

LTKM Berhad (Company No: 442942-H)
Condensed Consolidated Statement of Comprehensive Income
For the period ended 30 June 2024

	Note	Individual Quarter 3 months ended		Cumulative Quarter 3 months ended	
		30/06/2024 RM'000	30/06/2023 RM'000	30/06/2024 RM'000	30/06/2023 RM'000
Revenue		55,892	64,757	55,892	64,757
Cost of sales		(48,334)	(57,996)	(48,334)	(57,996)
Gross profit		7,558	6,761	7,558	6,761
Other income		4,901	3,064	4,901	3,064
Administrative expenses		(1,969)	(2,043)	(1,969)	(2,043)
Distribution expenses		(1,274)	(1,081)	(1,274)	(1,081)
Finance costs		(855)	(966)	(855)	(966)
Other expenses		(1,768)	(1,315)	(1,768)	(1,315)
Profit before tax		6,593	4,420	6,593	4,420
Taxation	B5	(827)	(1,813)	(827)	(1,813)
Profit net of tax attributable to owners of the parent		5,766	2,607	5,766	2,607
Other comprehensive income/(loss), net of tax:					
Net change on FVOCI reserves :					
- changes in fair value		4,152	(166)	4,152	(166)
Total comprehensive income attributable to owners of the parent		9,918	2,441	9,918	2,441
Basic earnings per share attributable to owners of the parent (sen) :	B11	4.03	1.82	4.03	1.82

The condensed consolidated income statement should be read in conjunction with the audited financial statements for the year ended 31 March 2024 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 30 June 2024

	Note	As at 30 June 2024 RM'000	As at 31 Mar 2024 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		75,058	75,982
Investment properties		93,800	93,800
Land held for development		33,746	33,746
Right of use asset		4,604	4,893
Deferred tax assets		19	19
Investment securities		70,926	61,536
Other investments		5,785	958
		<u>283,938</u>	<u>270,934</u>
Current assets			
Biological assets		10,226	9,276
Inventories		18,060	16,086
Tax recoverables		3,070	1,537
Trade receivables		8,221	9,375
Other receivables		1,932	712
Prepayments		683	1,921
Cash and bank balances		61,380	79,164
		<u>103,572</u>	<u>118,071</u>
TOTAL ASSETS		<u>387,510</u>	<u>389,005</u>
EQUITY AND LIABILITIES			
Attributable to equity holders of the parent			
Share capital		76,696	76,696
Reserves		219,171	209,253
Total equity		<u>295,867</u>	<u>285,949</u>
Non-current liabilities			
Borrowings	B7	18,763	19,684
Lease liabilities		3,772	4,041
Deferred tax liabilities		2,278	2,388
		<u>24,813</u>	<u>26,113</u>
Current liabilities			
Borrowings	B7	43,318	41,356
Trade payables		9,361	7,560
Other payables		12,872	12,422
Lease liabilities		1,100	1,100
Dividend payable		-	14,311
Taxation		179	194
		<u>66,830</u>	<u>76,943</u>
Total liabilities		91,643	103,056
TOTAL EQUITY AND LIABILITIES		<u>387,510</u>	<u>389,005</u>

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 31 March 2024 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	
	30/06/2024	30/06/2023
	RM'000	RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	6,593	4,420
Adjustments for non-cash flow:		
Depreciation of property, plant and equipment	1,223	1,161
Gain on disposal of property, plant and equipment	(22)	-
Depreciation of right of use assets	289	288
Impairment loss on other investment	173	-
Fair value changes in biological assets	495	361
Fair value changes in produce inventories	(39)	(59)
Dividend income	(910)	(95)
Interest expense	855	966
Interest income	(236)	(272)
Operating profit before working capital changes	8,421	6,770
Working capital changes in:		
Biological assets	(1,445)	(304)
Inventories	(1,935)	(4,937)
Receivables	1,172	3
Payables	2,251	18,557
Cash generated from operating activities	8,464	20,089
Net taxes paid	(2,485)	(1,213)
Interest paid	(855)	(966)
Net cash generated from operating activities	5,124	17,910
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of:		
Property, plant & equipment	(299)	(10)
Investment securities	(5,384)	(235)
Other investment	(5,000)	-
Proceeds from disposal of:		
Property, plant and equipment	22	-
Investment securities	146	26
Interest received	236	272
Dividend received	910	95
Net cash (used in)/generated from investing activities	(9,369)	148
CASH FLOW FROM FINANCING ACTIVITIES		
Dividends paid	(14,311)	-
Repayment of term loans	(2,293)	(2,103)
Net drawdown of other bank borrowings	3,334	94
Repayment of hire purchase	-	(7)
Payment of lease liabilities	(269)	(254)
Net cash used in financing activities	(13,539)	(2,270)
Net change in cash and cash equivalents	(17,784)	15,788
Cash and cash equivalents at 1 April	79,164	79,602
Cash and cash equivalents at end of the year	61,380	95,390
Cash and cash equivalents comprise the following amounts:-		
Deposits with licensed banks	20,661	24,154
Cash on hand and at bank	40,719	71,236
Cash and bank balances	61,380	95,390
	61,380	95,390

