



LTKM BERHAD
199701027444 (442942-H)



2024
ANNUAL REPORT

LTK Omega Plus

Your Health Partner

5X Omega-3
& DHA*

Omega-3 Polyunsaturated Fatty Acids (PUFA), such as DHA, are found naturally in some foods. Egg is one of them. Adequate intake of Omega-3 and DHA is vital for the health benefits of our heart, brain and eyes. With an all natural feed formula to feed our chickens, we at LTK are able to produce even more nutritious eggs with higher content of Omega-3, DHA, Vitamin E and Selenium.



100% Natural

Feeds such as Flaxseed,
Corn & Soybean.

100% Natural

Caratenoids. No synthetic
colouring.

* In comparison to an ordinary egg



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Corporate Information

BOARD OF DIRECTORS

Datuk Tan Kok
Executive Chairman

Tan Chee Huey
Executive Director

Loh Wei Ling
Executive Director

Datin Lim Hooi Tin
Non-Independent Non-Executive Director

Kenny Tan Kah Poh
Independent Non-Executive Director

Mok Kam Loong
Independent Non-Executive Director

Choo Seng Choon
Independent Non-Executive Director



AUDIT COMMITTEE

Choo Seng Choon (*Chairman*)
Kenny Tan Kah Poh
Mok Kam Loong

REMUNERATION COMMITTEE

Datuk Tan Kok (*Chairman*)
Kenny Tan Kah Poh
Mok Kam Loong

NOMINATION COMMITTEE

Kenny Tan Kah Poh (*Chairman*)
Mok Kam Loong
Choo Seng Choon

COMPANY SECRETARY

Ng Yim Kong
MACS00305
SSM PC 20208000309

REGISTERED OFFICE

Unit 07-02, Level 7, Persoft Tower
6B Persiaran Tropicana
Tropicana Golf & Country Resort
47410 Petaling Jaya
Selangor Darul Ehsan
Tel : 03-7804 5929
Fax : 03-7805 2559

REGISTRAR

Tricor Investor & Issuing House
Services Sdn Bhd
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No.8, Jalan Kerinchi
59200 Kuala Lumpur
Tel : 03-2783 9299
Fax : 03-2783 9222

CORPORATE OFFICE

No. 102, Batu 1 ½
Jalan Meru
41050 Klang
Selangor Darul Ehsan
Tel : 03-3342 2830/2831
Fax : 03-3341 1967
www.ltkm.com.my

AUDITORS

Messrs. Ernst & Young
Chartered Accountants
Level 23A, Menara Millenium
Jalan Damanlela
Pusat Bandar Damansara
50490 Kuala Lumpur

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia
Securities Berhad
Stock Name : LTKM
Stock Code : 7085

Profile of Board of Directors

DATUK TAN KOK

Executive Chairman, Chairman of Remuneration Committee

A Malaysian, aged 73, Datuk Tan Kok was appointed to the Board on 23 December 1999. He has more than 40 years of experience in the poultry sector, particularly in layer farming. He participated actively in the development of the layer industry and was previously appointed as the Chairman of the Sub-Committee of Layer Division of the Selangor Livestock Farmers' Association. Currently, he is a Committee Member of the Selangor Livestock Farmers' Association. He also sits on the Board of several private limited companies.

He does not hold any directorship in other public listed companies.

TAN CHEE HUEY

Executive Director

A Malaysian, aged 44, Ms Tan Chee Huey was appointed to the Board on 24 February 2016. She graduated with a degree in Nutrition and Community Health (Hons.) from University Putra Malaysia. Prior to joining LTKM Berhad, she was a nutritionist in Mead Johnson Nutrition (Malaysia) Sdn Bhd. She joined the Group in 2007 and was later promoted to be the Corporate Affairs Manager of the Company. She is also involved in the management of the poultry operation.

She is the daughter-in-law of Datuk Tan Kok and Datin Lim Hooi Tin. She does not hold any directorship in other public listed companies.

LOH WEI LING

Executive Director

A Malaysian, aged 43, Ms Loh Wei Ling was appointed to the Board on 4 October 2019. She graduated with a degree in Bachelor of Computer Science from the University of South Australia. Prior to joining LTKM Berhad, she was a Business Development Executive in The Star Publications Sdn. Bhd., for digital media in the areas of marketing and sales. She joined the Group in 2011 as the Administration Manager and is currently involved in the day-to-day administration of various subsidiaries of the Group.

She is the daughter-in-law of Datuk Tan Kok and Datin Lim Hooi Tin. She does not hold any directorship in other public listed companies.

DATIN LIM HOOI TIN

Non-Independent Non-Executive Director

A Malaysian, aged 72, Datin Lim was appointed to the Board on 23 December 1999. She has wide experience in the administration and management of layer farm. She also sits on the Board of several private limited companies.

She is the wife of Datuk Tan Kok. She does not hold any directorship in other public listed companies.

Profile of Board of Directors

cont'd

KENNY TAN KAH POH

Independent Non-Executive Director, Member of Audit Committee, Remuneration Committee and Chairman of Nomination Committee

A Malaysian aged 38, Kenny Tan was appointed to the Board on 25 May 2017. He holds a Bachelor of Laws (Honours) from Oxford Brookes University, U.K. and the Certificate of Legal Practice from the Legal Qualifying Board of Malaysia. He was admitted to the High Court of Malaya as an Advocate and Solicitor in 2011. In the same year, he commenced his earlier legal practice in a mid-sized law firm in Kuala Lumpur as a legal associate and was subsequently made a Partner in January 2015. In 2017, he founded Kenny Tan & Co and he is currently the managing partner of the said firm.

Kenny Tan has experience in diverse range of corporate and commercial transactions and his areas of practice include capital markets, mergers and acquisitions, corporate restructuring, listing, venture capital and security dealings. He also regularly advises companies of various industries on matters pertaining to directors' duties, corporate governance, shareholders' dispute, regulatory compliance and general litigation.

Kenny Tan has no family relationship with any director and/or major shareholder of the Company. He also serves as an independent non-executive director in Topvision Eye Specialist Berhad since 5 September 2023.

MOK KAM LOONG

Independent Non-Executive Director, Member of Audit Committee, Remuneration Committee and Nomination Committee

A Malaysian aged 60, Mr Mok was appointed to the Board on 4 October 2019. He holds a Degree in Surveying (Land) from the University Technology Malaysia. He is a member of the Malaysian Royal Institute of Surveyors and is in practice as a licensed land surveyor. He has over 20 years of experience in the areas of land surveying and land development consultancies.

Mr Mok has no family relationship with any director and/or major shareholder of the Company. He does not hold any directorship in other public listed companies.

CHOO SENG CHOON

Independent Non-Executive Director, Chairman of Audit Committee, Member of Nomination Committee

A Malaysian aged 50, Mr Choo was appointed to the Board on 25 February 2021. He is a Certified Public Accountant of the Malaysian Institute of Certified Public Accountant ("MICPA"), a Chartered Accountant of the Malaysian Institute of Accountants, a fellow member of the Chartered Association of Certified Accountants (UK), a Chartered Member of the Institute of Internal Auditors Malaysia and a Certified Internal Auditor. He also holds a Diploma in Financial Accounting from Tunku Abdul Rahman College, Kuala Lumpur. Mr Choo has over 25 years of professional and commercial experience in multi-discipline that includes internal audit, risk and financial management, performance & business management, IPOs, taxation, due diligence, corporate finance, business process re-engineering, investigations, corporate governance and financial audits. He currently owns and manages his own corporate advisory firm that specialises in the provision of business advisory, risk management and internal audit services to a wide range of public listed, multi-national and private companies operating in Malaysia and other Asia Pacific Regions.

Mr Choo has no family relationship with any director and/or major shareholder of the Company. He also serves as an independent director of EA Holdings Bhd, non-independent non-executive director of Vinvest Capital Holdings Bhd and on 30 August 2023 was appointed independent director of Hua Yang Berhad.

General Information

Datuk Tan Kok and Datin Lim Hooi Tin, who is the spouse of the former, are also the substantial shareholders of the Company via their shareholding in Ladang Ternakan Kelang Sdn Berhad, a substantial shareholder of the Company. Other than as disclosed, none of the other Directors have any family relationship with any Director and/or substantial shareholders of the Company.

None of the Directors have:

- any conflict of interest with the Company and
- any convictions for offences within the past 10 years other than traffic offences.

Profile of Key Senior Management

KOK CHIEW HENG

Sales & Marketing Manager, Poultry Division

Kok Chiew Heng, aged 64, is a pioneer staff of LTK (Melaka) Sdn Bhd ("LM") who joined in 1984 and is currently the Sales & Marketing Manager. He played a key role in establishing the operation's network of loyal customers and efficient distribution system. In his current capacity as Sales & Marketing Manager, he is principally responsible for all aspects of marketing including development of new markets and market survey for both local and overseas.

LOO ENG SENG

Operations & Development Manager, Poultry Division

Loo Eng Seng, aged 63, is the Operations and Development Manager and he joined LM in October 1986. He holds a Diploma in Civil Engineering from the Federal Institute of Technology. He is a qualified quantity surveyor and is currently responsible for various aspects of the farm's operations including workers' management, management of by-products, farm assets maintenance and development. His prior experience as a quantity surveyor has benefited the poultry operation with his implementation of effective management and control of overheads and farm assets.

DR MAZILA BT MOKHTAR

Veterinarian, Poultry Division

Dr Mazila bt Mokhtar, aged 54, is the Veterinarian at LM. She holds a Doctorate of Veterinary Medicine and Animal Science from University Putra Malaysia (formerly known as Universiti Pertanian Malaysia). Prior to joining the Group in 1996, she worked for Broiler Farm Sdn Berhad, a company involved in broiler farming, as a Farm Veterinarian for two months and subsequently, as a Research Assistant in Veterinary Pathology and Microbioly, Faculty of Veterinary Medicine and Animal Science, University Putra Malaysia for a tenure of two years. With her experience in this field of poultry farming, she is currently responsible for the research and the management of flock health, bio-security and feed formulation programme.

JANCY OH SUAN TIN

Group Financial Controller

Jancy Oh, aged 51, is LTKM's Group Financial Controller. She joined LTKM in December 2008. She graduated from the University of Malaya with a Bachelor of Accounting (Honours) in 1997 and has obtained her professional qualification from the Chartered Institute of Management Accountants ("CIMA") in 2016. She is a member of the Malaysian Institute of Accountants since 2000. She started her career in the Hong Leong Group in 1997 and later joined DuPont Malaysia Sdn Bhd in 2001, a US multinational company that was based in Shah Alam and then KLK Group under Palm Oleo Sdn Bhd before joining LTKM in 2008. Her areas of experience include accounting, financial reporting, internal audit and controls, taxation and corporate related areas. She is currently responsible for the overall financial and reporting functions in LTKM Group. She also serves as an independent non-executive director in Kein Hing International Bhd since 22 November 2022.

LOO LENG FONG

Accounting Manager

Loo Leng Fong, aged 52, is LTKM's Accounting Manager since 1998. She graduated from the University of Nebraska-Lincoln, U.S.A. in 1994 with a Bachelor of Science in Business Administration majoring in Finance. After her graduation, she started employment with Amsteel Mills Sdn Bhd before joining LTKM Berhad in 1998. She is in charge of the day-to-day accounting and finance operations of LTKM Group.

Letter to Shareholders

“ On behalf of the Board of Directors of LTKM Berhad, we are pleased to present to you the Annual Report and the Audited Financial Statements of the Group and the Company for the financial year ended 31 March 2024 (“FY2024”). ”

In the year 2023, the Malaysian economy grew marginally at 3.70% supported by improving economic fundamentals in the labour market and tapering inflationary pressures¹. LTKM has benefited from the economic recovery as its costs base has stabilized resulting in improved earnings for the financial year under review. Please refer to the Management Analysis and Discussion in the ensuing pages of this Annual Report for details of the Group’s FY2024 financial performance and prospects.

The Company’s corporate exercise to enter into the electrical & electronics sector whilst the poultry business was to undergo privatization since the last financial year was unfortunately terminated. This was due to differing turnout in the business performance of both businesses; which could no longer support the rationale for the proposed transaction. However the termination did not have significant impact to the existing operations of the Group as the inter-related agreements were mutually terminated.

The core business of the Group i.e. the poultry operation continued to operate in a price control environment for all part of the financial year, which was imposed by the government since February 2022. The control price on eggs was further tightened in June 2024 when the ceiling prices were reduced by 3 sen.

On behalf of the Board, I would like to convey our appreciation to our customers, bankers, suppliers, advisors, staff and management, regulatory bodies and all shareholders for the continued dedication, commitment and support.

Once again, thank you.

Datuk Tan Kok
Chairman

¹ 2023 Economic Growth Normalised, Supported By Recovery In Economic Activities And Labour Market Conditions - Press Release by the Ministry of Finance Malaysia dated 16 February 2024.

Management Discussion and Analysis

The information in this management discussion and analysis should be read in conjunction with the Company's audited consolidated financial statements and the notes related thereto.

OVERVIEW

For FY2024, LTKM recorded a revenue of RM257.7 million which is a small increase of 0.2% as compared to RM257.3 million in FY2023. LTKM enjoyed record earnings in FY2024 with profit before tax improving by 112% to RM64.6 million in FY2024 as compared to RM30.5 million in FY2023. Earnings per share ("EPS") was 40.92 sen as compared to 14.41 sen in FY2023.

PERFORMANCE REVIEW

Revenue

	FY2024 RM'000	FY2023 RM'000	Change %
Revenue	257,687	257,272	0.2%
Poultry	248,341	249,817	-1%
Sand mining	8,986	7,095	27%
Investment holdings	360	360	-

Poultry segment remained the main contributor of the Group's revenue at RM248.3 million (FY2023 : RM249.8 million) with the remaining revenue coming from the sale of sand at RM8.9 million (FY2023 : RM7.1 million) and rental from investment properties remained at RM0.36 million (FY2023 : RM0.36 million).

Poultry segment revenue decreased slightly by 1% as average eggs price and volume sold almost maintained in FY2024 whilst sand mining segment recorded improvement in revenue by 27% due to increase in production. Other segments reported nil or insignificant contribution in revenue.

Profit before tax

	FY2024 RM'000	FY2023 RM'000	Change %
Profit before tax	64,639	30,524	112%
Poultry	60,814	34,404	77%
Sand mining	1,307	(85)	1638%
Investment holdings	2,759	(2,095)	232%
Property development	(241)	(1,700)	86%

Poultry segment had a record earnings of RM60.8 million an increase of 77% from FY2023, albeit a marginal drop in revenue; contributed mainly by higher government subsidies and lower cost of production. Cost of major raw materials particularly corn decreased resulting in lower production cost as compared to the previous financial year. Sand mining recorded improved segmental earnings at RM1.3 million due to higher volume sold.

Investment holdings improved by 207% to RM2.8 million as a result of fair valuation gain on investment properties. Loss by property development segment narrowed to RM0.2 million as compared to previous financial year (RM1.7 million) due to impairment losses in the previous financial year. As a result, the Group's earnings before tax improved by 112% from profit before tax of RM30.5 million in FY2023 to profit before tax of RM64.6 million in FY2024.

Significant movements of items in Consolidated Statement of Financial Position

	FY2024 RM'000	FY2023 RM'000	Change RM'000
Investment properties	93,800	88,800	5,000
Investment securities	61,536	20,230	41,306
Biological assets	9,276	7,901	1,375
Inventories	16,086	13,576	2,510
Trade receivables	9,375	10,024	(649)
Trade & other payables	19,981	23,675	(3,838)
Cash & bank balances	79,164	79,602	(438)
Borrowings	61,040	70,959	(9,776)
Net cash	18,124	8,643	9,338

As at 31 March 2024:

- Investment properties increased by RM5.0 million due to annual fair valuation carried out as per LTKM's accounting policy.
- Investment in quoted securities increased from RM20.2 million to RM61.5 million due to additions during the financial year.
- Inventories increased to RM16.1 million (FY2023: RM13.6 million) due to higher stock holding of major raw materials.
- Trade receivables was RM9.4 million as compared with RM10.0 million as at 31 March 2023. Average collection days for the financial year improved to 14 days (FY2023: 16 days).

Management Discussion and Analysis

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PERFORMANCE REVIEW *cont'd*

Significant movements of items in Consolidated Statement of Financial Position *cont'd*

5. Trade and Other Payables decreased to RM20.0 million (FY2023: RM23.7 million) as a result of higher utilization of trade financing.
6. Cash and bank balances remained at RM79.2 million (FY2022: RM79.6 million). Bank borrowings reduced to RM61.0 million as compared with RM71.0 million previous year. Out of the RM61.0 million of bank borrowings, RM27.6 million (FY2023: RM37.0 million) was long term borrowings which was for financing of lands whilst the balance was short term borrowings for working capital purposes. The Group closed with net cash position of RM18.0 million as at 31 March 2024 (FY2023: RM8.6 million).

