

LTKM Berhad (Company No: 442942-H)
Condensed Consolidated Statement of Comprehensive Income
For the period ended 31 March 2024

	Note	Individual Quarter 3 months ended		Cumulative Quarter 12 months ended	
		31/03/2024 RM'000	31/03/2023 RM'000	31/03/2024 RM'000	31/03/2023 RM'000
Revenue		61,273	64,806	257,686	257,272
Cost of sales		(48,801)	(55,437)	(213,302)	(228,359)
Gross profit		12,472	9,369	44,384	28,913
Other income		9,963	12,800	37,832	21,045
Administrative expenses		(1,901)	(2,310)	(8,230)	(8,488)
Distribution expenses		(1,119)	(1,057)	(4,373)	(4,209)
Finance costs		(948)	(980)	(3,974)	(3,768)
Other expenses		(1,000)	(624)	(1,000)	(2,969)
Profit before tax		17,467	17,198	64,639	30,524
Taxation	B5	388	(7,862)	(6,074)	(9,897)
Profit net of tax attributable to owners of the parent		17,855	9,336	58,565	20,627
Other comprehensive income/(loss), net of tax :					
Net change on FVOCI reserves :					
- changes in fair value		3,909	246	5,961	(1,342)
Total comprehensive income attributable to owners of the parent		21,764	9,582	64,526	19,285
Basic earnings per share attributable to owners of the parent (sen) :	B11	12.48	6.52	40.92	14.41

The condensed consolidated income statement should be read in conjunction with the audited financial statements for the year ended 31 March 2023 and the accompanying explanatory notes attached to the interim financial statements.

LTKM Berhad (Company No: 442942-H)
Condensed Consolidated Statement of Financial Position
As at 31 March 2024

	Note	As at 31 Mar 2024 RM'000	As at 31 Mar 2023 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		75,982	74,552
Investment properties		93,800	88,800
Land held for development		33,746	33,746
Right of use asset		4,893	5,898
Deferred tax assets		19	502
Investment securities		61,536	20,230
Other investments		958	911
		<u>270,934</u>	<u>224,639</u>
Current assets			
Biological assets		9,276	7,901
Inventories		16,086	13,576
Tax recoverables		1,537	302
Trade receivables		9,375	10,024
Other receivables		710	1,888
Prepayments		1,921	2,060
Cash and bank balances		79,164	79,602
		<u>118,069</u>	<u>115,353</u>
TOTAL ASSETS		<u>389,003</u>	<u>339,992</u>
EQUITY AND LIABILITIES			
Attributable to equity holders of the parent			
Share capital		76,696	76,696
Reserves		209,252	159,037
Total equity		<u>285,948</u>	<u>235,733</u>
Non-current liabilities			
Borrowings	B7	19,904	27,225
Lease liabilities		4,042	5,000
Deferred tax liabilities		2,389	1,867
		<u>26,335</u>	<u>34,092</u>
Current liabilities			
Borrowings	B7	41,279	43,710
Trade payables		7,560	9,669
Other payables		12,276	14,006
Lease liabilities		1,100	1,044
Dividend payable		14,311	-
Hire purchase payable		-	24
Taxation		194	1,714
		<u>76,720</u>	<u>70,167</u>
Total liabilities		103,055	104,259
TOTAL EQUITY AND LIABILITIES		<u>389,003</u>	<u>339,992</u>

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 31 March 2023 and the accompanying explanatory notes attached to the interim financial statements.

LTKM Berhad (Company No: 442942-H)
Condensed Consolidated Statement of Cash Flows

	12 months ended	
	31/03/2024	31/03/2023
	RM'000	RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	64,639	30,524
Adjustments for non-cash flow:		
Depreciation of property, plant and equipment	4,870	4,568
Impairment loss on, property, plant and equipment	1,000	708
Fair value changes on investment in bond	(47)	31
Property, plant and equipment written-off	-	27
Gain on disposal of of property, plant and equipment	(622)	(62)
Depreciation of right of use assets	1,150	1,167
Fair value changes in investment properties	(5,000)	-
Property development cost written off	-	1,540
Fair value changes in biological assets	(1,733)	554
Fair value changes in produce inventories	(27)	135
Allowance for expected credit loss	129	281
Reversal of allowances for expected credit losses	(257)	(134)
Short term accumulating compensated absences	(41)	104
Unrealised gain on foreign exchange	(1,026)	(930)
Dividend income	(912)	(761)
Interest expense	3,974	3,768
Interest income	(1,269)	(737)
Operating profit before working capital changes	64,828	40,783
Working capital changes in:		
Property development costs	-	(61)
Biological assets	358	(848)
Inventories	(2,483)	(2,879)
Receivables	2,078	1,387
Payables	(3,798)	6,268
Cash generated from operating activities	60,983	44,650
Net taxes paid	(7,823)	(2,089)
Interest paid	(3,974)	(3,768)
Net cash generated from operating activities	49,186	38,793
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of:		
Property, plant and equipment	(7,301)	(3,460)
Investment securities	(35,531)	(310)
Proceeds from disposal of:		
Property, plant and equipment	622	109
Investment securities	187	1,947
Interest received	1,269	737
Dividend received	912	761
Net cash used in investing activities	(39,842)	(216)
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of term loans	(9,194)	(6,100)
Net repayment of other bank borrowings	(558)	(2,231)
Repayment of hire purchase	(24)	-
Payment of lease liabilities	(1,048)	(1,044)
Net cash used in financing activities	(10,824)	(9,375)

