

LTKM Berhad (Company No: 442942-H)
Condensed Consolidated Statement of Comprehensive Income
For the quarter ended 30 June 2015

	Note	Individual Quarter 3 months ended		Cumulative Quarter 3 months ended	
		30/6/2015	30/6/2014	30/6/2015	30/6/2014
		RM'000	RM'000	RM'000	RM'000
Revenue		40,755	45,248	40,755	45,248
Cost of sales		(34,870)	(33,876)	(34,870)	(33,876)
Gross profit		5,885	11,372	5,885	11,372
Other income		1,228	1,032	1,228	1,032
Administrative expenses		(1,948)	(1,572)	(1,948)	(1,572)
Distribution expenses		(849)	(636)	(849)	(636)
Finance costs		(184)	(265)	(184)	(265)
Other expenses		(575)	(44)	(575)	(44)
Profit before tax		3,557	9,887	3,557	9,887
Taxation	B5	(1,106)	(2,755)	(1,106)	(2,755)
Profit net of tax attributable to owners of the parent		2,451	7,132	2,451	7,132
Other comprehensive income, net of tax :					
Deferred tax on revaluation of land		(246)	-	(246)	-
Net change on AFS reserves :					
- fair value (loss)/gain		(785)	660	(785)	660
- impairment loss reclassified to profit or loss		251	-	251	-
- transfer to profit or loss upon disposal		(321)	-	(321)	-
Total comprehensive income attributable to owners of the parent		1,350	7,792	1,350	7,792
Basic earnings per share attributable to owners of the parent (sen) :	B11	1.88	5.48	1.88	5.48

The condensed consolidated income statement should be read in conjunction with the audited financial statements for the year ended 31 March 2015 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 2015

	Note	As at 30 June 2015	As at 31 Mar 2015
		RM'000	RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		93,916	93,911
Investment properties		52,850	52,850
Biological assets		338	341
Investment securities		33,798	36,119
		<u>180,902</u>	<u>183,221</u>
Current assets			
Biological assets		14,410	14,699
Inventories		15,149	11,744
Tax recoverables		1,658	84
Trade and other receivables		13,132	12,153
Cash and bank balances		35,065	37,645
		<u>79,414</u>	<u>76,325</u>
TOTAL ASSETS		<u>260,316</u>	<u>259,546</u>
EQUITY AND LIABILITIES			
Attributable to equity holders of the parent			
Share capital		65,052	43,368
Reserves		157,475	178,011
Total equity		<u>222,527</u>	<u>221,379</u>
Non-current liabilities			
Borrowings	B7	5,044	5,865
Deferred tax liabilities		8,771	8,528
		<u>13,815</u>	<u>14,393</u>
Current liabilities			
Trade and other payables		9,695	8,290
Dividend payable		-	4,337
Borrowings	B7	14,239	9,580
Taxation		40	1,567
		<u>23,974</u>	<u>23,774</u>
Total liabilities		<u>37,789</u>	<u>38,167</u>
TOTAL EQUITY AND LIABILITIES		<u>260,316</u>	<u>259,546</u>

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 31 March 2015 and the accompanying explanatory notes attached to the interim financial statements.

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

	3 months ended 30 June	
	2015	2014
	RM'000	RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax from continuing operations	3,557	9,887
Adjustment for non-cash flow		
Depreciation of property, plant & equipment	1,665	2,206
Amortisation of biological assets	4	9
Gain on disposal of property, plant and equipment	(108)	(38)
Gain on disposal of investment securities	(488)	(40)
Fair value loss on FVTPL investment	323	55
Impairment loss on AFS investment	251	-
Dividend income	(118)	(717)
Unrealised exchange (gain)/loss	(42)	16
Operating profit before changes in working capital	5,044	11,378
Decrease/(increase) in biological assets	288	(672)
(Increase)/decrease in inventories	(3,405)	4,680
Increase in receivables	(948)	(789)
Increase in payables	1,405	3,032
Cash generated from operating activities	2,384	17,629
Net taxes paid	(4,210)	(2,556)
Net cash (used in)/generated from operating activities	(1,826)	15,073
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant & equipment	(1,669)	(902)
Purchase of investment securities	(156)	(1,531)
Withdrawn of long term fixed deposits	109	106
Proceeds from disposal of property, plant and equipment	107	40
Proceeds from disposal of investment securities	1,547	454
Dividend received from investment securities	118	717
Net cash generated from/(used in) investing activities	56	(1,116)
CASH FLOW FROM FINANCING ACTIVITIES		
Dividends paid	(4,337)	(3,469)
Shares issuance expense	(202)	-
Net repayment of term loans	(852)	(1,575)
Net drawdown/(repayment) of other bank borrowings	4,690	(7,416)
Repayment of hire purchase	-	(169)
Net cash used in financing activities	(701)	(12,629)
Net change in cash and cash equivalents	(2,471)	1,328
Cash and cash equivalents at 1 April	37,536	20,933
Cash and cash equivalents at end of the period	35,065	22,261
Cash and cash equivalents comprise the following amounts:-		
Deposits with licensed banks	25,502	11,850
Cash on hand and at bank	9,563	10,411
Cash and bank balances	35,065	22,261
	35,065	22,261