DIVIDENDS

The Board had on 22 February 2024 declared a special single-tier dividend for the financial year ended 31 March 2024 of 10.0 sen per ordinary share. The dividend amounting to RM14.3 million was reflected as a dividend payable as at 31 March 2024 and was paid to shareholders on 2 April 2024.

PROSPECTS

Poultry Operations

After enjoying record earnings in FY2024, earnings for the next financial year is expected to moderate down as a result of lower egg ceiling prices with effect from 17 June 2024 as imposed by the government for local market. The cost of major raw materials have stabilized in FY2024 and are expected to remain relatively stable for the foreseeable future with less volatility. Nonetheless, we continue to focus on operational efficiencies and stringent standards of bio-security for sustainability and business competitiveness.

Net Tangible Assets ("NTA")

The NTA per share of the company was RM2.00 as compared to RM1.65 at the end of last financial year.

Financial Highlights

Year ended 31 March		2024	2023	2022	2021	2020
		RM000	RM000	RM000	RM000	RM000
Revenue		257,687	257,272	201,669	137,402	187,188
Operating profits/(loss)		68,623	34,292	(15,623)	(24,722)	15,906
Finance costs		(3,984)	(3,768)	(3,522)	(3,718)	(4,434)
Profit/(Loss) before tax		64,639	30,524	(19,145)	(28,440)	11,472
Profit/(Loss) attributable to equity holders		58,565	20,627	(16,097)	(27,392)	5,497
Share capital		76,696	76,696	76,696	65,052	65,052
No of shares		143,114	143,114	143,114	130,104	130,104
Total equity		285,949	235,734	216,448	219,957	240,892
Net earnings/(loss) per share - basic ¹	sen	40.92	14.41	(11.60)	(21.05)	4.23
Net dividend per share	sen	10.00 ²	-	-	-	0.50
Dividend yield	%	6.99	-	-	-	0.46
Net tangible asset	RM per share	2.00	1.65	1.51	1.69	1.85
Price-earnings ratio ³	times	3.49	10.41	(11.90)	(4.70)	25.85
Net debt/total equity ⁴	%	-	-	12.68	17.59	10.19
Closing share price	RM per share	1.43	1.50	1.38	0.99	1.09

¹ Adjusted to 143,114,006 number of ordinary share for financial years prior to 2022.

² Special dividend was declared on 22 February 2024 and paid to shareholders on 2 April 2024.

³ Represents closing price of LTKM share as at financial year end/earnings per share.

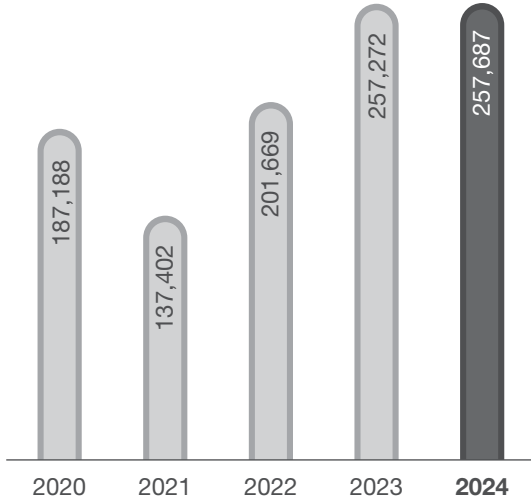
⁴ Net debt represents total borrowings (incl. hire purchase payables) from financial institutions less cash and bank balances and short term deposits.



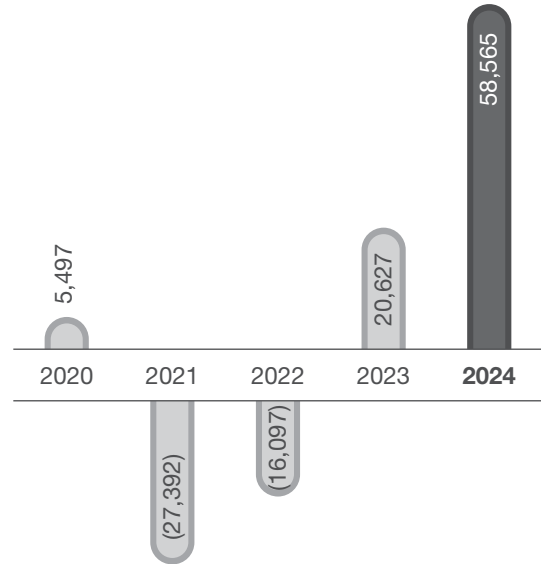
Financial Highlights

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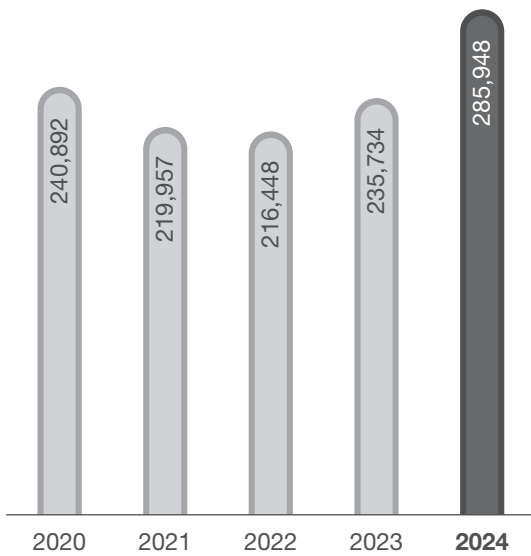
REVENUE RM' 000



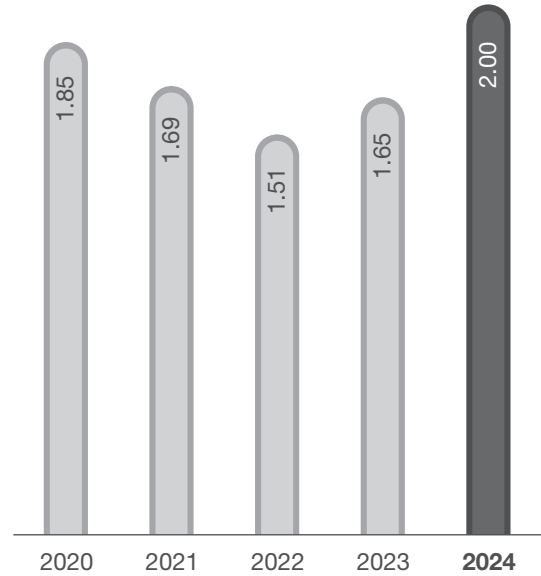
PROFIT/(LOSS) ATTRIBUTABLE TO EQUITY HOLDERS RM' 000



TOTAL EQUITY RM' 000



NET TANGIBLE ASSET RM PER SHARE



Audit Committee Report

COMPOSITION

Members of the Committee

Choo Seng Choon (*Chairman*)
Kenny Tan Kah Poh (*Member*)
Mok Kam Loong (*Member*)

Designation in the Company

Independent Non-Executive Director
Independent Non-Executive Director
Independent Non-Executive Director

TERMS OF REFERENCE

Objectives

The Audit Committee shall:

- a) assist the Board of Directors in fulfilling its fiduciary responsibilities relating to accounting and reporting practices of the Company and the Group;
- b) oversee and appraise the quality of the audits conducted both by the Company's internal and external auditors;
- c) maintain open lines of communication between the Board of Directors, the internal auditors and the external auditors for the exchange of views and information, as well as to confirm their respective authorities and responsibilities;
- d) determine the adequacy of the Group's administrative, operating, accounting controls and risk management measures; and
- e) evaluate risk exposures of the Group and assess the risk management measures to mitigate the risks effectively.

Members

- a) The Audit Committee shall be appointed by the Board of Directors from amongst the Directors of the Company and shall comprise not less than three members, of whom all shall be Non-Executive Directors, with a majority of them being Independent Directors.
- b) At least one member of the Audit Committee:
 - i) must be a member of the Malaysian Institute of Accountants ("MIA"); or
 - ii) if he is not a member of the MIA, he must have at least three years' working experience and:-
 - o he must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act 1967; or
 - o he must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967
 - iii) fulfils such other requirements as prescribed or approved by Bursa Malaysia Securities Berhad ("BMSB").
- c) No Alternate Director shall be appointed as a member of the Audit Committee.
- d) The members of the Audit Committee shall elect a Chairman from among their number who shall be an Independent Director. The Chairman of the Audit Committee shall not also be the Chairman of the Board.
- e) The Chairman of the Board of Directors shall not be a member of the Audit Committee.
- f) The Nomination Committee shall review the term of office and performance of the Audit Committee and each of its members from time to time or as necessary to determine whether the Audit Committee and its members have carried out their duties in accordance with their terms of reference.
- g) If a member of the Audit Committee resigns, dies or for any other reason ceases to be a member with the result that the number of members is reduced to below three, the Board of Directors shall, within three months of that event, appoint such number of new members as may be required to make up the minimum number of three members.
- h) No former key audit partner shall be appointed as a member of the Audit Committee unless and until he has observed a cooling-off period of at least three years.

Audit Committee Report

cont'd

TERMS OF REFERENCE *cont'd*

Rights

The Audit Committee shall, whenever necessary and reasonable for its performance and in accordance with the procedure to be determined by the Board of Directors and at the Company's cost:

- a) have authority to investigate any matter within its terms of reference;
- b) have resources which are required to perform its duties;
- c) have full and unrestricted access to any information pertaining to the Company;
- d) have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity;
- e) be able to obtain independent professional advice or other advice; and
- f) be able to convene meetings with the external auditors, internal auditors or both, excluding the attendance of Executive Directors and management of the Company, whenever deemed necessary.

Functions

The Committee shall discharge the following functions:

- a) review the following and report the same to the Board of Directors of the Company:
 - i) with the external auditors:
 - the audit plan and the adequacy of their areas of audit emphasis;
 - their evaluation of the system of internal controls;
 - their audit report;
 - the assistance given by the employees of the Group to the external auditors
 - ii) the suitability, objectivity and independence of the external auditor and the competency of their service team;
 - iii) the adequacy of the scope, functions, competency and resources of the internal audit functions and that it has the necessary authority to carry out its work effectively and independently;
 - iv) the internal audit programme, processes, the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal auditor;
 - v) the quarterly results and year end financial statements, prior to the approval by the Board of Directors, focusing particularly on:
 - o changes in or implementation of major accounting policy;
 - o significant and unusual events; and
 - o compliance with accounting standards and other legal requirements;
 - vi) any related party transaction and conflict of interest situation that may arise within the Group including any transaction, procedure or course of conduct that raises questions of management integrity;
 - vii) any letter of resignation from the external auditors of the Company; and
 - viii) whether there is reason (supported by grounds) to believe that the Group's external auditors are not suitable for re-appointment.
 - ix) the quarterly risk management report focusing on identification of risk exposure, level of risk and risk management and mitigation measures.

Audit Committee Report

cont'd

TERMS OF REFERENCE *cont'd*

Functions *cont'd*

- b) recommend the nomination of a person or persons as external auditors;
- c) prepare an Audit Committee Report at the end of each financial year;
- d) report promptly to BMSB where the Audit Committee is of the view that a matter reported by it to the Board of Directors of the Company has not been satisfactorily resolved resulting in a breach of the BMSB's Listing Requirements;
- e) meet with external auditors at least twice a year without the presence of the Executive Directors and members of the management; and
- f) any other functions as may be agreed to by the Audit Committee and the Board of Directors.

Attendance and Meeting

- a) The quorum of the Audit Committee shall be two of whom the majority of member's present shall be Independent Directors.
- b) Apart from the members of the Audit Committee who will be present at the meetings, the Audit Committee may invite any member of the management, employees, other Directors and representatives of the external auditors to be present at meetings of the Audit Committee.
- c) The Audit Committee shall meet at least four times a year and such additional meetings as the Chairman shall decide in order to fulfil its duties. In addition, the Chairman may call a meeting of the Audit Committee if a request is made by any Audit Committee member, the Company's Chairman, or the internal or external auditors.

Minutes

Minutes of each Audit Committee meeting are to be prepared and sent to its members. The Secretary shall also circulate the minutes of meetings of the Audit Committee to all members of the Board of Directors.

Secretary

The Company Secretary or his assistant shall be the Secretary of the Audit Committee.

Internal Audit Function

The internal audit function of the Group is currently outsourced to a professional services firm and reports to the Audit Committee. The primary objective of the internal audit function is to undertake independent, regular and systematic review of the risk management and internal control systems of the Group so as to provide reasonable assurance that such systems are adequate and continue to operate satisfactorily and effectively in the Group.

The internal audit function is outsourced to Resolve IR Sdn Bhd ("Resolve"), a professional services firm that provides internal audit services. Resolve is a corporate member of the Institute of Internal Auditors Malaysia ("IIAM") and its personnel assigned to carry out the work as internal auditor in LTKM are experienced and qualified. The internal auditor is free from any relationship or conflict of interest which could impair its objectivity and independence. The outsourced internal audit function has unrestricted access to all functions, records, personnel and assistance in respect of the areas of audit.

The outsourced internal audit function carries out its review in accordance to the audit plan that is approved by the Audit Committee. The outsourced internal audit function may also carry out investigations and special review at the request of Audit Committee or Management.

Audit Committee Report

cont'd

TERMS OF REFERENCE *cont'd*

Internal Audit Function *cont'd*

During the financial year under review, the internal audit function reviewed the following key business processes in the Group:

- Corporate Governance Framework & Disclosures
- Human Resource Management
- Billing, Credit Control & Collection

The outsourced internal audit function carried out the internal audit review to monitor compliance with the Group's procedures and the results of the review has been presented to the Audit Committee at their scheduled meeting.

The cost incurred for the internal audit function for the year ended 31 March 2024 was RM44,264.

Summary of Activities

During the financial year under review, the Audit Committee carried out the following activities:

- reviewed the annual audited financial statements of the Company/Group and quarterly unaudited results of the Group prior to presentation for the Board's approval;
- reviewed the Statement on Risk Management and Internal Control pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad for Board's approval;
- reviewed the related party transactions that had arisen within the Company or Group on quarterly basis;
- reviewed the Conflict of Interest ("COI") situations in the Company and Group. There were no report of COI for the year under review.
- reviewed with the internal and external auditors their audit plan prior to their commencement of audit;
- met with the external auditors in the absence of the Executive Directors and Management and reviewed any matters brought up with the Board and Management;
- reviewed the management letters and audit report of the external auditors;
- reviewed the internal audit findings on quarterly basis based on the evaluation of the internal control system of the Group and brought up the recommendations on system and control weaknesses noted during the course of audit to the Board and Management;
- reviewed the Audit Committee Report;
- reviewed the quarterly Risk Management report and Environmental, Sustainability and Governance report ("ESG") and the annual Sustainability Report; and
- reviewed the updates of the Board Charter, Code of Conduct and Ethics, Whistle Blower Policy and Procedures, Anti-Bribery and Corruption Policy and the Fit and Proper Policy, and recommended them to the Board for approval.

General Information

Summary of attendance of Audit Committee meetings for the financial year ended 31 March 2024.

Audit Committee Members

Choo Seng Choon
Kenny Tan Kah Poh
Mok Kam Loong

No. of Meetings Attended

5/5
5/5
5/5

The Terms of Reference of the Audit Committee can be found at the Company's website at www.ltkm.com.my.

Corporate Governance Overview Statement

The Directors are accountable to shareholders for the business and affairs of the Company. The Directors support high standard of corporate behaviour and accountability. The Malaysian Code on Corporate Governance 2021 (“the Code” or “MCCG 2021”) aims to set out principles and best practices towards achieving excellent corporate governance framework. This Statement sets out the manner in which the Group has applied the three (3) principles prescribed in the MCCG 2021 namely Principle A: Board Leadership and Effectiveness; Principle B: Effective Audit and Risk Management; and Principle C: Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders.

This Statement and the Corporate Governance Report (“CG Report”) are prepared in compliance with Paragraph 15.25 of the MMLR and set out in detail the manner in which the Board has applied each practice of the MCCG 2021 during the financial year. The CG Report is available in the Company’s website at www.ltkm.com.my.

PRINCIPAL A: BOARD LEADERSHIP & EFFECTIVENESS

A. BOARD OF DIRECTORS

(i) Board Composition

The Board comprises individuals from multiple fields who serve as executive and non-executive directors. There are currently seven (7) directors in the Board – an Executive Chairman, two Executive Directors, one Non-Independent Non-Executive Director and three Independent Non-Executive Directors. The Board considers its composition and size adequate to carry out its functions and responsibilities effectively. The Independent Non-Executive Directors are independent of management, and free from any business which could interfere with their independent judgment and their ability to act in the Group’s best interest. Their presence are essential to provide unbiased and impartial opinions and decisions to Board deliberations. The information of all the Directors is set out in the Profile of Directors on pages 3 and 4 of this Annual Report.