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 March 2024 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 30 June 2024

	<-----Attributable to equity holders of the parent----->			
	(Non- distributable)		(Distributable)	
	Share capital RM'000	Fair Value Through Other Comprehensive Income RM'000	Retained earnings RM'000	Total equity RM'000
3 months ended 30 June 2024				
At 1 April 2024	76,696	(147)	209,400	285,949
Total comprehensive income	-	4,152	5,766	9,918
Profit net of tax	-	-	5,766	5,766
Other comprehensive income, net of tax	-	4,152	-	4,152
At 30 June 2024	76,696	4,005	215,166	295,867
3 months ended 30 June 2023				
1 April 2023	76,696	(6,091)	165,128	235,733
Total comprehensive (loss)/income	-	(166)	2,607	2,441
Profit net of tax	-	-	2,607	2,607
Other comprehensive loss, net of tax	-	(166)	-	(166)
At 30 June 2023	76,696	(6,257)	167,735	238,174

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 March 2024 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 2024. 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 2024.

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 2024, 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 2024:

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 101: Classification of Liabilities as Current or Non-Current	1 January 2024
Amendments to MFRS 107 and MFRS 7 Disclosures: Supplier Finance Arrangements	1 January 2024

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 121: Lack of exchangeability	1 January 2025
MFRS 18: Presentation and Disclosure in Financial Statements	1 January 2027
Amendments to MFRS 10 and MFRS 128: Sale or 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 2024 was not qualified.

A3. Segmental Information

	3 months ended		
	30-Jun-24	30-Jun-23	Change
	RM'000	RM'000	%
Segment revenue			
Poultry & related products	53,906	62,819	-14%
Extraction & sale of sand	1,896	1,848	3%
Investment holdings	90	90	0%
Total	<u>55,892</u>	<u>64,757</u>	<u>-14%</u>
Segment results			
Poultry & related products	5,838	4,776	22%
Extraction & sale of sand	402	320	26%
Investment holdings	440	(563)	178%
Property development	(87)	(113)	23%
Profit before tax	<u>6,593</u>	<u>4,420</u>	<u>49%</u>
Less: Taxation	(827)	(1,813)	-54%
Profit net of tax	<u>5,766</u>	<u>2,607</u>	<u>121%</u>

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 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

On 2 April 2024, the Company paid a special single-tier dividend of 10 sen per ordinary share in respect of the financial year ended 31 March 2024 which amounted to RM14,311,401.

A8. Carrying Amount of Fixed Assets

There were no 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 2024.

A12. Profit for the Period

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

	Current Quarter	
	3 months ended	
	30-Jun-24	30-Jun-23
	(RM'000)	(RM'000)
Interest income	236	272
Other income including investment income	3,740	2,647
Interest expense	(855)	(966)
Depreciation & amortisation	(1,512)	(1,449)
Fair value changes on biological assets	(456)	(302)
Provision for and write off of receivables	-	-
Provision for and write off of inventories	-	-
Gain on disposal of :		
Quoted shares	-	-
Unquoted investments	-	-
Properties	-	-
Impairment of assets	(173)	-
Foreign exchange (loss)/gain:-		
Realised gain	(1,099)	145
Unrealised gain/(loss)	925	(953)
Gain/(loss) on derivatives	-	-
Exceptional items	-	-