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 March 2015 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 quarter ended 30 June 2015

	←-----Attributable to equity holders of the parent----->					Total equity RM'000
	[------(Non- distributable)-----]			(Distributable)		
	Share capital RM'000	Share premium RM'000	Asset revaluation reserve RM'000	Available -for-sale reserve RM'000	Retained profits RM'000	
3 months ended 30 June 2015						
At 1 April 2015	43,368	2,467	36,163	5,803	133,578	221,379
Total comprehensive income	-	-	(246)	(855)	2,451	1,350
Transactions with owners						
Bonus shares issued during the period	21,684	(2,265)			(19,419)	-
Share issuance expense	-	(202)	-	-	-	(202)
At 30 June 2015	65,052	-	35,917	4,948	116,610	222,527
3 months ended 30 June 2014						
At 1 April 2014	43,368	2,467	29,630	1,751	96,118	173,334
Total comprehensive income	-	-	-	660	7,132	7,792
At 30 June 2014	43,368	2,467	29,630	2,411	103,250	181,126

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 March 2015 and the accompanying explanatory notes attached to the interim financial statements.

A2 : Summary of Key Financial Information

	Individual Period		Cumulative Period	
	Current Year quarter 30.6.2015	Preceding year corresponding quarter 30.6.2014	Current year todate 30.6.2015	Preceding year corresponding period 30.6.2014
1 Proposed / declared dividend per share (sen)	-	-	-	-

A3: Additional Information

2 Gross interest income	213	85	213	85
3 Gross interest expense (excl hire purchase)	184	262	184	262
4 Net assets per share attributable to ordinary Equity holders of the parent (RM)			current qtr/yr 1.71	prior financial yr end 1.70 *

* based on issued and paid up share capital as at 30 June 2015 of 130,104,006 ordinary shares.

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 FRS 134: Interim Financial Reporting and Amendments to FRS 134: Interim Financial Reporting (Improvements to FRSs (2012)) 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 2015. 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 2015.

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 2015, except for the adoption of the following new and revised Financial Reporting Standards (“FRS”) and Amendments to FRSs that have become effective for the financial periods beginning 1 April 2015:-

Amendments to FRS 119: Defined Benefit Plans: Employee Contributions
Annual Improvements to FRSs 2010 - 2012 Cycle
Annual Improvements to FRSs 2011 – 2013 Cycle

The adoption of the above FRSs and Amendments to FRSs did not have any significant effects on the interim financial statements.

The Group has not early adopted the following FRSs and Amendments to FRSs, 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
Annual Improvements to FRSs 2013 - 2014 Cycle	1 January 2016
Amendments to FRS 116 and FRS 138 : Clarification of Acceptance Methods of Depreciation and Amortisation	1 January 2016
Amendments to FRS 116 and FRS 141 : Agriculture: Bearer Plants	1 January 2016
Amendments to FRS 10 and FRS128: sale or Contribution of Assets between and Investor and its Associate or Joint Venture	1 January 2016
Amendments to FRS 11: Accounting for Acquisitions of Interest in Joint Operations	1 January 2016
Amendments to FRS 127: Equity Method in Separate Financial Statements	1 January 2016
Amendments to FRS 101: Disclosure Initiative	1 January 2016
Amendments to FRS 10, FRS 12 and FRS 128: Investment Entities: Applying the Consolidation Exception	1 January 2016
FRS 14: Regulatory Deferral Accounts	1 January 2016
FRS 9: Financial Instruments	1 January 2016

The above new FRSs and Amendments to FRSs will be adopted by the Group when they become effective and that the initial applications of these Standards will have no material impact on the financial statements of the Group, except as disclosed below.:

Amendments to FRS 116 and FRS 141: Agriculture: Bearer Plants

The amendments change the accounting requirements for biological assets that meet the definition of bearer plants. Under the amendments, biological assets that meet the definition of bearer plants will no longer be within the scope of FRS 141. Instead, FRS 116 will apply. After initial recognition, bearer plants will be measured under FRS 116 at accumulated cost (before maturity) and using either the cost model or revaluation model (after maturity). The amendments also require that produce that grows on bearer plants will remain in the scope of FRS 141 and are measured at fair value less costs to sell.