(ii) Board Responsibilities

In discharging the Board’s leadership and collective responsibilities under Practice 1.1 of the Code, the Board has established the following clear functions reserved for the Board:

- Reviewing and adopting strategic plans for the Group.
- Overseeing the conduct of the Company’s business to evaluate whether the business is being properly managed.
- Identifying principal risks and ensure the implementation of appropriate systems to manage these risks.
- Succession planning, including appointing, training, fixing the compensation of and where appropriate, appointment and/or placement of senior management.
- Developing and implementing an investor relations program or shareholder communications policy for the Company.
- Reviewing the adequacy and the integrity of the Company’s internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.
- Ensuring that the Company adheres to high standards of ethics and corporate behaviour.

(iii) Board Charter

The Board has formalized and adopted a Board Charter which sets out the functions, roles and responsibilities of the Board in accordance with the principles of good corporate governance. The Board Charter is available on the Company’s corporate website at www.ltkm.com.my and is periodically reviewed by the Board. The Board has complied with Practice 2.1 of the Code.

Corporate Governance Overview Statement

cont'd

PRINCIPAL A: BOARD LEADERSHIP & EFFECTIVENESS *cont'd*

A. BOARD OF DIRECTORS *cont'd*

(iv) Code of Conduct

The Board of Directors adheres to the Code of Ethics for Company Directors issued by the Companies Commission of Malaysia and together with Management implements its policies and procedures which includes managing conflicts of interest, preventing the abuse of power, corruption, insider trading and money laundering. The regulatory Code of Ethics provides the ground rules and guidance for proper conduct and ethical behavior for the Directors on principles of sincerity, integrity, responsibility and corporate social responsibility.

Amongst others, the regulatory Code of Ethics provides that in the performance of his/her duties, every Directors should at all times act with utmost good faith towards the company in any transaction and to act honestly and responsibly in the exercise of his/her powers in discharging his/her duties.

In recognising the importance of ethical conduct by all levels of employees in the business operations of the Group, the Company has also established the Code of Conduct and Ethics applicable to all employees and directors. The Code of Conduct and Ethics sets out the expected standards of conduct and behavior and employees are required to acknowledge having read and understood the Code of Conduct and Ethics.

(v) Appointments of the Board Members and Re-election

The Board has delegated the responsibility of identifying, reviewing and recommending candidates for Board appointments as well as for re-election as Directors of the Company to the Nomination Committee ("NC").

A Director shall inform the Board's Chairman before he/she accepts any new directorship in other listed companies. The directorship held by any Board member at any one time shall not exceed five (5) listed companies. For the financial year under review, all the Board members of the Company hold not more than 5 directorships in listed companies.

In accordance with the Company's Constitution, one-third of the Board members is required to retire at every Annual General Meeting ("AGM") and be subject to re-election by shareholders. Directors who are appointed in a financial year shall hold office until the following AGM and shall then be eligible for re-election by shareholders. All Directors, including the Managing Director shall retire from office at least once in every three years but shall be eligible for re-election.

The assessment of the independence of a new candidate for directorship and the existing Independent Directors based on the provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("MMLR") and the Fit and Proper Policy is carried out before the appointment or re-election/re-appointment of an Independent Director. The NC will undertake to carry out annual assessment of its Independent Directors annually and consider whether the Independent Directors can continue to bring independent and objective judgment to the Board deliberations.

The Board Charter provides that the tenure of an Independent Director shall not exceed a cumulative term of nine (9) years or more. However, an Independent Director may either retire or continue to serve on the Board subject to the Independent Director's re-designation as a Non-Independent Director. In the event the Board intends to retain the Director as an Independent Director after 9 years and up to a tenure of 12 years, the Board must justify the decision and seek shareholders' approval at the general meeting via a two-tier voting process.

At the date of this report, the Company does not have any independent director that has exceeded a cumulative period of nine (9) years.

(vi) Diversity

The Board encourages gender diversity and strives to have balanced representation of men and women in the Board and senior management. However, the Board also acknowledges the importance of putting the right person on the job based on skills and experience, regardless of gender. Currently, the Board consists of three (3) women out of seven (7) Board members whilst the Key Senior Management are made up of three (3) women out of five (5) personnel. This shows the Board's commitment to give equal opportunities to both genders in selecting the right personnel for the roles and responsibilities.

Corporate Governance Overview Statement

cont'd

PRINCIPAL A: BOARD LEADERSHIP & EFFECTIVENESS *cont'd*

A. BOARD OF DIRECTORS *cont'd*

(vii) Board Meeting and Supply of Information

The Board held five meetings during the financial year ended 31 March 2024. The details of Directors' attendance are set out as follows:-

Name of Directors	No. of Meetings Attended
Datuk Tan Kok	5/5
Tan Chee Huey	4/5
Loh Wei Ling	5/5
Datin Lim Hooi Tin	5/5
Kenny Tan Kah Poh	5/5
Mok Kam Loong	5/5
Choo Seng Choon	5/5

The Board is satisfied with the level of time commitment given by the Directors towards fulfilling their roles and responsibilities which is evidenced by the satisfactory attendance record of the Directors at Board Meetings.

The agenda and meeting materials for each Board meeting are circulated to all the Directors for their perusal well in advance of the Board meeting date. The Directors are given sufficient time to enable them to obtain further explanations and information, where necessary, in order to be briefed properly before the meeting.

Further, all Directors have access to all information within the Company and the advice and services of the Company Secretary. This is augmented by regular informal dialogue between Independent Directors and management on matters pertaining to the state of the Group's affairs. Where necessary, the Directors may engage independent professionals to discharge their duties at the Company's expense, provided that the Director concerned seek the Board's prior consent before incurring such expenses.

(viii) Qualified and Competent Company Secretary

The Company Secretary has an important role in advising and assisting the Board and its Committees in achieving good corporate governance and ensuring compliance of statutory laws, rules and regulations of the Companies Act 2016, Bursa Securities Main Market Listing Requirements, the Securities Commission guidelines and other relevant legislation and regulatory authorities. In addition, the Company Secretary attends all Board meetings and properly maintain the Company's statutory records, register books and documents besides ensuring proper conduct at the Annual General Meetings, Extraordinary General Meetings, Board and Committees' Meetings and any other meetings and the preparation of minutes thereof.

B. BOARD COMMITTEES

The Board has set up several Board Committees with clear terms of reference and specific authorities delegated by the Board. The Board Committees are:

(i) Audit Committee ("AC")

The terms of reference of the ARMC are set out under the Audit Committee Report on page 11 of the Annual Report. The ARMC meets at least four times a year.

Corporate Governance Overview Statement

cont'd

PRINCIPAL A: BOARD LEADERSHIP & EFFECTIVENESS *cont'd*

B. BOARD COMMITTEES *cont'd*

(ii) Nomination Committee (“NC”)

The members of the NC are:-

- Kenny Tan Kah Poh (*Chairman, Independent Non-Executive Director*)
- Mok Kam Loong (*Independent Non-Executive Director*)
- Choo Seng Choon (*Independent Non-Executive Director*)

Activities of the NC:-

During the FYE 2024, the NC met two (2) times and performed the following activities in discharging its duties:

- Reviewed and recommended to the Board the re-election of the directors who are to retire by rotation at the 26th AGM of the Company
- Reviewed and assessed the performance of Directors of the Company
- Reviewed and assessed the independence of the Independent Directors of the Company
- Reviewed and assessed the performance of the AC, the Board and Board committees

From time to time or when the need arises, NC recommends suitable candidates for directorship and Board committees to the Board. In so doing the NC takes into consideration the candidate's experience, competency, character, time commitment and potential contribution to the Group and guided by the Company's Fit and Proper Policy.

Terms of Reference for NC

1. Members

The Committee shall be appointed by the Board of Directors and shall consist of not less than three (3) members, all of whom shall be non-executive directors, a majority of whom shall be independent directors.

A quorum shall consist of at least two (2) members.

2. Chairman

The Chairman of the Committee shall be determined by the Committee members.

3. Secretary

The Secretary of the Board of Directors shall be the Secretary of the Committee.

4. Meetings

The Meetings shall be held at least twice annually.

5. Duties and Responsibilities

The Committee shall:-

- i. recommend to the Board the new nominees for all directorships to be filled by the board or the shareholders.
 - in identifying candidates for appointment of directors, the Board does not rely solely on recommendations from existing board members, management or major shareholders for director's candidacy. The Board utilises independent sources to identify suitably qualified candidates, if necessary.

Corporate Governance Overview Statement

cont'd

PRINCIPAL A: BOARD LEADERSHIP & EFFECTIVENESS *cont'd*

B. BOARD COMMITTEES *cont'd*

(ii) Nomination Committee ("NC") *cont'd*

Terms of Reference for NC *cont'd*

5. Duties and Responsibilities *cont'd*

The Committee shall:- *cont'd*

- ii. consider, in making its recommendations, candidates for directorships or re-election/re-appointment of existing directors by assessing the following factors and attributes of the candidate or director:-
 - a) skills, knowledge, expertise and experience;
 - b) professionalism;
 - c) commitment (including time commitment) to effectively discharge his/her role as a Director;
 - d) contribution and performance;
 - e) background, character, integrity and competence;
 - f) in the case of candidates for the position of Independent Non-Executive Directors, the Committee shall also evaluate the candidates' ability to discharge such responsibilities/functions as are expected from Independent Non-Executive Directors;
 - g) Boardroom diversity including gender diversity; and
 - h) Fit and Proper criteria for the Company's Fit and Proper Policy
- iii. develop, maintain and review the criteria to be used in the recruitment process and annual assessment of Directors.
- iv. recommend to the Board, directors to fill the seats on board committees.
- v. annually review the mix of skills, knowledge, experience and other qualities the Board requires for it to function completely and efficiently.
- vi. annually carry out a process for assessing the effectiveness of the Board as a whole, the Committees of the Board and for assessing the contribution of each individual director including his time commitment, character, experience and integrity. All assessments and evaluations carried out by the Committee in the discharge of all its functions shall be properly documented.
- vii. consider, in assessing the contribution of individual directors, each director's ability to contribute to the effective decision making of the Board.
- viii. assess annually the independence of its independent directors and disclose details in the Annual Report as appropriate.
- ix. facilitate Board induction programme for newly appointed Directors.
- x. assess the training needs of each Director, review the fulfilment of such training, and disclose details in the Annual Report as appropriate.
- xi. review the Board's succession plans.
- xii. consider the size and balance of the Board with a view to determine the impact of the number upon the Board's effectiveness and recommend it to the Board.
- xiii. recommend to the Board the Company's gender diversity policies, targets and discuss measures to be taken to meet those targets.
- xiv. recommend to the Board protocol for accepting new directorships.

The Terms of Reference for the NC can also be found at the Company's website at www.ltkm.com.my.

Corporate Governance Overview Statement

cont'd

PRINCIPAL A: BOARD LEADERSHIP & EFFECTIVENESS *cont'd*

B. BOARD COMMITTEES *cont'd*

(iii) Remuneration Committee ("RC")

The Board has appointed the RC comprising the Chairman and two Independent Non-Executive Directors. The members of the RC are:-

- Datuk Tan Kok (*Chairman*)
- Kenny Tan Kah Poh (*Independent Non-Executive Director*)
- Mok Kam Loong (*Independent Non-Executive Director*)

Terms of Reference for RC

1. Members

RC members shall be appointed by the Board of Directors and shall consist of not less than three members majority of whom shall be non-executive directors.

A quorum shall consist of two members.

2. Chairman

The Chairman of the Committee shall be determined by the Committee members.

3. Secretary

The Secretary of the Board of Directors shall be the Secretary of the Committee.

4. Meetings

The meetings shall be held whenever necessary; at least once a year.

5. Duties and Responsibilities

The Committee shall:-

- i. recommend to the Board the remuneration of all directors and senior management in all its forms, drawing from external advice when it considers necessary.
- ii. consider the corporate and individual performance, level of responsibility and experience in determining the remuneration package for each director and senior management and corporate needs in relation to objectives and core business of the Company.
- iii. abstain from participating in decisions regarding his/her own remuneration package.

The Terms of Reference for the NC can also be found at the Company's website at www.ltkm.com.my.

Corporate Governance Overview Statement

cont'd

PRINCIPAL A: BOARD LEADERSHIP & EFFECTIVENESS *cont'd*

B. BOARD COMMITTEES *cont'd*

(iv) Remuneration

The remuneration of Directors of the Company in respect of the financial year ended 31 March 2024 are set out as follows in compliance with Practice 8.1 of the Code:

	Fees RM	Salary RM	Bonus RM	Other emoluments RM	Benefits- in-kind RM	Total RM
Directors:						
Datuk Tan Kok	29,600	2,250,000	5,000,000	1,377,500	33,700	8,690,800
Tan Chee Huey	30,000	157,500	105,000	35,797	12,382	340,679
Loh Wei Ling	30,000	157,500	105,000	35,449	15,970	343,919
Datin Lim Hooi Tin	30,000	180,000	180,000	68,400	10,198	468,598
Kenny Tan Kah Poh	46,800	-	-	15,500	-	62,300
Mok Kam Loong	46,800	-	-	15,500	-	62,300
Choo Seng Choon	46,800	-	-	17,000	-	63,800
	260,000	2,745,000	5,390,000	1,565,146	72,250	10,032,396

(v) Directors' Training

All Directors have completed the Mandatory Accreditation Programme pursuant to the MMLR as at the date of this Annual Report. The Directors are encouraged to attend training programmes and seminars to keep abreast with current issues and new statutory and regulatory requirements.

The Directors have also attended and completed the MAP Part II – Leading for Impact Programme as conducted by the Institute of Corporate Directors Malaysia (ICDM) on the following dates:

- i. Kenny Tan on 22 & 23 August 2023
- ii. Choo Seng Choon on 9 & 20 September 2023
- iii. Mok Kam Loong on 6 & 7 November 2023
- iv. Datuk Tan Kok and Tan Chee Huey on 26 & 27 February 2024
- v. Datin Lim Hooi Tin and Loh Wei Ling on 28 & 29 February 2024

Mr. Choo Seng Choon also attended the following trainings conducted by the Malaysian Institute of Accountants during the financial year:-

1. Joint Ventures, Shareholder Agreement and Conflict of Interest Situations on 22 December 2023
2. Equity Accounting, Joint Ventures, Joint Arrangements and Joint Operations – with Case Study Illustrations on 6 December 2023
3. Embracing ESG in Value Creation on 21 & 22 June 2023
4. MFRS/IFRS Technical Update 2024 – Including a brief on IFRS Sustainability Standards on 8 March 2024

Corporate Governance Overview Statement

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PRINCIPAL B: EFFECTIVE AUDIT & RISK MANAGEMENT

(i) Audit Committee (“AC”)

The AC assists the Board of Directors in fulfilling its responsibilities relating to effective audit and risk management of the Company and the Group. It oversees and appraises the quality of the audits conducted both by the Company’s internal and external auditors and evaluates the effectiveness of the risk management measures of the Group. It meets with the internal auditors on a quarterly basis and the external auditors at least twice a year in the absence of the management and Executive Directors.

Suitability and Independence of External Auditors

The Board has via the AC reviewed the annual external audit plan of the external auditors, the competency of the service team and areas of audit emphasis to assess the suitability, objectivity and independence of the external auditors. The AC has found the external auditors to be suitable, objective and independent in discharging their professional duties and recommends that the external auditors be re-appointed at the forthcoming Annual General Meeting.

The External Auditors have confirmed that they are, and have been, independent in accordance with the By-laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants throughout their audit engagement.

(ii) Financial Reporting

Directors’ Responsibility Statement in respect of Audited Financial Statements pursuant to Paragraph 15.26 (a) of the MMLR

The Board of Directors is responsible for preparing the financial statements for each financial year which give a true and fair view of the state of affairs of the Group and of the Company as at the end of the financial year and the results and cash flows of the Group and of the Company for the year then ended. The Board of Directors is also responsible in ensuring that the financial statements of the Group and the Company are drawn up in accordance with applicable approved accounting standards in Malaysia, consistently applied and supported by reasonable and prudent judgments and estimates.

In presenting the annual financial statements and quarterly announcements of its results, the Board has ensured that the financial statements present a fair assessment of the Group’s position and prospects.

(iii) Risk Management and Internal Control

The Board regards risk management and internal control as integral to the overall management process. The Board therefore has an overall responsibility to ensure a system of internal controls, which provides reasonable assurance of effective and efficient operations and compliance with laws and regulations as well as with internal policies and procedures, is in place and practised in the Group.

The Board recognises that risks cannot be fully eliminated. As such, the systems, processes and procedures being put in place are aimed at minimising and managing them and to provide reasonable assurance against material misstatement or fraud.

The Group’s Internal Audit Function has been outsourced to an independent internal audit service provider which reports directly to the AC.