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

	Current Quarter RM'000	Preceding Year Corresponding Quarter RM'000	Change %
Segment revenue			
Poultry & related products	53,906	62,819	-14%
Extraction & sale of sand	1,896	1,848	3%
Investment holdings	90	90	0%
Total	<u>55,892</u>	<u>64,757</u>	<u>-14%</u>
Segment result			
Poultry & related products	5,838	4,776	22%
Extraction & sale of sand	402	320	26%
Investment holdings	440	(563)	178%
Property development	(87)	(113)	23%
Profit before tax	6,593	4,420	49%
Less: Taxation	(827)	(1,813)	-54%
Profit net of tax	<u>5,766</u>	<u>2,607</u>	<u>121%</u>

The Group registered a revenue of RM55.89 million and a profit net of tax of RM5.77 million for the current quarter as compared to a revenue of RM64.76 million and a profit net of tax of RM2.61 million in the same quarter of previous year. Revenue for the Group decreased by 14% due to lower eggs quantity sold and lower average selling price of eggs. However, poultry segment's result increased by 22% due to lower cost of major raw materials particularly corn and soybean.

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

Investment holdings segment also recorded higher result contributed mainly by dividends received from investment in securities as compared to the same quarter of previous year.

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

B2. Variation of result Against Preceding Quarter

	Current Quarter RM'000	Immediate Preceding Quarter RM'000	Change %
Segment revenue			
Poultry & related products	53,906	59,008	-9%
Extraction & sale of sand	1,896	2,175	-13%
Investment holdings	90	90	0%
Total	<u>55,892</u>	<u>61,273</u>	<u>-9%</u>
Segment result			
Poultry & related products	5,838	13,370	-56%
Extraction & sale of sand	402	(393)	202%
Investment holdings	440	4,534	-90%
Property development	(87)	(44)	-99%
Profit before tax	<u>6,593</u>	<u>17,467</u>	<u>-62%</u>

The Group posted profit before tax of RM6.59 million for the current quarter as compared to profit before tax RM17.47 million in the preceding quarter. The Group recorded lower profit before tax in tandem with decrease in revenue in the current quarter and fair value gain on investment properties recorded in the preceding quarter.

B3. Commentary on Prospects

The Board remains cautious in view of the volatility on the overall economy. The reduction in egg control price as announced on 17 June 2024 shall impact product margin whilst the recent strengthening of the Ringgit shall ease production costs. Nonetheless management shall remain vigilant and continue to focus on operational efficiencies and product quality to remain competitive.

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

	3 months ended 30.6.24 RM'000	3 months ended 30.6.23 RM'000
Income tax expense	936	1,885
Deferred tax (reversal)/expense	(109)	(72)
Total	<u>827</u>	<u>(1,813)</u>

The effective tax rate is higher than the statutory rate of 24% due mainly to the effects of unallowable expenses.

B6. Corporate Proposals

a) Status of Corporate Proposals

There were no corporate proposals announced but not completed as at 14 August 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 30.6.2024 RM'000	As at 30.6.2023 RM'000
Short term		
<i>Secured:-</i>		
Revolving credit	10,000	9,000
Banker acceptance	2,925	2,793
Bank term loans	6,584	9,557
	19,509	21,350
<i>Unsecured:-</i>		
Revolving credit	10,000	10,750
Banker acceptance	13,808	11,509
	23,808	22,259
	43,318	43,609
Long term		
<i>Secured:-</i>		
Bank term loans	18,763	25,317
	18,763	25,317
Total borrowings	62,081	68,926

b) There were no borrowings in foreign currency as at 30 June 2024.

c) Effective average cost of borrowings based on exposure as at 30 June 2024 was 5.30% (30 June 2023: 5.34%).

B8. Off Balance Sheet Financial Instrument

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

No dividend has been declared in the financial period ended 30 June 2024.

B11. Earnings per share (“EPS”)

	3 months ended	
	30-Jun-24	30-Jun-23
	RM'000	RM'000
Profit attributable to ordinary shareholders of the parent	5,766	2,607
Number of shares in issue ('000)	143,114	143,114
Basic EPS (sen per share)	4.03	1.82

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 August 2024.

B13. Dividends Paid / Declared

Dividend paid / declared since the financial year 2024 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 per share, single tier	14,311	2.4.2024