Amendments to FRS 127: Equity Method in Separate Financial Statements

The amendments will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associate in their separate financial statements. Entities already applying FRS and electing to change to the equity method in its separate financial statements will have to apply this change retrospectively. For first-time adopters of FRS electing to use the equity method in its separate financial statements, they will be required to apply this method from the date of transition to FRS. The amendments are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments will not have any impact on the Group's and the Company's financial statements.

Amendments to FRS 10, FRS 12 and FRS 128: Investment Entities: Applying the Consolidation Exception

The amendments clarify that the exemption from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity, when the investment entity measures all of its subsidiaries at fair value. The amendments further clarify that only a subsidiary that is not an investment entity itself and provides support services to the investment entity is consolidated. In addition, the amendments also provides that if an entity that is not itself an investment entity has an interest in an associate or joint venture that is an investment entity, the entity may, when applying the equity method, retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries.

FRS 9: Financial Instruments - Classification and Measurement

In November 2014, MASB issued the final version of FRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces FRS 139 Financial Instruments: Recognition and Measurement and all previous versions of FRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. FRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. The adoption of FRS 9 will have an effect on the classification and measurement of the Group's financial assets, but no impact on the classification and measurement of the Group's financial liabilities.

Malaysian Financial Reporting Standards

The Group falls within the Transitioning Entities of the Malaysian Accounting Standards Board (MASB)'s new approved accounting framework, the Malaysian Financial Reporting Standards ("MFRS"); and accordingly, will only be issuing its first MFRS compliant financial statements for the period beginning 1 April 2017.

A2. Audit Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the year ended 31 March 2015 was not qualified.

A3. Segmental Information

	3 months ended		Increase/ (decrease) %
	30-Jun-15 RM'000	30-Jun-14 RM'000	
Segment revenue			
Poultry & related products	39,742	44,148	-10%
Extraction & sale of sand	1,013	1,100	-8%
Total	40,755	45,248	-10%
Segment results			
Poultry & related products	3,659	9,068	-60%
Investment holdings	(518)	202	-356%
Extraction & sale of sand	481	649	-26%
Others	(65)	(32)	103%
Profit before tax	3,557	9,887	-64%
Less: Tax expense	(1,106)	(2,755)	-60%
Profit net of tax	2,451	7,132	-66%

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 30 June 2015.

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

On 8 April 2015, the Company has paid an interim single-tier dividend of 10 sen per ordinary shares of RM1.00 each in respect of the financial year ended 31 March 2015, amounting to RM4,336,800.

A8. Carrying Amount of Revalued Assets

There were no other changes in the valuation of property, plant and equipment brought forward from the previous annual financial statements.

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 2015.

A12. Subsequent Events

There were no material events subsequent to the end of the interim period that have not been reflected in the financial statements for the interim period.

A13. Profit for the Period

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

	Current Quarter 3 months ended	
	30-Jun-15	30-Jun-14
Interest income	213,036	85,103
Other income including investment income	233,613	780,023
Interest expense	(183,777)	(265,367)
Depreciation & amortisation	(1,668,661)	(2,215,652)
Provision for and write off of receivables	-	-
Provision for and write off of inventories	-	-
Gain on disposal of :		
Quoted shares	487,742	39,944
Unquoted investments	-	-
Properties	-	-
Impairment of assets	250,811	-
Foreign exchange gain:-		
Realised gain	251,174	126,928
Unrealised gain/(loss)	42,207	(15,860)
Gain/(loss) on derivatives	-	-
Exceptional items	-	-

A14. Realised and Unrealised Profits Disclosure

	Group		Company	
	As at 30.6.2015 (RM'000)	As at 31.3.2015 (RM'000)	As at 30.6.2015 (RM'000)	As at 31.3.2015 (RM'000)
Total retained profits of the Group and the Company :-				
Realised profits	82,716	101,294	20,764	40,089
Unrealised profits	14,930	13,407	0.21	0.21
	97,646	114,701	20,764	40,089
Add : Consolidation adjustments	18,964	18,877	-	-
Retained profits as per consolidated accounts:	116,610	133,578	20,764	40,089

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

The Group registered a revenue of RM40.75 million and a net profit of RM2.45 million for the current quarter as compared to a revenue of RM45.25 million and a net profit of RM7.13 million in the same quarter of previous year. The lower revenue and net profit was mainly due to the decline in egg prices. Increase in the overall supply in the industry was the main reason for the decline in egg prices.