Further information on the Group’s risk management and internal control is presented in the Statement on Risk Management and Internal Control in Page 22 of the Annual Report in compliance with Practices 10.1 and 10.2 of the Code.

(iv) Relationship with the External Auditors

The Company has always maintained a cordial and transparent relationship with the external auditors in seeking their technical and professional advice and opinion and ensuring compliance with the accounting standards in Malaysia.

Corporate Governance Overview Statement

cont'd

PRINCIPAL C: INTEGRITY IN CORPORATE REPORTING & MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

(i) Communication with Stakeholders

The Annual Report and the quarterly announcements are the primary modes of communication to report on the Group's business activities and financial performance. The AGM is the main forum where dialogue with shareholders is annually conducted. In addition, the Group maintains a website at www.ltkm.com.my which shareholders or other stakeholders can access for information. All information released to Bursa Malaysia Securities Berhad is posted on the website. Alternatively, the Group's latest announcements can be obtained via the Bursa Malaysia website maintained at www.bursamalaysia.com.

(ii) Conduct of General Meetings

Shareholders are notified of the AGM well in advance with a copy of the Company's Annual Report sent to the shareholders at least 28 days before the meeting. At each AGM, shareholders are given ample time and opportunity to ask for more information, without limiting the type of queries asked. During the meeting, the Board is present to provide responses to queries and to receive feedback from the shareholders. The external auditors are also present to provide their professional and independent clarification on any relevant issues of concern that may be raised by the shareholders. Practices 13.1 and 13.2 of the Code are applied.

The Board encourages participation at general meetings and all resolutions set out in the Company's Notice of AGM and/or Notices of Resolutions received, and its related amendments are subject to poll voting. To promote fairness, transparency and in accordance with Bursa Malaysia Securities Berhad's Main Market Listing Requirements, a scrutineer is appointed to observe the poll voting process.

A summary of the key matters discussed at the Company's AGM and its minutes are posted onto the Company's website after the general meeting.

(iii) Corporate Social Responsibility

The Board is committed in its social obligation towards its stakeholders in particular towards the environment, community and its employees.

Environment

The Group continues its commitment towards sustaining the environment by using clean poultry farming technology and effective and efficient bio-security and waste management system to eliminate environmental footprints in the areas where it operates.

Chicken houses are designed and maintained hygienically to leave minimal impact to surrounding environment. Use of large ventilator system in chicken houses and multiple decker cage systems in well laid out farm ensure clean environment and healthy growth of layers. Stringent flock health policy practiced at the farm has resulted in lower risk of disease outbreak.

Social

The Company creates employment opportunities particularly for the community in its neighbourhood. The layer farm currently employs approximately 500 workers ranging from operators to management. The Company values the contribution of its employees and provides opportunities for development and enhancement of employees' skills. In-house training programmes, external training and seminars focusing on skills, knowledge, productivity and job related requirements are provided for employees. LTKM encourages communication and constructive feedback and suggestions across all levels of functionalities and positions. In addition, LTKM also provides housing and medical aids as part of its commitment to the welfare of its employees.

The Group also donates to schools, homes for the underprivileged and charitable organizations on regular basis.

Corporate Governance Overview Statement

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OTHER INFORMATION

(i) Material Contracts

There were no other material contracts entered into by the Company and its subsidiaries involving Directors' and substantial shareholders' interest which were still subsisting at the end of the financial year or entered into since the end of the previous financial year.

(ii) Sanctions And/Or Penalties

There were no sanctions and/or penalties imposed on the Group, Directors or management by the relevant regulatory bodies.

(iii) Depository Receipt Programme

During the financial year under review, the Company did not sponsor any Depository Receipt Programme.

(iv) Profit Guarantee

There was no profit guarantee given by the Company during the financial year under review.

(v) Options Or Convertible Securities

There are no Options or Convertible Securities issued during the financial year under review.

(vi) Non-Audit Fees Paid To External Auditors

There was RM6,500 non-audit fees paid or payable to the external auditors and/or their affiliated companies during the financial year under review.

(vii) Recurrent Related Party Transactions

The details of the transactions with related parties undertaken by the Group during the financial year under review are disclosed in Note 30 to the Audited Financial Statements on page 87 of this Annual Report.

(viii) Share Buy-Back

There was no share buy-back carried out by the Company during the financial year under review.

(ix) Variation Of Results

There was no material variance between the results for the financial year ended 31 March 2024 with the unaudited results previously announced by the Company.

(x) Utilisation of Proceeds Raised from Corporate Proposals

There were no corporate proposals from which proceeds were raised during the financial year under review.

Sustainability Statement

INTRODUCTION

This Sustainability Statement is prepared in accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The Statement sets out the sustainability issues that are material to the operations of the Group and how they are managed in terms of the economic, environmental, social and governance aspects of our operations.

GOVERNANCE

Sustainability management is an essential part of LTKM business practices. In line with good corporate governance, the Board ensures that the practice of sustainability is embedded in our business practices and are executed accountably and responsibly. The Board accepts its responsibility to present a balanced assessment of the LTKM's position with regards to non-financial matters of the Group in addition to the regular financial reporting.

Engagement with stakeholders

LTKM seeks to continuously engage with its key stakeholders to better understand and able to provide appropriate response in achieving the goals of sustainability. Engagement with key stakeholders is performed through a number of formal and informal channels.

The Group is committed to engage with stakeholders regularly to mitigate threats and risks that hinder sustainability, growth or efficient running of our operations. Engagement with stakeholders is also to ensure necessary requirements and expectations are adequately, timely and exceedingly met.

MATERIAL ISSUES

A. ECONOMIC

Bio-security

In our line of industry which deals directly with livestock, disease is a main threat and risk to sustainability. Malaysia has not been spared of disease outbreak. The avian flu strains since the more publicly known Avian Influenza (H5N1) outbreak in 2004, have continued to mutate and may evolve even more infectious after each cycle. Therefore, LTKM has given this matter its utmost attention and has put in place very stringent bio-security policies to prevent disease outbreak in our farm.

Product and Consumers

LTKM strives to deliver quality products to our customers and consumers by focusing on quality across all parts of the value chain from feed quality to bird husbandry, processing and the sourcing of high quality raw materials. Sourcing of main feed ingredients are strictly controlled to ensure quality. LTKM only uses 100% natural feeds such as corn, soybean and flaxseed. These feeds are mixed internally at our own feed meal plant to ensure purity and freshness. Omega eggs are produced by adding high quality omega-3 rich ingredients such as fish oil and linseed oil to the diet of the layers. Ultimately, LTKM continuously assures customers of high quality and farm fresh eggs at affordable prices.

Labour

LTKM has automated certain processes and tasks to reduce dependency on labour and also to drive efficiency. This step is important to ensure operations are uninterrupted whilst the government's policy on foreign labour has become increasingly stringent. Without automation, LTKM's operations will be too labour dependent which can be a risk to operational sustainability.

Sustainability Statement

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MATERIAL ISSUES *cont'd*

B. ENVIRONMENT

For LTKM, environment encompasses not only the impact of the Group's operation to nature but also to the surrounding community. Our aim is to reduce carbon footprints through areas of waste management which also impacts air pollution management; water and energy and pest control. We also do planting in utilize unutilized lands in effort to leave a more positive environmental impact.

C. SOCIAL AND WORKPLACE

At LTKM we understand that interests and welfare of stakeholders such as employees and community particularly those living around the farm, are important to ensure that the Group's vision and mission of are carried out sustainably. Our social and workplace responsibility encompasses:

- (i) Occupational Safety & Health
- (ii) Employee Welfare
- (iii) Corporate Social Responsibility
- (iv) Regulations & Compliance

CONCLUSION

The Group looks forward to further enhance its sustainability practices to deliver higher and sustainable value to our stakeholders in all its business operations. It is our long term commitment in recognizing the importance of having right practices and corporate culture in sustainability.

Readers may refer to the Sustainability Report 2024 for more detailed information on LTKM's sustainability practices.

The Sustainability Report 2024 is prepared based on the updated Sustainability Report guide issued by Bursa Malaysia Securities Berhad together with the Enhanced Sustainability Reporting Framework.

Statement of Risk Management and Internal Control

INTRODUCTION

This Statement on Risk Management and Internal Control is made in accordance with the Statement on Risk Management and Internal Control: Guidelines for Directors of “Public Listed Issuers” issued by Bursa Malaysia Securities Berhad (“Bursa Securities”) and pursuant to paragraph 15.26(b) of the Bursa Securities Main Market Listing Requirements, which requires Malaysian public listed companies to make a statement about their state of risk management and internal control, as a Group, in their annual report.

BOARD RESPONSIBILITY

The Board recognises the importance of sound risk management and internal control practices to safeguard shareholders’ investment and the Group’s assets and acknowledges its responsibilities for establishing such systems. The Board further affirms its responsibility to embed risk management in all aspects of the Group’s activities and for reviewing the adequacy and integrity of these systems in mitigating risks within the Group’s acceptable risk appetite. Nonetheless, the Board recognizes that the systems of risk management and internal control are designed to manage rather than to eliminate risks of failure to achieve its business objectives. Therefore these systems of risk management and internal control in the Group can only provide reasonable but not absolute assurance against misstatements, frauds or other consequences.

The Board had received assurance from the Executive Chairman and the Group Financial Controller that, to the best of their knowledge and in all material aspects, the Group’s risk management and internal control systems are operating adequately and effectively.

RISK MANAGEMENT

The Group’s Risk Management function sets out its underlying approach in managing risks while pursuing its business objectives. Risk management is firmly embedded in the Group’s management system through its business units and departmental functions. There is an ongoing process to identify, analyse, evaluate, prioritise and mitigate risks, and has the following attributes:

- Day-to-day risk management residing with respective business units and departments.
- Risk management function is headed by the Managing Director with respective head of business units and departments entrusted to drive the procedures.
- The risk management function includes:
 - Review of business risk during operational meetings with the senior management team to identify, assess and manage risk in an efficient and effective manner
 - Monitor results of key performance indicators
 - Monitor exposure to credit risk to keep at acceptable level and financial capacity to withstand potential losses
 - Monitor market movements against the risk of high costs or loss arising from adverse movements such as prices of commodities, investments and foreign currency exchange rates

KEY INTERNAL CONTROL PROCESSES

Internal controls are embedded in the Group’s operations as follows:

- Clear organisation structure which clear line of responsibility aligned to business and operations requirements.
- Regular management meetings to assess the Group’s performance and controls.
- Internal control requirements are embedded in computerised accounting system.
- Policies and procedures for all key processes are clearly documented and are reviewed at regular intervals.
- Consolidated monthly management accounts allow the management to focus on areas of concern.
- Monthly financial and operational reports from the major operating units are presented to the management. The management team communicates regularly to monitor performance.
- Quarterly reports are released after being reviewed by the Audit Committee and approved by the Board.
- Internal audit findings are communicated to the management and Audit Committee with recommendations for improvements and regular follow ups are performed to confirm all agreed recommendations are implemented.
- Review of major proposals for material contracts and investment opportunities by the management team and approval of the same by the Board prior to expenditure being committed.

Statement of Risk Management and Internal Control

cont'd

INTERNAL AUDIT FUNCTION

The Group's internal audit function is outsourced to an independent professional firm, which is guided by the International Professional Practices Framework of the Institute of Internal Auditors, an international professional association of internal auditors, in carrying out internal audit assignments on the Group. The internal audit function assists the Board and the Audit Committee by providing an independent assessment of the adequacy and effectiveness of the Group's internal control system.

The scope of works of the internal audit function includes but not limited to the following: -

- Review and assess the adequacy and effectiveness of the Group's internal control system.
- Review the extent of compliance of the Group with the policies, standard operating procedures and other laws and regulations which may have significant impact to the business operations of the Group.
- Report significant issues in relation to the business operations and activities of the Group and make recommendations for improvements in the reporting to Audit Committee.
- Highlight any irregularities to the Audit Committee.

During the financial year under review, there were no major/material internal control deficiency that would require further attention.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The External Auditors have performed limited assurance procedures on this Statement on Risk Management and Internal Control pursuant to the scope set out in Audit and Assurance Practice Guide 3 (AAPG 3): Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report 2024 issued by the Malaysian Institute of Accountants ("MIA") for inclusion in the Annual Report 2024 of the Group for the year ended 31 March 2024, and reported to the Board that nothing has come to their attention that causes them to believe the statement intended to be included in the Annual Report is not prepared, in all material respects, in accordance with the disclosures required by paragraph 41 and 42 of the Guidelines, nor is the Statement factually inaccurate.

AAPG 3 does not require the External Auditors to consider whether the Directors' Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Directors and management thereon. The report from the External Auditors was made solely for and directed solely to the Board of Directors in connection with their compliance with the listing requirements of Bursa Malaysia Securities Berhad and for no other purposes or parties. The External Auditors do not assume responsibility to any person other than the Board of Directors in respect of any aspect of this report.

CONCLUSION

For the financial year under review, the Board is satisfied that the existing systems of risk management and internal control are adequate and effective to enable the Group to achieve its business objectives and nothing has to come to the attention of the Board which would result in any material losses, contingencies or uncertainties that would require separate disclose in this annual report.

Financial Statement

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Directors' Report

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 March 2024.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and provision of management services.

The principal activities of the subsidiaries are described in Note 17 to the financial statements.

RESULTS

	Group RM	Company RM
Profit net of tax, representing profit attributable to owners of the parent	58,565,431	16,326,707

There were no material transfers to or from reserves or provisions during the financial year, other than as disclosed in the financial statements.

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature except for the effects arising from government subsidy income and fair value gain on investment properties as disclosed in Note 5 to the financial statements.

DIVIDENDS

The dividend paid by the Company since 31 March 2023 was as follows:

	RM
In respect of the financial year ended 31 March 2024	
Interim single-tier dividend of 10 sen per ordinary share on 143,114,006 ordinary shares, declared on 22 February 2024 and paid on 2 April 2024	14,311,401

The directors do not recommend the payment of final dividend in respect of the current financial year.

DIRECTORS

The names of the directors of the Company since the beginning of the financial year to date of this report are:

Datuk Tan Kok*
 Tan Chee Huey*
 Datin Lim Hooi Tin*
 Loh Wei Ling*
 Tan Kah Poh
 Mok Kam Loong
 Choo Seng Choon

* These directors are also directors of the Company's subsidiaries.

Directors' Report

cont'd

DIRECTORS *cont'd*

The names of directors of the subsidiaries of the Company since the beginning of the financial year to date of this report, not including those directors listed above are:

Kok Chiew Heng
 Loo Eng Seng
 Dr. Mazila bt Mokhtar
 Tan Yee Boon
 Tan Yee Siong
 Tan Yee Hou

DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during that financial year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors or the fixed salary of a full-time employee of the Company as shown below) by reason of a contract made by the Company or a related corporation with any director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest, except as disclosed in Note 30 to the financial statements.

The remuneration of the directors of the Company are as follows:

	Group RM	Company RM
Fees	260,000	200,400
Salaries and other emoluments	8,135,000	247,500
Defined contribution plans	1,514,540	32,220
Social security costs	2,338	1,040
Other expenses	48,000	48,000
Employee insurance scheme	268	119
Benefits-in-kind	72,250	12,382
	10,032,396	541,661

During the current financial year, the total amount of indemnity coverage and insurance premium paid for directors and officers of the Company are RM10,000,000 and RM16,245 respectively.

Directors' Report

cont'd

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors in office at the end of the financial year in shares in the Company and its related corporations during the financial year were as follows:

	Number of ordinary shares issued			31.3.2024
	1.4.2023	Bought	Sold	
The Company				
Direct interests:				
Datuk Tan Kok	3,458,116	-	-	3,458,116
Datin Lim Hooi Tin	600,000	-	-	600,000
Tan Chee Huey	192,000	-	-	192,000
Loh Wei Ling	12,000	-	-	12,000
Indirect interests:				
Datuk Tan Kok ⁽¹⁾	101,051,006	262,100	-	101,313,106
Datin Lim Hooi Tin ⁽²⁾	101,051,006	262,100	-	101,313,106
Tan Chee Huey ⁽³⁾	4,157,900	35,700	-	4,193,600
Loh Wei Ling ⁽⁴⁾	492,000	-	-	492,000
Directors' Holding company - Ladang Ternakan Kelang Sdn. Bhd.				
Direct interests:				
Datuk Tan Kok	12,117,600	-	-	12,117,600
Datin Lim Hooi Tin	4,039,200	-	-	4,039,200

(1) Deemed interest by virtue of his controlling interest in Ladang Ternakan Kelang Sdn. Bhd. pursuant to Section 8(4) and Section 59(11)(c) of the Companies Act 2016.

(2) Deemed interest by virtue of her controlling interest in Ladang Ternakan Kelang Sdn. Bhd. pursuant to Section 8(4) and Section 59(11)(c) of the Companies Act 2016.

(3) Deemed interest pursuant to Section 8(4) and Section 59(11)(c) of the Companies Act 2016.