LTKM Berhad (Company No: 442942-H)
Condensed Consolidated Statement of Cash Flows

	12 months ended	
	31/03/2024	31/03/2023
	RM'000	RM'000
Net change in cash and cash equivalents	(1,480)	29,202
Cash and cash equivalents at 1 April	79,602	48,444
Effect of exchange rate changes on cash and cash equivalent, relating to unrealised gain on foreign exchange	1,042	956
Cash and cash equivalents at end of the year	<u>79,164</u>	<u>78,602</u>
Cash and cash equivalents comprise the following amounts:-		
Deposits with licensed banks	21,569	23,577
Cash on hand and at bank	57,595	55,025
Cash and bank balances	<u>79,164</u>	<u>78,602</u>
	<u>79,164</u>	<u>78,602</u>

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 March 2023 and the accompanying explanatory notes attached to the interim financial statements.

LTKM Berhad (Company No: 442942-H)
Condensed Consolidated Statements of Changes in Equity
For the period ended 31 March 2024

	<-----Attributable to equity holders of the parent----->			
	(Non- distributable)		(Distributable)	
	Share capital RM'000	Other Comprehensive Income Reserve RM'000	Retained earnings RM'000	Total equity RM'000
12 months ended 31 March 2024				
At 1 April 2023	76,696	(6,091)	165,128	235,733
Total comprehensive income	-	5,961	58,565	64,526
Profit net of tax	-	-	58,565	58,565
Other comprehensive income, net of tax	-	5,961	-	5,961
Transfer of fair value reserve of equity instruments designated at FVOCI upon disposal	-	(18)	18	-
Transactions with owners				
Dividend	-	-	(14,311)	(14,311)
At 31 March 2024	<u>76,696</u>	<u>(148)</u>	<u>209,400</u>	<u>285,948</u>
12 months ended 31 March 2024				
1 April 2022	76,696	(4,433)	144,185	216,448
Total comprehensive (loss)/income	-	(1,342)	20,627	19,285
Profit net of tax	-	-	20,627	20,627
Other comprehensive loss, net of tax	-	(1,342)	-	(1,342)
Transfer of fair value reserve of equity instruments designated at FVOCI upon disposal	-	(316)	316	-
At 31 March 2023	<u>76,696</u>	<u>(6,091)</u>	<u>165,128</u>	<u>235,733</u>

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 March 2023 and the accompanying explanatory notes attached to the interim financial statements.

PART A – Explanatory Notes Pursuant to FRS 134 – Paragraph 16**A1. Basis of Preparation**

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

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 March 2023. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 March 2023.

The accounting policies and methods of computation adopted in the interim financial statements are consistent with those of the audited financial statements for the year ended 31 March 2023, except for the adoption of the following new and revised Malaysian Financial Reporting Standards (“MFRS”) and Amendments to MFRSs that have become effective for the financial periods beginning 1 April 2023:

MFRS 17: Insurance Contracts	1 January 2023
Amendments to MFRS 17: Insurance Contracts – Initial Application of MFRS 17 and MFRS 9 – Comparative Information	1 January 2023
Amendments to MFRS 101: Classification of Liabilities as Current or Non-Current and Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023

The Group has not early adopted the following new and Amendments to MFRSs, which have been issued and will be effective for the financial periods as stated below: -

Description	Effective date for financial periods beginning on or after
Amendments to MFRS 16: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101: Non-Current Liabilities with Covenants	1 January 2024
Amendments to MFRS 107: Statement of cash Flows and MFRS 7: Financial Instruments: Disclosure – Supplier Finance Arrangement	1 January 2024
Amendments to MFRS 10 and MFRS 128: Sale of Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

The new and amendments to MFRSs will be adopted by the Group when they become effective and that the initial applications of these Standards are not expected to have material impact on the financial statements of the Group.

A2. Audit Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the year ended 31 March 2023 was not qualified.