Revenue and contribution from other segments did not significantly affect the performance of the Group for the current quarter under review.

B2. Comment on Material Change in Profit Before Tax

The Group posted a profit before tax of RM3.56 million for the current quarter versus RM26.78 million in the preceding quarter. The Group's revenue for this quarter at RM40.75 million is also lower compared to RM49.99 million recorded in the preceding quarter. The significant decline in profit was mainly due to the fall in egg prices and a RM11.73 million gain arising from investment properties revaluation recorded in the preceding quarter.

The changes in contributions from other segments of the Group were not significant for the quarter under review.

B3. Commentary on Prospects

The Board views the next period as challenging due to the lower egg prices and the impact of the rising US dollar on costs of major raw materials such as corn and soybean. Contributions from the Extraction and Sale of Sand are not expected to significantly differ whilst no material contributions are expected from the other segments.

B4. Profit Forecast or Profit Guarantee

This is not applicable.

B5. Tax Expenses

	3 months ended 30.6.15 RM'000	3 months ended 30.6.14 RM'000
Income tax expense	1,109	2,755
Deferred tax expense	(3)	-
Total	1,106	2,755

The effective tax rate for the current period is higher than the the statutory rate of 24% due to certain unallowable losses.

B6. Corporate Proposals

(a) Status of Corporate Proposals

On 7 April 2015, LTKM has announced to undertake the following proposals:

- (i) bonus issue of 21,684,001 Bonus Shares to be credited as fully paid-up, on the basis of 1 Bonus Share for every 2 existing LTKM Shares held on the Bonus Issue Entitlement Date;
- (ii) share split involving the subdivision of every 1 LTKM Share held into 2 Subdivided Shares on the Share Split Entitlement Date;
- (iii) establishment of an employees' share option scheme of up to 10% of the issued and paid-up ordinary share capital (excluding treasury shares, if any) of LTKM at any point in time during the duration of the Scheme for the Eligible Persons; and
- (iv) amendments to the M&A of LTKM to facilitate the Proposed Share Split.

Bursa Securities had via its letter dated 13 May 2015 approved the following:

- (i) listing of and quotation for the Bonus Shares and new ordinary shares in LTKM to be issued from time to time pursuant to the exercise of the Options on the Main Market of Bursa Securities; and
- (ii) the Proposed Share Split and listing of and quotation for the Subdivided Shares to be issued pursuant to the Proposed Share Split.

The proposals were approved at the EGM held on 12 June 2015 and subsequently completed on 30 June 2015. The new shares pursuant to the bonus issues and split shares were listed on 1 July 2015.

(b) Status of Utilisation of Proceeds

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

B7. Borrowings

The total Group borrowings as at 30 June 2015 were as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
Short term borrowings			
Term loan	1,113	1,784	2,897
Other bank borrowings	-	11,342	11,342
	<u>1,113</u>	<u>13,126</u>	<u>14,239</u>
Long term borrowings			
Term loan	992	4,052	5,044
Total borrowings	<u>2,105</u>	<u>17,178</u>	<u>19,283</u>

There were no borrowings in any foreign currency as at 30 June 2015.

B8. Off Balance Sheet Financial Instrument

There were no off balance sheet financial instruments as at 30 June 2015.

B9. Changes in Material Litigations

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

B10. Dividend Payable

No dividend has been declared in the financial period ended 30 June 2015 (30 June 2014: Nil).

B11. Earnings per share ("EPS")

	3 months ended	
	30-Jun-15 RM'000	30-Jun-14 RM'000
Profit attributable to ordinary shareholders of the parent	2,451	7,132
Number of shares	130,104,006	130,104,006 *
Basic EPS (sen per share)	1.88	5.48

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

*based on issued and paid up share capital as at 30 June 2015 of 130,104,006 ordinary 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 27 August 2015.

B13. Dividends Paid / Declared

Dividend paid / declared since the financial year 2013 up to the date of this report.

Dividend No.	Financial Year	Type	Rate	Payment Date
22	2013	Interim dividend	4% per RM1.00 share, single tier (4 sen)	8.4.2013
23	2013	Final dividend	8% per RM1.00 share, single tier (8 sen)	4.10.2013
24	2014	Interim dividend	8% per RM1.00 share, single tier (8 sen)	8.4.2014
25	2014	Final dividend	10% per RM1.00 share, single tier (10 sen)	3.10.2014
26	2015	Interim dividend	10% per RM1.00 share, single tier (10 sen)	8.4.2015
27	2015	Final dividend	5% per RM0.50 share, single tier (2.5 sen)	6.10.2015