(4) Deemed interest pursuant to Section 59(11)(c) of the Companies Act 2016.

Datuk Tan Kok and Datin Lim Hooi Tin, by virtue of their interests in shares in Ladang Ternakan Kelang Sdn. Bhd., are also deemed interested in shares of all the subsidiaries of the Company to the extent the Company has an interest.

Other than as disclosed above, none of the other directors in office at the end of the financial year had any interest in shares in the Company or its related corporations during the financial year.

HOLDING COMPANY

The immediate and ultimate holding company is Ladang Ternakan Kelang Sdn. Bhd., which is incorporated in Malaysia.

Directors' Report

cont'd

OTHER STATUTORY INFORMATION

- (a) Before the statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps:
- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts have been written off and that adequate allowance had been made for doubtful debts; and
 - (ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the directors are not aware of any circumstances which would render:
- (i) the amount written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; and
 - (ii) the values attributed to current assets in the financial statements of the Group and of the Company misleading.
- (c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.
- (e) As at the date of this report, there does not exist:
- (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.
- (f) In the opinion of the directors:
- (i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and
 - (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

SIGNIFICANT EVENT

Details of a significant event during the financial year are disclosed in Note 39 to the financial statements.

Directors' Report

cont'd

AUDITORS

The auditors, Ernst & Young PLT, have expressed their willingness to continue in office.

Auditors' remuneration is as disclosed in Note 8 to the financial statements.

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young PLT, as part of the terms of its audit engagement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young PLT during or since the financial year.

Signed on behalf of the Board in accordance with a resolution of the directors dated 22 July 2024.

Datuk Tan Kok

Tan Chee Huey

Statement by Directors

Pursuant to Section 251(2) of the Companies Act 2016

We, Datuk Tan Kok and Tan Chee Huey being two of the directors of LTKM Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 40 to 100 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2024 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors dated 22 July 2024.

Datuk Tan Kok

Tan Chee Huey

Statutory Declaration

Pursuant to Section 251(1)(b) of the Companies Act 2016

I, Jancy Oh Suan Tin, being the officer primarily responsible for the financial management of LTKM Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 40 to 100 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the
abovenamed Jancy Oh Suan Tin
at Klang in the State of Selangor Darul Ehsan
on 22 July 2024

Jancy Oh Suan Tin

Before me,

Lee Pei Nam
B186

Commissioner for Oaths
Klang, Selangor Darul Ehsan

Independent Auditors' Report

To the Members of LTKM Berhad
(Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of LTKM Berhad, which comprise the statements of financial position as at 31 March 2024 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 40 to 100.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 March 2024 and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis of opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the financial statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence and other ethical responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. We have determined that there are no key audit matters to communicate in our report on the financial statements of the Company. The key audit matters for the audit of the financial statements of the Group are described below. These matters were addressed in the context of our audit of the financial statements of the Group as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditors' responsibilities for the audit of the financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis of our audit opinion on the accompanying financial statements.

(a) *Valuation of biological assets*

We draw your attention to Notes 2.14, 3(b)(i), 19 and 34 to the financial statements.

The Group's biological assets are measured at fair value. At 31 March 2024, the Group's biological assets were approximately RM9.3 million, of which RM7.2 million were chickens at egg laying stage. In deriving at the fair value of the layers, the Group uses the income approach. This method involves the projection of a series of cashflows to be generated by the layers.

The process of determining the fair value of these layers is complex and requires significant degree of judgement in determining the assumptions used, in particular, the estimated productivity of the layers, the estimated selling price of the eggs, the estimated cost of feeds for the remaining life of the layers and the residual value of the layers as old hens.

Independent Auditors' Report

To the Members of LTKM Berhad
(Incorporated in Malaysia)
cont'd

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS *cont'd*

Key audit matters *cont'd*

(a) Valuation of biological assets *cont'd*

Due to the complexity in the valuation process and the significant degree of judgement involved in deriving at the fair value of these layers, we consider this to be an area of our audit focus.

Our audit procedures include amongst others:

- (i) we obtained an understanding of the methodology adopted by management in estimating the fair value of the layers;
- (ii) we evaluated the estimated selling prices of the eggs against historical prices;
- (iii) we evaluated the estimated productivity of the layers against historical data and assessed the reasonableness of the estimate through comparison with productivity after the reporting date;
- (iv) we assessed the expected feed cost for the remaining life of the layers against historical data;
- (v) we agreed the residual price of the layers against the current market price; and
- (vi) we evaluated the disclosure in Notes 19 and 34 to the financial statements.

(b) *Valuation of investment properties*

We draw your attention to Notes 2.9, 3(b)(ii), 14 and 34 to the financial statements.

At 31 March 2024, the carrying amount of investment properties of the Group was RM93.8 million. The Group adopts fair value model for its investment properties. In the current financial year, the Group has engaged a firm of independent valuer to determine the fair value for investment properties held at the reporting date.

When estimating the fair value of a property, the objective is to estimate the price that would be received from the sale of the property in an orderly transaction between market participants at the reporting date under current market conditions which are highly judgemental. Accordingly, we consider this to be an area of audit focus. Our audit procedures focused on the evaluation performed by independent valuers and management with regards to the fair value of investment properties.

Our audit procedures include amongst others:

- (i) we considered the competence, capabilities and objectivity of the independent valuer engaged by management;
- (ii) we obtained an understanding of the methodology adopted by the independent valuer in estimating the fair value of the properties;
- (iii) we discussed with the independent valuer and management to obtain an understanding of the property related data used as input to the valuation model; and
- (iv) we evaluated the disclosures in the Notes 14 and 34 to the financial statements.

Independent Auditors' Report

To the Members of LTKM Berhad
(Incorporated in Malaysia)
cont'd

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS *cont'd*

Information other than the financial statements and auditors' report thereon

The directors of the Company are responsible for the other information. The other information comprises directors' report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon, which we obtained prior to the date of this auditors' report, and the annual report, which is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors of the Company and take appropriate action.

Responsibilities of the directors for the financial statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.

Independent Auditors' Report

To the Members of LTKM Berhad
(Incorporated in Malaysia)
cont'd

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS *cont'd*

Auditors' responsibilities for the audit of the financial statements cont'd

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:
cont'd

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young PLT
202006000003 (LLP0022760-LCA) & AF 0039
Chartered Accountants

Kuala Lumpur, Malaysia
22 July 2024

Tseu Tet Khong @ Tsau Tet Khong
03374/06/2026 J
Chartered Accountant

Statements of Comprehensive Income

For the financial year ended 31 March 2024

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
Revenue	4(a)	257,686,593	257,271,656	18,559,200	559,200
Cost of sales	4(b)	(213,301,984)	(228,359,250)	-	-
Gross profit		44,384,609	28,912,406	18,559,200	559,200
Other income	5	37,842,326	21,045,586	25,032	628,890
Other items of expense					
Distribution expenses		(4,373,267)	(4,209,068)	-	-
Administrative expenses		(8,229,890)	(8,488,166)	(2,256,496)	(1,788,076)
Other expenses	6	(1,000,100)	(2,969,040)	-	-
Finance costs	7	(3,984,331)	(3,768,016)	(8,491)	(10,689)
Profit/(loss) before tax	8	64,639,347	30,523,702	16,319,245	(610,675)
Taxation	10	(6,073,916)	(9,896,788)	7,462	(569,893)
Profit/(loss) net of tax		58,565,431	20,626,914	16,326,707	(1,180,568)
Other comprehensive income/(loss)					
Other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods:					
Net change in fair value through other comprehensive income ("FVOCI") reserves:					
- Changes in fair value		5,961,473	(1,341,450)	-	-
Other comprehensive income/(loss) for the financial year, net of tax		5,961,473	(1,341,450)	-	-
Total comprehensive income/(loss) for the financial year		64,526,904	19,285,464	16,326,707	(1,180,568)
Profit/(loss) net of tax, attributable to:					
Owners of the parent		58,565,431	20,626,914	16,326,707	(1,180,568)
Total comprehensive income/(loss) attributable to:					
Owners of the parent		64,526,904	19,285,464	16,326,707	(1,180,568)
Earnings per share attributable to owners the parent (sen per share):					
Basic	11(a)	40.92	14.41		

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

Statements of Financial Position

As at 31 March 2024

	Note	2024 RM	Group 2023 RM
Assets			
Non-current assets			
Property, plant and equipment	13	75,982,105	74,551,694
Investment properties	14	93,800,000	88,800,000
Land held for property development	15	33,746,445	33,746,445
Right-of-use assets	16(a)	4,893,083	5,897,707
Deferred tax assets	26	19,010	502,406
Investment securities	18(a)	61,536,078	20,230,201
Other investment	18(b)	957,660	911,100
		<u>270,934,381</u>	<u>224,639,553</u>
Current assets			
Biological assets	19	9,275,530	7,900,853
Inventories	20	16,086,428	13,575,730
Tax recoverable		1,536,581	301,912
Trade and other receivables	21	10,087,174	11,911,771
Prepayments	22	1,920,927	2,059,555
Cash and bank balances	23	79,164,266	79,601,762
		<u>118,070,906</u>	<u>115,351,583</u>
Total assets		<u>389,005,287</u>	<u>339,991,136</u>
Equity and liabilities			
Current liabilities			
Trade and other payables	24	19,981,377	23,674,707
Loans and borrowings	25	41,356,003	43,734,143
Lease liabilities	16(b)	1,099,935	1,043,955
Dividend payable	12	14,311,401	-
Income tax payable		194,300	1,713,707
		<u>76,943,016</u>	<u>70,166,512</u>
Net current assets		<u>41,127,890</u>	<u>45,185,071</u>
Non-current liabilities			
Loans and borrowings	25	19,684,411	27,224,561
Lease liabilities	16(b)	4,040,806	4,999,644
Deferred tax liabilities	26	2,388,010	1,866,878
		<u>26,113,227</u>	<u>34,091,083</u>
Total liabilities		<u>103,056,243</u>	<u>104,257,595</u>
Net assets		<u>285,949,044</u>	<u>235,733,541</u>
Equity attributable to owners of the parent			
Share capital	27	76,695,953	76,695,953
Fair value through other comprehensive income reserve	28	(147,378)	(6,090,718)
Retained earnings		209,400,469	165,128,306
Total equity		<u>285,949,044</u>	<u>235,733,541</u>
Total equity and liabilities		<u>389,005,287</u>	<u>339,991,136</u>

Statements of Financial Position

As at 31 March 2024

cont'd

	Note	Company	
		2024 RM	2023 RM
Assets			
Non-current assets			
Property, plant and equipment	13	14,282	19,733
Right-of-use assets	16(a)	260,757	153,625
Investment in subsidiaries	17	109,927,440	110,927,440
Deferred tax asset	26	19,011	13,448
		<u>110,221,490</u>	<u>111,114,246</u>
Current assets			
Trade and other receivables	21	8,380	8,200
Prepayments	22	1,012,637	1,633,916
Tax recoverable		106,168	91,540
Cash and bank balances	23	18,072,509	1,019,764
		<u>19,199,694</u>	<u>2,753,420</u>
Total assets		<u>129,421,184</u>	<u>113,867,666</u>
Equity and liabilities			
Current liabilities			
Trade and other payables	24	256,232	1,127,535
Lease liabilities	16(b)	37,225	34,926
Dividend payable	12	14,311,401	-
		<u>14,604,858</u>	<u>1,162,461</u>
Net current assets		<u>4,594,836</u>	<u>1,590,959</u>
Non-current liability			
Lease liabilities	16(b)	223,532	127,717
Total liabilities		<u>14,828,390</u>	<u>1,290,178</u>
Net assets		<u>114,592,794</u>	<u>112,577,488</u>
Equity attributable to owners of the Company			
Share capital	27	76,695,953	76,695,953
Retained earnings	29	37,896,841	35,881,535
Total equity		<u>114,592,794</u>	<u>112,577,488</u>
Total equity and liabilities		<u>129,421,184</u>	<u>113,867,666</u>

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

Statements of Changes in Equity

For the financial year ended 31 March 2024

Group	Note	Attributable to owners of the parent			Total equity
		Share capital (Note 27) RM	Non-distributable Fair value through other comprehensive income reserve (Note 28) RM	Distributable retained earnings RM	
2024					
At 1 April 2023		76,695,953	(6,090,718)	165,128,306	235,733,541
Total comprehensive income		-	5,961,473	58,565,431	64,526,904
Profit net of tax		-	-	58,565,431	58,565,431
Other comprehensive loss, net of tax		-	5,961,473	-	5,961,473
Transfer of fair value reserve of equity instruments designated at FVOCI upon disposal	18	-	(18,133)	18,133	-
Transaction with owners:					
Dividend	12	-	-	(14,311,401)	(14,311,401)
At 31 March 2024		76,695,953	(147,378)	209,400,469	285,949,044
2023					
At 1 April 2022		76,695,953	(4,432,638)	144,184,762	216,448,077
Total comprehensive (loss)/income		-	(1,341,450)	20,626,914	19,285,464
Loss net of tax		-	-	20,626,914	20,626,914
Other comprehensive income, net of tax		-	(1,341,450)	-	(1,341,450)
Transfer of fair value reserve of equity instruments designated at FVOCI upon disposal	18	-	(316,630)	316,630	-
At 31 March 2023		76,695,953	(6,090,718)	165,128,306	235,733,541

Statements of Changes in Equity

For the financial year ended 31 March 2024

cont'd

	Note	Share capital (Note 27) RM	Distributable retained earnings (Note 29) RM	Total equity RM
Company				
2024				
At 1 April 2023		76,695,953	35,881,535	112,577,488
Profit net of tax, representing total comprehensive income		-	16,326,707	16,326,707
Transaction with owners:				
Dividend	12	-	(14,311,401)	(14,311,401)
At 31 March 2024		<u>76,695,953</u>	<u>37,896,841</u>	<u>114,592,794</u>
2023				
At 1 April 2022		76,695,953	37,062,103	113,758,056
Loss net of tax, representing total comprehensive income		-	(1,180,568)	(1,180,568)
At 31 March 2023		<u>76,695,953</u>	<u>35,881,535</u>	<u>112,577,488</u>

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

Statements of Cash Flows

For the financial year ended 31 March 2024

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
Cash flows from operating activities					
Profit/(loss) before tax		64,639,347	30,523,702	16,319,245	(610,675)
Adjustments for:					
Depreciation of property plant and equipment	8	4,870,308	4,568,448	5,451	14,869
Property, plant and equipment written off	8	158	26,969	-	-
Depreciation of right-of-use assets	8	1,150,162	1,166,751	38,406	38,406
Gain on disposal of property, plant and equipment	5	(622,269)	(61,999)	-	(530,613)
Impairment loss on property, plant and equipment	6	1,000,000	708,125	-	-
(Reversal of impairment loss)/impairment loss on investment in bond	5,6	(46,560)	30,700	-	-
Fair value gain on investment properties	5	(5,000,000)	-	-	-
Property development cost written off	6	-	1,540,404	-	-
Changes in fair value of:					
Livestock	5,6	(1,732,746)	554,388	-	-
Produce inventories	5,6	(26,627)	135,423	-	-
Allowance for expected credit losses	8	128,985	280,509	-	-
Reversal of allowance for expected credit losses	8	(257,173)	(133,833)	-	-
Short term accumulating compensated absences	9(a)	571,422	612,011	16,706	261
Unrealised gain on foreign exchange	5	(1,025,987)	(930,050)	-	-
Dividend income from:					
Investment securities	5	(912,452)	(761,173)	-	-
A subsidiary company	4(a)	-	-	(18,000,000)	-
Government subsidy income	5	(25,332,845)	(18,063,545)	-	-
Interest expense	7	3,656,812	3,446,356	-	-
Lease interest expense	7	327,519	321,660	8,491	10,689
Interest income	5	(1,269,098)	(737,168)	(2,717)	(86,277)
Operating profit/(loss) before working capital changes		40,118,956	23,227,678	(1,614,418)	(1,163,340)
Working capital changes in:					
Property development costs		-	(60,580)	-	-
Biological assets		358,069	(847,726)	-	-
Inventories		(2,484,071)	(2,879,057)	-	-
Trade and other receivables		1,936,775	3,218,713	(180)	-
Prepayments		138,628	(1,832,206)	621,279	(1,519,436)
Trade and other payables		(4,264,752)	5,759,592	(888,009)	861,575
Cash flows from/(used in) operations		35,803,605	26,586,414	(1,881,328)	(1,821,201)
Proceeds from government subsidy income	5	25,332,845	18,063,545	-	-
Net taxes paid		(7,823,464)	(2,089,043)	(12,729)	(572,639)
Interest paid		(4,019,049)	(3,752,735)	(8,491)	(10,689)
Net cash flows from/(used in) operating activities		49,293,937	38,808,181	(1,902,548)	(2,404,529)

Statements of Cash Flows

For the financial year ended 31 March 2024

cont'd

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
Cash flows from investing activities					
Purchase of:					
Property, plant and equipment	13(b)	(7,300,913)	(3,459,659)	-	-
Investment securities		(35,531,421)	(310,473)	-	-
Proceeds from disposal of:					
Plant and equipment		622,305	108,800	-	1,300,000
Investment securities		187,017	1,946,715	-	-
Proceeds from redemption of redeemable non-cumulative convertible preference shares		-	-	1,000,000	-
Placement of deposit with maturity of more than 3 months	23	(3,113,259)	(4,200,000)	-	-
Interest received		1,269,098	737,168	2,717	86,277
Dividend received:					
A subsidiary		-	-	18,000,000	-
Investment securities		912,452	761,173	-	-
Net cash flows (used in)/from investing activities		(42,954,721)	(4,416,276)	19,002,717	1,386,277
Cash flows from financing activities					
Net repayments to subsidiaries		-	-	-	(2,650,000)
Net repayment of term loans		(9,309,823)	(6,105,070)	-	-
Payment of lease liabilities	16(b)	(1,048,396)	(1,043,940)	(47,424)	(34,911)
Repayment of other bank borrowings		(573,749)	(2,241,242)	-	-
Net cash flows used in financing activities		(10,931,968)	(9,390,252)	(47,424)	(2,684,911)
Net (decrease)/increase in cash and cash equivalents		(4,592,752)	25,001,653	17,052,745	(3,703,163)
Cash and cash equivalents at beginning of financial year		74,401,762	48,443,931	1,019,764	4,722,927
Effect of exchange rate changes on cash and cash equivalents, relating to unrealised gain on foreign exchange		1,041,997	956,178	-	-
Cash and cash equivalents at end of financial year (Note 23)		70,851,007	74,401,762	18,072,509	1,019,764

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

Notes to the Financial Statements

For the financial year ended 31 March 2024

1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of the Bursa Malaysia Securities Berhad (“Bursa Malaysia”). The registered office of the Company is located at Unit 7-02, Level 7, Menara Persoft, 6B Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan. The principal place of business is located at 102, Batu 1 1/2, Jalan Meru, 41050 Klang, Selangor Darul Ehsan.