A3. Segmental Information

	3 months ended			12 months ended		
	31-Mar-24 RM'000	31-Mar-23 RM'000	Change %	31-Mar-24 RM'000	31-Mar-23 RM'000	Change %
Segment revenue						
Poultry & related products	59,008	62,629	-6%	248,340	249,817	-1%
Extraction & sale of sand	2,175	2,087	4%	8,986	7,095	27%
Investment holdings	90	90	0%	360	360	0%
Total	61,273	64,806	-5%	257,686	257,272	0.2%
Segment results						
Poultry & related products	13,370	18,585	-28%	61,286	34,404	78%
Extraction & sale of sand	(393)	(696)	44%	1,307	(85)	1638%
Investment holdings	4,534	(661)	786%	2,251	(2,095)	207%
Property development	(44)	(30)	-47%	(205)	(1,700)	88%
Profit before tax	17,467	17,198	2%	64,639	30,524	112%
Less: Taxation	388	(7,862)	105%	(6,074)	(9,897)	39%
Profit net of tax	17,855	9,336	91%	58,565	20,627	184%

A4. Unusual Items due to their Nature, Size or Incidence

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the financial quarter ended 31 March 2024.

A5. Changes in Estimate

There were no changes in the estimates that have had a material effect in the current quarter results.

A6. Comments about Seasonal or Cyclical Factors

The Group's performance is not significantly affected by major festive seasons.

A7. Dividends Paid

There was no dividend paid for the quarter under review.

A8. Carrying Amount of Fixed Assets

During the financial year, the Group carried out valuation on its non-current assets in accordance to the Group's accounting policy giving rise to net fair value gain of RM4.10 million net of deferred taxation. This was based on results of valuations carried out in March 2024 by professional independent valuer, Laurelcap Sdn. Bhd.

A9. Debt and Equity Securities

There were no issuances, repurchases, and repayments of debt and equity securities during the quarter under review.

A10. Changes in Composition of the Group

There were no changes in the composition of the Group during the quarter under review.

A11. Changes in Contingent Liabilities and Contingent Assets

There were no changes in other contingent liabilities or contingent assets since the last annual balance sheet as at 31 March 2023.

A12. Profit for the Period

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

	Current Quarter		Cumulative Quarter	
	3 months ended		12 months ended	
	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Interest income	410	214	1,269	737
Other income including investment income	5,716	9,415	32,238	19,130
Interest expense	(948)	(980)	(3,974)	(3,768)
Depreciation & amortisation	(1,617)	(1,533)	(6,020)	(5,735)
Fair value changes on biological assets	505	2,241	1,760	(690)
Provision for and write off of receivables	(129)	(232)	(129)	(281)
Provision for and write off of inventories	-	-	-	-
Gain on disposal of :				
Quoted shares	-	-	-	-
Unquoted investments	-	-	-	-
Properties	-	-	-	-
Impairment of assets	(1,000)	(739)	(1,000)	(2,279)
Foreign exchange (loss)/gain:-				
Realised gain/(loss)	1,352	-	1,539	248
Unrealised gain/(loss)	1,980	930	1,026	930
Gain/(loss) on derivatives	-	-	-	-
Exceptional items	-	-	-	-

B. BMSB Listing Requirements (Part A of Appendix 9B)**B1. Review of Performance**

	Preceding Year			Current		
	Current	Corresponding	Change	Year To	Preceding Year	Change
	Quarter	Quarter	%	date	Corresponding	%
	RM'000	RM'000		RM'000	RM'000	
Segment revenue						
Poultry & related products	59,008	62,629	-6%	248,340	249,817	-1%
Extraction & sale of sand	2,175	2,087	4%	8,986	7,095	27%
Investment holdings	90	90	0%	360	360	0%
Total	61,273	64,806	-5%	257,686	257,272	0.2%
Segment result						
Poultry & related products	13,370	18,585	-28%	61,286	34,404	78%
Extraction & sale of sand	(393)	(696)	44%	1,307	(85)	1638%
Investment holdings	4,534	(661)	786%	2,251	(2,095)	207%
Property development	(44)	(30)	-47%	(205)	(1,700)	88%
Profit before tax	17,467	17,198	2%	64,639	30,524	112%
Less: Taxation	388	(7,862)	105%	(6,074)	(9,897)	39%
Profit net of tax	17,855	9,336	91%	58,565	20,627	184%

The Group registered a revenue of RM61.27 million and a profit net of tax of RM17.93 million for the current quarter as compared to a revenue of RM64.81 million and a profit net of tax of RM9.34 million in the same quarter of previous financial year. Revenue for the Group decreased by 5% due to lower average selling price of eggs. Poultry segment's result decreased by 28% in tandem with lower revenue and lower eggs subsidies received from Government. Investment holding segment recorded higher earnings due fair value gain on investment properties.

