase of 89.5% from RM5.7 million in preceding quarter was in line with the increase in PBT offset with higher tax provision made in current quarter compared to preceding quarter.

**B2. REVIEW OF PERFORMANCE**

RM' Million	Cumulative quarter		Changes (%)
	31.03.2022	31.03.2021	
Revenue	516.1	695.9	-25.8%
Gross profit	60.7	98.5	-38.4%
Profit before taxation	23.6	61.5	-61.6%
Profit after taxation	18.1	51.2	-64.6%



# **LATITUDE TREE HOLDINGS BERHAD**

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## **NOTES TO THE QUARTERLY REPORT – 31 MARCH 2022**

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### **Revenue**

The Group recorded revenue of RM516.1 million for the nine months financial period ended 31 March 2022 (“FP2022”), representing a decline of 25.8% as compared to the nine months financial period ended 31 March 2021 (“FP2021”) of RM695.9 million. The decrease was mainly attributable to the followings:

- lesser production days due to lockdown in Malaysia and Vietnam to contain outbreak of Covid-19 pandemic;
- lower sales and production output recorded by a furniture plant in Vietnam due to manpower shortage issue after resumption of operation from lockdown in Vietnam; and
- lower shipments due to congestion at US ports and limited shipping vessels.

### **Gross profit**

Gross profit of the Group amounted to RM60.7 million in FP2022, representing a decrease of 38.4% from RM98.5 million in FP2021. The decline in gross profit was mainly attributable to the followings:

- in line with the decrease in revenue;
- higher operating cost resulting from closure of furniture and sawmill plants in Malaysia caused by strict lockdown measures during MCO in FP2022;
- higher operating expenses due to the implementation of “3 on the spot” approach by furniture plants in Vietnam during lockdown enforced by Vietnam authorities; and
- escalating raw material prices due to surge in oil price and high logistic cost.

### **Profit before taxation (“PBT”)**

PBT of the Group amounted to RM23.6 million in FP2022, representing a significant decrease of 61.6% from RM61.5 million in FP2021 was in line with the decrease in gross profit.

### **Profit after taxation (“PAT”)**

PAT of the Group amounted to RM18.1 million in FP2022, representing a significant decline of 64.6% from RM51.2 million in FP2021 was in line with decrease in PBT.



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**NOTES TO THE QUARTERLY REPORT – 31 MARCH 2022**

**B3. PROFIT FOR THE PERIOD**

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

	Individual quarter ended		Cumulative quarter ended	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
	RM'000	RM'000	RM'000	RM'000
Interest income	(429)	(576)	(1,488)	(1,806)
Interest expense	547	679	1,782	2,126
Distribution from investment securities	(285)	(156)	(817)	(611)
Depreciation and amortisation	4,495	4,939	14,443	14,777
Gain on disposal of property, plant and equipment	(14)	(103)	(14)	(103)
Gain on disposal of right-of-use assets	(631)	-	(631)	-
Property, plant and equipment written off	-	48	-	57
Reversal of allowance for expected credit losses on trade receivables	(15)	(179)	(15)	(179)
Net unrealised (gain)/ loss on foreign exchange	(39)	(1,190)	522	746
Net realised loss on foreign exchange	456	342	2,057	1,463
Net fair value loss/(gain) on derivatives	175	215	(248)	(1,083)
Net fair value loss/(gain) on investment securities	308	34	479	(197)
Insurance compensation	(43)	54	(585)	(7,744)



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**B4. TRADE AND OTHER RECEIVABLES**

	<b>31.03.2022</b>	<b>30.06.2021</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Trade receivables</b>		
Third parties	71,552	48,512
Less: Allowance for expected credit losses	<u>(5,332)</u>	<u>(5,286)</u>
Trade receivables, net	<u>66,220</u>	<u>43,226</u>
<b>Other receivables</b>		
Import duty and other indirect taxes	15,507	10,669
Advance to suppliers	7,136	5,047
Sundry receivables	2,499	1,629
Deposits	<u>1,205</u>	<u>964</u>
	26,347	18,309
Less: Allowance for expected credit losses-sundry receivables	<u>(272)</u>	<u>(278)</u>
Other receivables, net	<u>26,075</u>	<u>18,031</u>
Total trade and other receivables	<u>92,295</u>	<u>61,257</u>

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

	<b>31.03.2022</b>	<b>30.06.2021</b>
	<b>RM'000</b>	<b>RM'000</b>
Neither past due nor impaired	59,843	34,533
Past due not impaired:		
1 - 30 days	5,201	6,245
31 - 60 days	804	1,522
61 - 90 days	46	779
> 91 days	326	147
Impaired	<u>5,332</u>	<u>5,286</u>
Gross trade receivables	<u>71,552</u>	<u>48,512</u>

**Trade receivables**

Trade receivables are non-interest bearing. The Group's normal trade credit terms range from 7 to 90 days. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

**B5. CORPORATE PROPOSAL**

There were no corporate proposals announced but not completed as at 23 May 2022.



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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**

The global market remains uncertain with the ongoing war tension between Russia and Ukraine that drives volatility of oil prices, potential global supply chain disruption due to extended lockdown in Shanghai, China being site of the world's largest port, escalating inflationary pressures and rising minimum wages across countries of our operation. Hence, prices of most raw materials are expected to stay high for the year 2022.

Regardless of the operating environment in this trying time especially the global economic and geopolitical uncertainties, the Group will remain resilient and vigilant in addressing these uncertainties in all levels of decision making. The Group remains resolute in its long-term strategies of cost controlling, 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 able to manage the challenges of the current market environment and will remain profitable for the financial year ending 30 June 2022.

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

The Group did not issue any profit forecast or profit guarantee for the quarter ended 31 March 2022.

**B9. DIVIDEND**

The Company had on 13 May 2022 paid a first interim single-tier dividend of 1.0 sen per ordinary share for the financial year ending 30 June 2022.

The Board of Directors did not recommend any interim dividend for the current quarter ended 31 March 2022.





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**B10. EARNINGS PER SHARE (“EPS”)**

Basic EPS	Individual Quarter		Cumulative Quarter	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
Net profit attributable to owners the parent (RM'000)	10,841	11,561	18,071	51,224
Weighted average number of shares ('000)	194,310.0	192,836.1	194,310.0	192,836.1
Basic EPS (sen)	5.58	6.00*	9.30	26.56*

\* For comparative purpose, the EPS for the quarter and year to date ended 31 March 2021 have been adjusted to reflect the bonus issue of 1 bonus share for every 1 existing ordinary share which was completed on 16 March 2021.

**B11. CAPITAL COMMITMENTS**

Capital commitments for property, plant and equipment not provided for in the financial statements as at 31 March 2022 were as follows:

	RM'000
Authorised by Directors and contracted	6,289
Authorised by Directors and not contracted	-
	<b>6,289</b>