The holding and ultimate holding company of the Company is Ladang Ternakan Kelang Sdn. Bhd., a company incorporated in Malaysia. Related companies refer to companies within the Ladang Ternakan Kelang Sdn. Bhd. group.

The principal activities of the Company are investment holding and provision of management services. The principal activities of the subsidiaries are described in Note 17.

There have been no significant changes in the nature of these principal activities during the financial year.

The financial statements were authorised for issue by the Board of directors in accordance with a resolution of the directors on 22 July 2024.

2. MATERIAL ACCOUNTING POLICY INFORMATION

2.1 Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”), International Financial Report Standards and the requirements of the Companies Act 2016 in Malaysia.

The financial statements have been prepared on the historical cost basis except otherwise disclosed in the accounting policies below.

The financial statements are presented in Ringgit Malaysia (“RM”).

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except as follows:

On 1 April 2023, the Group and the Company adopted the following new and amended MFRSs mandatory for annual financial periods beginning on or after 1 January 2023.

Descriptions	Effective for annual periods beginning on or after
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 108: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 101 and MFRS Practice Statement 2: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 112: International Tax Reform - Pillar Two Model Rules	1 January 2023

Notes to the Financial Statements

For the financial year ended 31 March 2024

cont'd

2. MATERIAL ACCOUNTING POLICY INFORMATION *cont'd*

2.2 Changes in accounting policies *cont'd*

The adoption of the above standards did not have any significant impact on the financial statements of the Group and of the Company, except for the following:

The amendments to MFRS 101 and MFRS Practice Statement 2 provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments have had an impact on the Group's and the Company's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Group's and the Company's financial statements.

2.3 Standards issued but not yet effective

The standards that are issued but not yet effective up to the date of issuance of the Group's and of the Company's financial statements are disclosed below. The Group and the Company intend to adopt these new and amended MFRSs, if applicable, when they become effective.

Descriptions	Effective for annual 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 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
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 directors expect that the adoption of the standards above will have no material impact on the financial statements in the period of initial application.

2.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied for like transactions and events in similar circumstances.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

2.5 Investment in subsidiaries

In the Company's separate financial statements, investment in subsidiaries are accounted for at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2024
cont'd

2. MATERIAL ACCOUNTING POLICY INFORMATION *cont'd*

2.6 Revenue recognition

(a) Revenue from contracts with customers

The following describes the performance obligation in contracts with customers:

(i) Revenue from sales of produce inventories, livestock and feeds

Revenue is recognised at the point in time when the control of produce inventories and livestock are transferred to the customer. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

(ii) Revenue from sales of sand

Revenue is recognised at the point in time when the control of sand is transferred to the customer. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

(iii) Management fee income

Management service fees are recognised over time as and when services are rendered.

(b) Other revenue

(i) Dividend income

Dividend income is recognised at point of time when the Group's and the Company's right to receive payment is established which is the date that the dividend is declared.

(ii) Interest income

Interest income is recognised on the accrual basis, using the effective interest method, unless recoverability is in doubt, in which case, it is recognised on receipt basis.

(iii) Rental income

Rental income from investment properties is recognised on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis. The income recognition is not within the scope of MFRS 15.

2.7 Income taxes

(i) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

(ii) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Notes to the Financial Statements

For the financial year ended 31 March 2024

cont'd

2. MATERIAL ACCOUNTING POLICY INFORMATION *cont'd*

2.8 Property, plant and equipment, and depreciation

All items of property, plant and equipment are initially recorded at cost.

Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Freehold land has an unlimited useful life and therefore is not depreciated. Leasehold land are depreciated over the period of their respective lease term. Depreciation of other property, plant and equipment is provided for on a straight-line basis to write off the cost of each asset to its residual value over the estimated useful life, at the following annual rates:

Buildings	2% - 33.33%
Plant and machinery	10% - 20%
Furniture, fittings and equipment	10% - 20%
Motor vehicles	20%
Ponds	20% - 50%

Capital work-in-progress included in property, plant and equipment are not depreciated as these assets are not yet available for use.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the profit or loss in the financial year the asset is derecognised.

Bearer plant comprise pre-cropping expenditure incurred from land clearing to the point of maturity. Such expenditure is capitalised and is amortised at maturity of the crop at the following rates which are deemed as the useful economic lives of the crop:

Pre-cropping expenditure - oil palm	over 20 years or 5%
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2.9 Investment properties

Investment properties are properties which are owned or held to earn rental income or capital appreciation or for both; but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. These include freehold land and leasehold land which in substance is a finance lease held for a currently undetermined future use.

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value which reflects market conditions at the reporting date. Fair value is arrived at by reference to market evidence of transaction prices for similar properties and is performed by registered independent valuers having an appropriate recognised professional qualification and recent experience in the location and category of the properties being valued. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the financial year in which they arise.

A property interest under an operating lease is classified and accounted for as an investment property on a property-by-property basis when the Group holds it to earn rentals or for capital appreciation or both. Any such property interest under an operating lease classified as an investment property is carried at fair value.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2024
cont'd

2. MATERIAL ACCOUNTING POLICY INFORMATION *cont'd*

2.9 Investment properties *cont'd*

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property is recognised in profit or loss in the financial year of retirement or disposal.

2.10 Land held for property development and property development costs

(i) Land held for property development

Land held for property development consists of land where no development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle. Such land is classified within non-current assets and is stated at lower of cost and net realisable value.

Land held for property development is reclassified as property development costs at the point when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

(ii) Completed inventory property and inventory property under development

Property acquired or being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, is held as inventory property and is measured at the lower of cost and net realisable value.

Principally, this is property that the Group develops and intends to sell before, or on completion of, development.

Cost incurred in bringing each property to its present location and condition includes:

- Freehold and leasehold rights for land;
- Amounts paid to contractors for development; and
- Borrowing costs, planning and design costs, costs of site preparation, professional fees for legal services, property transfer taxes, development overheads and other related costs.

2.11 Leases

The Group and the Company assess at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(a) As a lessee

The Group and the Company apply a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group and the Company recognise lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-use assets

The Group and the Company recognise right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Notes to the Financial Statements

For the financial year ended 31 March 2024

cont'd

2. MATERIAL ACCOUNTING POLICY INFORMATION *cont'd*

2.11 Leases *cont'd*

(a) As a lessee *cont'd*

(i) Right-of-use assets *cont'd*

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets over the following periods:

Farm land	6 years
Office premise	6 years

(ii) Lease liabilities

At the commencement date of the lease, the Group and the Company recognise lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and the Company and payments of penalties for terminating the lease, if the lease term reflects the Group and the Company exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group and the Company use their incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

(iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to their short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

2.12 Financial assets

The Group and the Company have financial assets measured at fair value through other comprehensive income ("FVOCI"), which are investment securities, and amortised cost, which are other investment, trade and other receivables and cash and bank balances.

Financial assets designated at FVOCI (equity instruments)

The Group elected to classify irrevocably its equity investments under this category.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2024
cont'd

2. MATERIAL ACCOUNTING POLICY INFORMATION *cont'd*

2.12 Financial assets *cont'd*

Impairment of financial assets

The Group and the Company recognise an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss ("FVTPL"). ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group and the Company apply a simplified approach in calculating ECLs. Therefore, the Group and the Company do not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group and the Company have established a provision matrix for trade receivables that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group and the Company consider a financial asset in default when internal or external information indicates that the Group and the Company are unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group and the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.13 Financial liabilities

Initial recognition and measurement

The Group and the Company only have financial liabilities measured at amortised cost, which are trade and other payables, lease liabilities, and loans and borrowings.

2.14 Biological assets

Livestock

The Group's livestock consists of chickens reared for laying eggs at each stage of growth from starter, grower, layer to old hens. Livestock is measured at fair value less estimated cost to sell with change in fair value less costs to sell recognised in profit or loss for the period in which it arises. The fair value of the starters and growers are stated at its cost, the fair value of the layers are stated using the income approach method, and old hens at market value.

The fair value using the income approach is based on the expected number of eggs produced by each batch, estimated selling prices of eggs, estimated cost of feeds, residual value of old hens and other related costs, taking into account the time value of money over the life of the layers.

Notes to the Financial Statements

For the financial year ended 31 March 2024

cont'd

2. MATERIAL ACCOUNTING POLICY INFORMATION *cont'd*

2.15 Inventories

The Group's inventories consist of raw materials, consumable goods and produce inventories.

(i) Raw materials and consumable goods - livestock feed, fuel and other materials

Raw materials and consumable goods are stated at the lower of costs and net realisable value. The cost of raw materials and consumable goods are costs incurred in bringing them to their present location and condition stated on the weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

(ii) Produce inventories

(a) Eggs

Eggs are agricultural produce and are stated at their fair value less costs to sell. The fair value is measured at the price the eggs can be sold for or its market value.

(b) Organic fertilisers

Organic fertilisers are stated at the lower of costs and net realisable value. The cost of organic fertilisers comprise costs of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. These costs are assigned on the first-in-first-out basis.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

2.16 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and at banks and short term deposits with a maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.17 Employee benefits

Defined contribution plans

The Group and the Company participate in the national pension scheme as defined by the laws of the country in which they operates. The Group and the Company make contributions to the Employees Provident Fund in Malaysia, a defined contribution pension scheme. Contributions to the defined contribution pension scheme are recognised as an expense in the period in which the related service is performed.

2.18 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are recognised in profit or loss in the period they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2024
cont'd

2. MATERIAL ACCOUNTING POLICY INFORMATION *cont'd*

2.19 Foreign currencies

(i) Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in RM, which is also the Company's functional currency.

(ii) Foreign currency transactions

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date.

Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

2.20 Share capital and share issuance expenses

An equity instrument is any contract that evidences a residual interest in the assets of the Group and of the Company after deducting all of their liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

2.21 Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 36, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.22 Financial guarantees

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due.

Notes to the Financial Statements

For the financial year ended 31 March 2024

cont'd

2. MATERIAL ACCOUNTING POLICY INFORMATION *cont'd*

2.22 Financial guarantees *cont'd*

Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee. If the debtor fails to make payment relating to financial guarantee contract when it is due and the Group and the Company, as the issuers, are required to reimburse the holder for the associated loss, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount initially recognised less cumulative amortisation.

2.23 Fair value measurement

The Group's management determines the policies and procedures for both recurring fair value measurement, such as investment properties and investment securities.

External valuers are involved for valuation of significant assets, such as properties and significant liabilities, such as contingent consideration. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Group's management decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management, in conjunction with the Group's external valuers, also compares each of the changes in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's and of the Company's financial statements require management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

(a) Judgements made in applying accounting policies

In the process of applying the Group's and the Company's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

(i) Classification of financial assets

The Group classified its investment in investment securities as fair value through other comprehensive income. The investment securities were classified as non-current assets as the management is of the opinion that such investments are not primarily held for trading in the short term.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2024
cont'd

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES *cont'd*

(b) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Biological assets

The fair value of layers classified as biological assets is determined using the income approach model which considers the expected quantity and price of the eggs to be produced over the life of the layers, taking into account the layers' mortality rate.

In measuring the fair value of layers, management estimates and judgements are required which include the estimated productivity of the layers, estimated selling price of the eggs, estimated feed costs over the remaining life of the layers, as well as residual value of layers upon maturity age. Changes to any of these assumptions would affect the fair value of the layers.

The fair value of biological assets as at 31 March 2024 is RM9,275,530 (2023: RM7,900,853), of which RM7,243,919 (2023: RM5,341,255) were chickens at egg laying stage.

(ii) Fair value of investment properties

The Group carries its investment properties at fair value, with changes in fair value being recognised in profit or loss. The Group engaged independent valuation specialists to assess fair value at each reporting date. Fair value is determined based on comparison method. Comparison method makes reference to market-based evidence, using comparable prices adjusted for specific market factors such as nature, location and condition of the property. The key assumptions used to determine the fair value of these assets and sensitivity analyses are provided in Notes 14 and 34.

(iii) Impairment of property, plant and equipment

At each reporting date, the Group and the Company assess if any indication of impairment exists for property, plant and equipment. The recoverable amounts are determined based on the higher of value in use and fair value less costs of disposal. In determining the fair value of land where there was an indication of impairment during the financial year, the Group engaged an independent valuer to assess the fair value based on the comparison approach. The comparison approach was adopted by comparing and analysing recent sales transactions of comparable properties in the localities with key adjustments included, amongst others, to reflect the differences in factors such as time, size and location that affect the market value of the land. The carrying amount of the land of the Group at the reporting date is disclosed in Note 13.