For the financial year, the Group recorded a revenue of RM257.69 million and a profit net of tax of RM58.64 million as compared to revenue of RM257.27 million and profit net of tax of RM20.63 million in the corresponding period of previous financial year. Average selling price of eggs and volume sold for this financial year maintained as compared to previous financial year. Poultry segment earnings increased by 78% contributed mainly by lower cost of corn and soybean which are its major raw materials and higher eggs subsidies received from Government.

Extraction and sale of sand segment recorded higher earnings in tandem with higher revenue due to increase in volume of sand sold.

Investment holdings segment earnings recorded improvement by 207% due to recognition of fair value gain as compared to fair value loss in the previous financial year.

There are no other material earnings contribution from the other segments.

B2. Variation of result Against Preceding Quarter

	Current Quarter	Immediate Preceding Quarter	Change
	RM'000	RM'000	%
Segment revenue			
Poultry & related products	59,008	62,240	-5%
Extraction & sale of sand	2,175	2,508	-13%
Investment holdings	90	90	0%
Total	61,273	64,838	-5%
Segment result			
Poultry & related products	13,370	33,890	61%
Extraction & sale of sand	(393)	699	-156%
Investment holdings	4,534	(1,153)	493%
Property development	(44)	(29)	-52%
Profit before tax	17,467	33,407	-48%

The Group posted profit before tax of RM17.47 million for the current quarter as compared to profit before tax of RM33.41 million in the preceding quarter. The Group's profit before tax decreased by 48% mainly due to lower average selling price of eggs and subsidies received from Government.

B3. Commentary on Prospects

The Board foresees the next period to become challenging due to easing of eggs supply in the local market which will affect egg prices. However the cost of major raw materials particularly corn has moderated and may contribute to lower cost of production. Nonetheless management shall continue to focus on operational efficiencies and take strategic approaches in managing the challenges on the business operations.

No material contributions are expected from the other segments in the next period.

B4. Profit Forecast or Profit Guarantee

This is not applicable.

B5. Tax Expenses

	12 months ended	12 months ended
	31.3.24	31.3.23
	RM'000	RM'000
Income tax expense	5,064	8,195
Deferred tax expense	1,010	1,194
Real property gain tax	-	508
Total	6,074	9,897

The effective tax rate is lower than the statutory rate of 24% due mainly to higher non-taxable income in the current period.

B6. Corporate Proposals

- (a) Status of Corporate Proposals

There were no corporate proposals announced but not completed as at 14 May 2024.

- b) Status of Utilisation of Proceeds

Not applicable as there was no corporate proposal to raise funds.

B7. Borrowings

- a) The analysis of Group borrowings classified under short term and long-term categories are as follows:

	As at 31.3.2024 RM'000	As at 31.3.2023 RM'000
Short term		
<i>Secured:-</i>		
Revolving credit	14,000	11,000
Banker acceptance	2,248	3,193
Bank term loans	7,880	9,752
	24,128	23,945
<i>Unsecured:-</i>		
Revolving credit	6,000	9,000
Banker acceptance	11,151	10,765
	17,151	19,765
	41,279	43,710
Long term		
<i>Secured:-</i>		
Bank term loans	19,904	27,225
	19,904	27,225
Total borrowings	61,183	70,935

- b) There were no borrowings in foreign currency as at 31 March 2024.

- c) Effective average cost of borrowings based on exposure as at 31 March 2024 was 5.40% (31 March 2023: 5.29%).

B8. Off Balance Sheet Financial Instrument

There were no off-balance sheet financial instruments as at 31 March 2024.

B9. Changes in Material Litigations

There were no changes in material litigations involving the Group for the current quarter under review.

B10. Dividend Payable

On 22 February 2024, the Board of Directors has declared a special dividend of 10 sen per ordinary share in respect of the financial year 31 March 2024, which amounted to RM14.31 million and was paid to the shareholders on 2 April 2024.

B11. Earnings per share (“EPS”)

	3 months ended		12months ended	
	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23
	RM'000	RM'000	RM'000	RM'000
Profit attributable to ordinary shareholders of the parent	17,855	9,336	58,565	20,627
Number of shares in issue ('000)	143,114	143,114	143,114	143,114
Basic EPS (sen per share)	12.48	6.52	40.92	14.41

Diluted earnings per share are not applicable for the respective periods as there is no dilution effect on the number of shares.

B12. Authorisation for Issue

The interim financial statements were authorized for issue by the Board of Directors in accordance with resolution of the directors on 21 May 2024.

B13. Dividends Paid / Declared

Dividend paid / declared since the financial year 2020 up to the date of this report.

Dividend No.	Financial Year	Type	No. of shares (000)	Rate	RM ('000)	Payment Date
37	2024	Special dividend	143,114	10 sen per share, single tier	14,311	2.4.2024
36	2020	Interim dividend	130,104	0.5 sen per share, single tier	650	3.4.2020