Notes to the Financial Statements

For the financial year ended 31 March 2024
cont'd

4. REVENUE AND COST OF SALES

(a) Revenue

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Revenue from contracts with customers (Note (i))	257,326,593	256,911,656	559,200	559,200
Dividend income from a subsidiary	-	-	18,000,000	-
Rental income from investment properties	360,000	360,000	-	-
	257,686,593	257,271,656	18,559,200	559,200

(i) Revenue from contracts with customers

Disaggregated revenue information

Set out below is the disaggregation of the Group's revenue from contracts with customers:

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Revenue from:				
- Sales of produce inventories, feeds and livestock, less return and discounts allowed	248,340,495	249,816,939	-	-
- Sales of sand	8,986,098	7,094,717	-	-
- Management fee from subsidiaries	-	-	559,200	559,200
Total revenue from contracts with customers	257,326,593	256,911,656	559,200	559,200

Timing of revenue recognition

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
At a point in time	257,326,593	256,911,656	-	-
Over time	-	-	559,200	559,200
Total revenue from contracts with customers	257,326,593	256,911,656	559,200	559,200

Notes to the Financial Statements

For the Financial Year Ended 31 March 2024
cont'd

4. REVENUE AND COST OF SALES *cont'd*

(b) Cost of sales

	2024 RM	2023 RM
Produce inventories and livestock	207,276,175	222,921,520
Sand	6,025,809	5,437,730
	<u>213,301,984</u>	<u>228,359,250</u>

5. OTHER INCOME

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Interest income on:				
- Fixed deposits	1,269,098	737,168	2,717	86,277
Dividend income from investment securities	912,452	761,173	-	-
Gain on disposal of property, plant and equipment	622,269	61,999	-	530,613
Rental income from premises	120,000	120,000	12,000	12,000
Fair value gain on:				
- Investment in properties (Note 14)	5,000,000	-	-	-
Reversal of impairment loss on:				
- Investment in bond (Note 18(b))	46,560	-	-	-
Gain on foreign exchange:				
- Realised	1,539,392	335,445	-	-
- Unrealised	1,025,987	930,050	-	-
Fair value gain on:				
- Livestock (Note 19)	1,732,746	-	-	-
- Produce inventories	26,627	-	-	-
Government subsidy income	25,332,845	18,063,545	-	-
Miscellaneous	214,350	36,206	10,315	-
	<u>37,842,326</u>	<u>21,045,586</u>	<u>25,032</u>	<u>628,890</u>

Notes to the Financial Statements

For the financial year ended 31 March 2024
cont'd

6. OTHER EXPENSES

	Group	
	2024 RM	2023 RM
Impairment loss on:		
- Property, plant and equipment (Note 13)	1,000,000	708,125
- Investment in bond (Note 18(b))	-	30,700
Fair value loss on:		
- Livestock (Note 19)	-	554,388
- Produce inventories	-	135,423
Property development cost written off (Note 15)	-	1,540,404
Miscellaneous	100	-
	<u>1,000,100</u>	<u>2,969,040</u>

7. FINANCE COSTS

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Interest expense on:				
- Bankers' acceptances	580,599	440,387	-	-
- Revolving credits	1,134,330	992,717	-	-
- Term loans	1,940,167	2,011,380	-	-
- Lease liabilities (Note 16(b))	327,519	321,660	8,491	10,689
- Hire purchase	1,716	1,872	-	-
	<u>3,984,331</u>	<u>3,768,016</u>	<u>8,491</u>	<u>10,689</u>

Notes to the Financial Statements

For the Financial Year Ended 31 March 2024
cont'd

8. PROFIT/(LOSS) BEFORE TAX

Profit/(loss) before tax is stated after charging/(crediting):

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Staff costs (excluding directors) (Note 9(a))	21,301,691	20,620,060	680,134	366,152
Directors' remuneration (Note 9(b))	14,068,388	13,285,692	529,279	497,201
Auditors' remuneration:				
- statutory	227,300	213,600	75,000	72,000
- others	6,500	6,500	6,500	6,500
Depreciation of property, plant and equipment (Note 13)	4,870,308	4,568,448	5,451	14,869
Property, plant and equipment written off (Note 13)	158	26,969	-	-
Depreciation of right-of-use assets (Note 16(a))	1,150,162	1,166,751	38,406	38,406
Allowance for expected credit losses (Note 21(a))	128,985	280,509	-	-
Reversal of allowance for expected credit losses (Note 21(a))	(257,173)	(133,833)	-	-
Expense relating to short-term leases and low-value assets (Note 16(b))	4,800	113,670	-	-
Direct expenses arising from investment properties that:				
- generate rental income	108,819	120,891	-	-
- do not generate rental income	39,459	39,459	-	-

9. EMPLOYEE BENEFIT EXPENSE AND DIRECTORS' REMUNERATION

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
(a) Staff costs				
Wages and salaries	19,437,876	18,478,032	567,850	332,350
Defined contribution plans	899,967	870,207	80,812	26,658
Social security costs	214,123	200,359	2,079	1,903
Short term accumulating compensated absences	571,422	612,011	16,706	261
Employee insurance scheme	11,260	11,018	237	217
Other staff related expenses	167,043	448,433	12,450	4,763
	21,301,691	20,620,060	680,134	366,152

Notes to the Financial Statements

For the financial year ended 31 March 2024

cont'd

9. EMPLOYEE BENEFIT EXPENSE AND DIRECTORS' REMUNERATION *cont'd*

(b) Directors' remuneration

The details of remuneration receivable by directors of the Group and of the Company during the financial year are as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Executive directors of the Company				
- Fees	89,600	90,000	60,000	60,000
- Salaries and other emoluments	7,775,000	7,304,000	247,500	252,000
- Defined contribution plans	1,446,140	1,352,480	32,220	30,240
- Social security costs	2,338	1,904	1,040	952
- Employee insurance scheme	268	218	119	109
- Benefits-in-kind	62,052	44,931	12,382	10,370
	9,375,398	8,793,533	353,261	353,671
Non-executive directors of the Company				
- Fees	170,400	156,900	140,400	126,900
- Salaries and other emoluments	360,000	360,000	-	-
- Defined contribution plans	68,400	68,400	-	-
- Other expenses	48,000	27,000	48,000	27,000
- Benefits-in-kind	10,198	18,547	-	-
	656,998	630,847	188,400	153,900
Other directors of the Group				
- Fees	600,000	575,000	-	-
- Salaries and other emoluments	2,976,000	2,846,766	-	-
- Defined contribution plans	526,120	497,420	-	-
- Social security costs	5,646	5,168	-	-
- Employee insurance scheme	476	436	-	-
- Benefits-in-kind	90,699	89,663	-	-
	4,198,941	4,014,453	-	-
Total exclude benefits-in-kind	14,068,388	13,285,692	529,279	497,201
Total	14,231,337	13,438,833	541,661	507,571

Notes to the Financial Statements

For the Financial Year Ended 31 March 2024
cont'd

9. EMPLOYEE BENEFIT EXPENSE AND DIRECTORS' REMUNERATION *cont'd*

(b) Directors' remuneration *cont'd*

The number of directors of the Company whose total remuneration in the Group during the financial year fell within the following bands is analysed below:

	Company	
	2024	2023
Executive directors:		
RM300,001 - RM350,000	2	2
RM8,650,001 - RM8,700,000	1	1
Non-executive directors:		
RM60,001 - RM65,000	3	3
RM450,001 - RM500,000	1	1

10. TAXATION

Major components of income tax expense/(benefit)

The major components of income tax expense/(credit) for the financial years ended 31 March 2024 and 31 March 2023 are as follows:

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Current income tax:				
Malaysian income tax	9,364,263	8,212,097	7,544	87,173
(Over)/under provision in prior financial years	(4,294,875)	(17,331)	(9,443)	828
	5,069,388	8,194,766	(1,899)	88,001
Real property gains tax	-	507,639	-	507,639
Deferred tax (Note 26):				
Relating to origination and reversal of temporary differences	1,004,441	973,298	(5,563)	(25,747)
Underprovision in prior financial years	87	221,085	-	-
	1,004,528	1,194,383	(5,563)	(25,747)
	6,073,916	9,896,788	(7,462)	569,893

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2023: 24%) of the estimated assessable profit for the financial year.

Notes to the Financial Statements

For the financial year ended 31 March 2024

cont'd

10. TAXATION *cont'd*

Reconciliation between tax expense/(credit) and accounting profit/(loss)

A reconciliation of income tax expense/(credit) applicable to profit/(loss) before tax at the statutory income tax rate to income tax expense/(credit) at the effective income tax rate of the Group and of the Company is as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Profit/(loss) before tax:	64,639,347	30,523,702	16,319,245	(610,675)
Taxation at Malaysian statutory tax rate of 24% (2023: 24%)	15,513,443	7,325,688	3,916,619	(146,562)
Income not subject to tax	(7,440,125)	(289,235)	(4,320,000)	(108,244)
Expenses not deductible for tax purposes	1,822,038	2,150,552	405,362	316,232
Real property gains tax	-	507,639	-	507,639
Deferred tax recognised on unused tax losses	-	(5,071)	-	-
Deferred tax not recognised on:				
- Unused tax losses	5,270	3,423	-	-
- Unabsorbed capital allowances	38	38	-	-
- Other deductible temporary difference	465,910	-	-	-
(Over)/under provision of:				
- Income tax in prior financial years	(4,292,745)	(17,331)	(9,443)	828
- Deferred tax in prior financial years	87	221,085	-	-
Income tax expense/(benefit)	6,073,916	9,896,788	(7,462)	569,893

Notes to the Financial Statements

For the Financial Year Ended 31 March 2024
cont'd

11. EARNINGS PER SHARE

(a) Basics

Basic earnings per share is calculated by dividing profit for the financial year, net of tax, attributable to owners of the parent by the weighted average number of ordinary shares in issue during the financial year.

	Group	
	2024	2023
Profit attributable to owners of the parent (RM)	58,565,431	20,626,914
Weighted average number of ordinary shares in issue (units)	143,114,006	143,114,006
Basic earnings per share (sen per share)	40.92	14.41

(b) Diluted

There are no potential ordinary shares outstanding as at the end of the current and previous financial years. As such, the fully diluted earnings per share of the Group is not presented.

12. DIVIDENDS

	Dividends in respect of financial year	
	2024	2023
	RM	RM
Recognised during the financial year		
Interim single-tier dividend of 10 sen per ordinary share on 143,114,006 ordinary shares, declared on 22 February 2024 and paid on 2 April 2024	14,311,401	-

The directors do not recommend the payment of final dividend in respect of the current financial year.

Notes to the Financial Statements

For the financial year ended 31 March 2024
cont'd

13. PROPERTY PLANT AND EQUIPMENT

Group	Note	Leasehold	Freehold	Buildings	Plant and	Furniture,	Motor	Ponds	Bearer	Capital	Total
		land	land	RM	machinery	fittings and	vehicles	RM	plant	work-in-	
		RM	RM	RM	RM	equipment	RM	RM	RM	progress	RM
At 31 March 2024											
At cost											
	At 1 April 2023	6,351,684	54,000,000	31,472,472	59,771,384	7,500,851	9,325,111	1,249,495	356,527	-	170,027,524
	Additions	-	-	24,348	5,249,435	76,419	1,880,992	-	-	69,719	7,300,913
	Written off	-	-	-	-	(2,138)	-	-	-	-	(2,138)
	Disposals	-	-	-	(2,611,143)	-	(1,092,145)	-	-	-	(3,703,288)
	At 31 March 2024	6,351,684	54,000,000	31,496,820	62,409,676	7,575,132	10,113,958	1,249,495	356,527	69,719	173,623,011
Accumulated depreciation and impairment losses:											
	At 1 April 2023	1,951,685	3,400,000	23,136,970	52,207,111	5,737,501	7,773,372	1,079,652	189,539	-	95,475,830
	Depreciation charge for the financial year	142,140	-	1,503,978	2,291,218	217,308	654,884	42,903	17,877	-	4,870,308
	Impairment loss	-	1,000,000	-	-	-	-	-	-	-	1,000,000
	Written off	-	-	-	-	(1,980)	-	-	-	-	(1,980)
	Disposals	-	-	-	(2,611,108)	-	(1,092,144)	-	-	-	(3,703,252)
	At 31 March 2024	2,093,825	4,400,000	24,640,948	51,887,221	5,952,829	7,336,112	1,122,555	207,416	-	97,640,906
Analysed as:											
	Accumulated depreciation	606,698	-	24,572,147	51,611,491	5,512,625	7,336,112	1,118,530	207,416	-	91,673,144
	Accumulated impairment losses	1,487,127	4,400,000	68,801	275,730	440,204	-	4,025	-	-	5,967,762
		2,093,825	4,400,000	24,640,948	51,887,221	5,952,829	7,336,112	1,122,555	207,416	-	97,640,906
Net carrying amount											
	At 31 March 2024	4,257,859	49,600,000	6,855,872	10,522,455	1,622,303	2,777,846	126,940	149,111	69,719	75,982,105

Notes to the Financial Statements

For the Financial Year Ended 31 March 2024
cont'd

13. PROPERTY PLANT AND EQUIPMENT *cont'd*

Group	Note	Leasehold land RM	Freehold land RM	Buildings RM	Plant and machinery RM	Furniture, fittings and equipment RM	Motor vehicles RM	Ponds RM	Capital work-in-progress RM	Bearer plant RM	Total RM
At 31 March 2023											
At cost											
	At 1 April 2022	2,260,000	54,000,000	31,472,472	59,276,509	7,453,797	8,398,220	1,249,495	26,969	356,527	164,493,989
	Additions	4,091,684	-	-	598,875	47,054	1,122,046	-	(26,969)	-	5,859,659
	Written off	-	-	-	-	-	-	-	-	-	(26,969)
	Disposals	-	-	-	(104,000)	-	(195,155)	-	-	-	(299,155)
	At 31 March 2023	6,351,684	54,000,000	31,472,472	59,771,384	7,500,851	9,325,111	1,249,495	-	356,527	170,027,524
Accumulated depreciation and impairment losses:											
	At 1 April 2022	1,160,000	3,400,000	21,579,765	50,065,128	5,516,154	7,522,103	1,036,749	-	171,712	90,451,611
	Depreciation charge for the financial year	83,560	-	1,557,205	2,199,184	221,347	446,422	42,903	-	17,827	4,568,448
	Impairment loss	708,125	-	-	-	-	-	-	-	-	708,125
	Disposals	-	-	-	(57,201)	-	(195,153)	-	-	-	(252,354)
	At 31 March 2023	1,951,685	3,400,000	23,136,970	52,207,111	5,737,501	7,773,372	1,079,652	-	189,539	95,475,830
Analysed as:											
	Accumulated depreciation	464,558	-	23,068,169	51,931,381	5,297,297	7,773,372	1,075,627	-	189,539	89,799,943
	Accumulated impairment losses	1,487,127	3,400,000	68,801	275,730	440,204	-	4,025	-	-	5,675,887
	At 31 March 2023	1,951,685	3,400,000	23,136,970	52,207,111	5,737,501	7,773,372	1,079,652	-	189,539	95,475,830
Net carrying amount											
	At 31 March 2023	4,399,999	50,600,000	8,335,502	7,564,273	1,763,350	1,551,739	169,843	-	166,988	74,551,694

Notes to the Financial Statements

For the financial year ended 31 March 2024
cont'd

13. PROPERTY PLANT AND EQUIPMENT *cont'd*

	Building RM	Furniture, fittings and equipment RM	Total RM
Company			
At 31 March 2024			
At cost			
At 1 April 2023/ 31 March 2024	-	550,913	550,913
Accumulated depreciation			
At 1 April 2023	-	531,180	531,180
Depreciation charge for the financial year (Note 8)	-	5,451	5,451
At 31 March 2024	-	536,631	536,631
Net carrying amount			
At 31 March 2024	-	14,282	14,282
At 31 March 2023			
At cost			
At 1 April 2022	1,202,252	1,423,220	2,625,472
Disposal	(1,202,252)	(872,307)	(2,074,559)
At 31 March 2023	-	550,913	550,913
Accumulated depreciation			
At 1 April 2022	429,469	1,392,014	1,821,483
Depreciation charge for the financial year (Note 8)	-	14,869	14,869
Disposal	(429,469)	(875,703)	(1,305,172)
At 31 March 2023	-	531,180	531,180
Net carrying amount			
At 31 March 2023	-	19,733	19,733

- (a) The net carrying amounts of property, plant and equipment pledged for borrowings (Notes 25(c)(i) and 25(d)(ii)) are as follows:

	Group	
	2024 RM	2023 RM
Freehold land	36,600,000	36,600,000

Notes to the Financial Statements

For the Financial Year Ended 31 March 2024
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13. PROPERTY PLANT AND EQUIPMENT *cont'd*

(b) During the financial year, the Group acquired property, plant and equipment by way of:

	Group	
	2024	2023
	RM	RM
Cash	7,300,913	3,459,659
Term Loan	-	2,400,000
	7,300,913	5,859,659

(c) The net carrying amounts of property, plant and equipment held under hire purchase are as follows:

	Group	
	2024	2023
	RM	RM
Motor vehicles	-	77,633

(d) In determining the recoverable amount of land where there was an indication of impairment during the financial year, the Group engaged an independent valuer to assess the fair value based on the comparison approach. The recoverable amount of the land of RM13,000,000 (2023: RM14,000,000) has been determined based on the fair value less costs of disposal. The comparison approach was adopted by comparing and analysing recent sales transactions of comparable properties in the localities with key adjustments included, amongst others, to reflect the differences in factors such as time, size and location that affect the market value of the land. Arising from the impairment assessment, an impairment loss of RM1,000,000 (2023: RM708,125) was recognised.

14. INVESTMENT PROPERTIES

	Group	
	2024	2023
	RM	RM
At beginning of financial year	88,800,000	88,800,000
Net gain from fair value adjustment recognised in profit or loss (Note 5)	5,000,000	-
At end of financial year	93,800,000	88,800,000

Investment properties consist of the following:

	Group	
	2024	2023
	RM	RM
Freehold land	36,200,000	35,800,000
Leasehold land	57,600,000	53,000,000
	93,800,000	88,800,000

Notes to the Financial Statements

For the financial year ended 31 March 2024
cont'd

14. INVESTMENT PROPERTIES *cont'd*

The fair values of the investment properties are based on valuation carried out by independent valuer. Fair values are determined primarily based on the comparison method. The current use of the Group's investment properties is the highest and best use of the properties.

Information on fair value measurement and hierarchy disclosures for investment properties are disclosed in Note 34.

All of the above investment properties are pledged for borrowings (Notes 25(c)(ii) and 25(d)(iii)).

Description of valuation techniques used and key inputs to valuation on investment properties categorised within Level 3 are as follows:

Valuation technique	Significant unobservable inputs	Range
At 31 March 2024		
Market comparable approach	Differences on: - Location - Time - Size - Accessibility	-18% to 15% for each input - Land Usage - Tenure - Zoning
At 31 March 2023		
Market comparable approach	Differences on: - Location - Time - Size - Accessibility	-18% to 15% for each input - Land Usage - Tenure - Zoning

Comparison method

Under the comparison method, a property's fair value is estimated based on comparable transactions. This approach is based upon the principle of substitution under which a potential buyer will not pay more for the property than it will cost to buy a comparable substitute property. In theory, the best comparable sale would be an exact duplicate of the subject property and would indicate, by the known selling price of the duplicate, the price for which the subject property could be sold.

All investment properties are valued using the comparison method.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2024
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15. LAND HELD FOR PROPERTY DEVELOPMENT

	Freehold land RM	Development cost RM	Total RM
Group			
At 31 March 2024			
Cost			
At 1 April 2023/ 31 March 2024	33,746,445	-	33,746,445
At 31 March 2023			
Cost			
At 1 April 2022	33,746,445	1,479,824	35,226,269
Additions	-	60,580	60,580
Written off (Note 6)	-	(1,540,404)	(1,540,404)
At 31 March 2023	33,746,445	-	33,746,445

A freehold land held for development with a carrying value of RM6,500,000 (2023: RM6,500,000) has been pledged as security for a bank loan (Note 25(c)(iii)).

16. LEASES

As a lessee

(a) Right-of-use assets

	Farm land RM	Office premises RM	Total RM
Group			
Cost			
At 1 April 2023	10,421,883	312,069	10,733,952
Additions	-	135,223	135,223
Modification	-	10,315	10,315
At 31 March 2024	10,421,883	457,607	10,879,490
Accumulated depreciation			
At 1 April 2023	(4,677,801)	(158,444)	(4,836,245)
Depreciation charge for the financial year (Note 8)	(1,111,756)	(38,406)	(1,150,162)
At 31 March 2024	(5,789,557)	(196,850)	(5,986,407)
Net carrying amount at 31 March 2024	4,632,326	260,757	4,893,083
Cost			
At 1 April 2022/ 31 March 2023	10,421,883	312,069	10,733,952
Accumulated depreciation			
At 1 April 2022	(3,549,456)	(120,038)	(3,669,494)
Depreciation charge for the financial year (Note 8)	(1,128,345)	(38,406)	(1,166,751)
At 31 March 2023	(4,677,801)	(158,444)	(4,836,245)
Net carrying amount at 31 March 2023	5,744,082	153,625	5,897,707

Notes to the Financial Statements

For the financial year ended 31 March 2024
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16. LEASES *cont'd*

As a lessee *cont'd*

(a) Right-of-use assets *cont'd*

	Office premises RM
Company	
Cost	
At 1 April 2023	312,069
Addition	135,223
Modification	10,315
At 31 March 2024	<u>457,607</u>
Accumulated depreciation	
At 1 April 2023	(158,444)
Depreciation charge for the financial year (Note 8)	(38,406)
At 31 March 2024	<u>(196,850)</u>
Net carrying amount at 31 March 2024	<u>260,757</u>
Cost	
At 1 April 2022/ 31 March 2023	<u>312,069</u>
Accumulated depreciation	
At 1 April 2022	(120,038)
Depreciation charge for the financial year (Note 8)	(38,406)
At 31 March 2023	<u>(158,444)</u>
Net carrying amount at 31 March 2023	<u>153,625</u>

(b) Lease liabilities

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Non-current				
Lease liabilities	4,040,806	4,999,644	223,532	127,717
Current				
Lease liabilities	1,099,935	1,043,955	37,225	34,926
Total lease liabilities	<u>5,140,741</u>	<u>6,043,599</u>	<u>260,757</u>	<u>162,643</u>

Notes to the Financial Statements

For the Financial Year Ended 31 March 2024
cont'd

16. LEASES *cont'd*

As a lessee *cont'd*

(b) Lease liabilities *cont'd*

The movement of lease liabilities during the financial year is as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
At beginning of financial year	6,043,599	7,087,539	162,643	197,554
Interest charged (Note 7)	327,519	321,660	8,491	10,689
Addition	135,223	-	135,223	-
Modification	10,315	-	10,315	-
Payments of:				
- Principal	(1,048,396)	(1,043,940)	(47,424)	(34,911)
- Interest	(327,519)	(321,660)	(8,491)	(10,689)
At end of financial year	5,140,741	6,043,599	260,757	162,643

The following are the amounts recognised in profit or loss:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Depreciation of right-of-use assets	1,150,162	1,166,751	38,406	38,406
Interest expense on lease liabilities	327,519	321,660	8,491	10,689
Expense relating to short-term leases and low-value assets	4,800	113,670	-	-
	1,482,481	1,602,081	46,897	49,095

The Group had total cash outflows for leases of RM1,380,715 (2023: RM1,479,270) and the Company had a total cash outflows for leases of RM55,915 (2023: RM45,600) during the financial year.

The Group and the Company also had non-cash additions to right-of-use assets of RM135,223 (2023: nil) and RM135,223 (2023: nil) with a corresponding increase in lease liabilities of RM135,223 (2023: nil) and RM135,223 (2023: nil) respectively.

Notes to the Financial Statements

For the financial year ended 31 March 2024

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16. LEASES *cont'd*

As a lessor

The Group and the Company have entered into operating leases on their land and office buildings. These leases have remaining terms of between 1 and 3 years. Rental income recognised by the Group and the Company during the financial year is RM480,000 (2023: RM480,000) and RM12,000 (2023: RM12,000) respectively.

Future minimum rentals receivable under non-cancellable operating leases as at 31 March are as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Within one year	333,000	432,000	12,000	12,000
After one year but not more than five years	12,000	276,000	12,000	12,000
	<u>345,000</u>	<u>708,000</u>	<u>24,000</u>	<u>24,000</u>

17. INVESTMENT IN SUBSIDIARIES

	Company	
	2024 RM	2023 RM
Unquoted shares, at cost	102,747,198	102,747,198
Employees' Share Option Scheme granted to employees of subsidiaries	180,242	180,242
Investment in redeemable non-cumulative convertible preference shares ("RNCCPS") of subsidiaries	27,000,000	27,000,000
Redemption during the financial year	(1,000,000)	-
Less: Accumulated impairment losses	(19,000,000)	(19,000,000)
	<u>7,000,000</u>	<u>8,000,000</u>
Total investment in subsidiaries	<u>109,927,440</u>	<u>110,927,440</u>

Notes to the Financial Statements

For the Financial Year Ended 31 March 2024
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17. INVESTMENT IN SUBSIDIARIES *cont'd*

Details of the subsidiaries, all of which are incorporated, domiciled, and have their principle place of business in Malaysia, and audited by Ernst & Young PLT, Malaysia, are as follows:

Name of subsidiary	Equity interest held		Principal activities
	2024 %	2023 %	
(a) Subsidiaries of LTKM Berhad			
LTK (Melaka) Sdn. Bhd.	100	100	Production and sale of chicken eggs
LTK Omega Plus Sdn. Bhd.	100	100	Extraction and sale of sand
LTK Development Sdn. Bhd.	100	100	Property development
LTK Properties Sdn. Bhd.	100	100	Investment property holding
Lumi Jaya Sdn. Bhd.	100	100	Property development
LTK Feeds Sdn. Bhd.	100	100	Trading of livestock feeds and other materials
(b) Subsidiary of LTK Melaka Sdn. Bhd.			
LTK Bio-Fer Sdn. Bhd.	100	100	Manufacturing and sale of organic fertilisers
(c) Subsidiary of LTK Development Sdn. Bhd.			
Jarom Firstville Sdn. Bhd.	100	100	Property development

18. INVESTMENTS

(a) Investment securities

	Group	
	2024 RM	2023 RM
Fair value through other comprehensive income		
Quoted shares:		
- In Malaysia	61,293,681	19,993,226
- Outside of Malaysia	242,397	236,975
Total investment securities	61,536,078	20,230,201

The Group recognised a fair value gain of RM5,961,473 (2023: fair value loss of RM1,341,450) on certain quoted investments designated as fair value through other comprehensive income due to change in market value as compared to the carrying value as at financial year end.

During the current financial year, the Group disposed of investment securities with a fair value gain of RM18,133 (2023: RM316,630) which was transferred to retained earnings.

The fair value of the above investment securities were determined using Level 1 fair value hierarchy, which is based on quoted prices (unadjusted) in active markets for identical assets as at the reporting date.

Notes to the Financial Statements

For the financial year ended 31 March 2024

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18. INVESTMENTS *cont'd*

(b) Other investment

	Group	
	2024	2023
	RM	RM
Corporate bond		
At cost	1,012,000	1,012,000
Less: Accumulated impairment loss	(54,340)	(100,900)
	957,660	911,100

The Group recognised a reversal of impairment loss on corporate bond of RM46,560 (2023: impairment loss of RM30,700) due to change in market value as compared to the carrying value as at financial year end.

19. BIOLOGICAL ASSETS

Breakdown of biological assets comprising chickens at each stage are as follows:

	Group	
	2024	2023
	RM	RM
Starters	848,725	330,100
Growers	1,182,886	2,229,498
Layers and old hens	7,243,919	5,341,255
Total	9,275,530	7,900,853

Movement in the carrying value of biological assets can be analysed as follows:

	Group	
	2024	2023
	RM	RM
At beginning of financial year	7,900,853	7,607,515
Purchases	6,461,205	4,697,175
Net used in production/sales	(6,819,274)	(3,849,449)
Fair value gain/(loss) (Notes 5, 6)	1,732,746	(554,388)
At end of financial year	9,275,530	7,900,853

Notes to the Financial Statements

For the Financial Year Ended 31 March 2024
cont'd

19. BIOLOGICAL ASSETS *cont'd*

The Group has classified its biological assets measured at fair value within Level 3 of the fair value hierarchy. Below is the description of valuation techniques used and key inputs to valuation on the biological assets categorised within Level 3:

Valuation technique	Significant unobservable inputs	Inter-relationships between significant unobservable inputs and fair value measurements
At 31 March 2024		
<u>Layers</u>		
Income approach	(i) The estimated selling prices of the eggs are based on management's estimates by reference to historical selling prices.	The fair value is sensitive to estimated selling prices where an increase in price results in a higher fair value.
	(ii) Management's estimates of feed costs expected to incur throughout the laying period.	The fair value is sensitive to cost of feeds where an increase in price results in a lower fair value.
	(iii) Management's estimates of layers' productivity for the remaining life of the livestock.	The fair value is sensitive to the level of productivity where an increase in productivity will result in a higher fair value.

Income approach

Under the income approach, a biological asset's fair value is estimated based on the expected quantity and price of the eggs to be produced and sold over the life of the layers, taking into account cost of feeds, layers' mortality rate and time value of money over the life period.

The Group is exposed to ordinary chicken egg price risk arising from its manufacturing and sale of chicken eggs. As ordinary chicken eggs are generic products that consumers do not differentiate by producers, the Group is susceptible to the fluctuation of the product price as a result of both demand and supply in the market. The market supply is influenced by the production of all chicken egg producers in Malaysia. The Group is also exposed to the fluctuation in the price of commodities, such as corn and soybean which make up the bulk of its cost of feeds.

Sensitivity analysis for chicken egg price

At the reporting date, if the chicken egg price had been estimated to be 5% higher/lower for the purpose of computation of estimated fair valuation of livestock, with all other variables held constant, the Group's net profit would have been RM8,054,967 (2023: RM7,024,025) higher/lower, arising as a result of higher/lower fair value of the livestock.

Sensitivity analysis for commodity price

Commodity price refers to feed price for the hens, which are soyabean and corn price. At the reporting date, if the commodity price had been 5% higher/lower, with all other variables held constant, the Group's net profit would have been RM4,680,941 (2023: RM5,271,058) lower/higher, as a result of lower/higher fair value of the livestock.

Notes to the Financial Statements

For the financial year ended 31 March 2024
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20. INVENTORIES

	Group	
	2024 RM	2023 RM
At cost		
Produce inventories	1,366,638	974,023
Raw materials and consumable goods	14,719,790	12,601,707
	<u>16,086,428</u>	<u>13,575,730</u>

During the financial year, the amount of raw materials, consumable goods and produce inventories recognised as an expense in cost of sales of the Group was RM162,811,083 (2023: RM176,585,278).

21. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Current				
Trade receivables				
Third parties	9,715,277	10,509,011	-	-
Less: Allowance for expected credit losses	(340,280)	(485,134)	-	-
Trade receivables, net	<u>9,374,997</u>	<u>10,023,877</u>	-	-
Other receivables				
Deposits	578,842	1,855,541	8,200	8,200
Sundry receivables	133,335	32,353	180	-
Other receivables, net	<u>712,177</u>	<u>1,887,894</u>	<u>8,380</u>	<u>8,200</u>
Total trade and other receivables	10,087,174	11,911,771	8,380	8,200
Add: Cash and bank balances (Note 23)	79,164,266	79,601,762	18,072,509	1,019,764
Other investment (Note 18(b))	957,660	911,100		
Total financial assets carried at amortised cost	<u>90,209,100</u>	<u>92,424,633</u>	<u>18,080,889</u>	<u>1,027,964</u>

(a) Trade receivables

Trade receivables are non-interest bearing and are generally on 30 to 90 days (2023: 30 to 90 days) terms. They are recognised at their original invoiced amounts which represent their fair values on initial recognition.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2024
cont'd

21. TRADE AND OTHER RECEIVABLES *cont'd*

(a) Trade receivables *cont'd*

Ageing analysis of trade receivables

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

	Group	
	2024 RM	2023 RM
Neither past due nor impaired	7,665,463	8,843,689
1 to 30 days past due but not impaired	999,953	905,381
31 to 60 days past due but not impaired	393,159	274,807
61 to 90 days past due but not impaired	316,422	-
	1,709,534	1,180,188
Impaired	340,280	485,134
	9,715,277	10,509,011

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group.

None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Receivables that are past due but not impaired

The Group has trade receivables amounting to RM1,709,534 (2023: RM1,180,188) that are past due at the reporting date but not impaired. These are mainly debtors who are still in active trade with the Group but with slower repayment records.

Receivables that are impaired

The Group's trade receivables that are impaired at the reporting date and the movement of the allowance accounts used to record the impairment are as follows:

	Group	
	2024 RM	2023 RM
At beginning of financial year	485,134	338,458
Reversal of allowance for expected credit losses (Note 8)	(257,173)	(133,833)
Written off	(16,666)	-
Allowance for expected credit losses (Note 8)	128,985	280,509
At end of financial year	340,280	485,134

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

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For the financial year ended 31 March 2024
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22. PREPAYMENTS

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Prepaid expenses	1,920,927	2,059,555	1,012,637	1,633,916

23. CASH AND BANK BALANCES

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Cash on hand and at bank	54,595,078	55,024,859	15,072,509	409,917
Deposits with licensed banks:				
- Short-term fixed deposits	24,569,188	24,576,903	3,000,000	609,847
Cash and bank balances	79,164,266	79,601,762	18,072,509	1,019,764

The weighted average effective interest rates of deposits with licensed banks as at the reporting date were as follows:

	Group		Company	
	2024 %	2023 %	2024 %	2023 %
Deposits with licensed banks	3.70	3.51	3.58	2.62

The range of maturities of deposits with licensed banks at the reporting date were as follows:

	Group		Company	
	2024 Days	2023 Days	2024 Days	2023 Days
Deposits with licensed banks	31-365	30-365	31-94	32

For the purpose of the statements of cash flows, cash and cash equivalents comprise the following as at the end of the financial year:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Cash on hand and at bank	54,595,078	55,024,859	15,072,509	409,917
Deposits with licensed banks	24,569,188	24,576,903	3,000,000	609,847
Cash and bank balances	79,164,266	79,601,762	18,072,509	1,019,764
Less: Deposit with maturity of more than 3 months	(8,313,259)	(5,200,000)	-	-
Cash and cash equivalents at end of financial year	70,851,007	74,401,762	18,072,509	1,019,764

Notes to the Financial Statements

For the Financial Year Ended 31 March 2024
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24. TRADE AND OTHER PAYABLES

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
Current					
Trade payables					
Third parties	(a)	7,560,425	9,669,427	-	-
Other payables					
Amount due to holding company	(b)	-	805,000	-	805,000
Accruals		10,326,008	10,376,439	228,519	268,961
Other payables	(c)	2,094,944	2,823,841	27,713	53,574
		12,420,952	14,005,280	256,232	1,127,535
Total trade and other payables		19,981,377	23,674,707	256,232	1,127,535
Add: Loans and borrowings (Note 25)		61,040,414	70,958,704	-	-
Lease liabilities (Note 16(b))		5,140,741	6,043,599	260,757	162,643
Total financial liabilities carried at amortised cost		86,162,532	100,677,010	516,989	1,290,178

(a) Trade payables

Trade payables are non-interest bearing and the normal trade credit terms granted to the Group range from 30 to 60 (2023: 30 to 60) days.

(b) Amount due to holding company

The amount due to holding company in the previous financial year was unsecured, interest-free and had no fixed terms of repayment.

(c) Other payables

These amounts are non-interest bearing. Other payables are normally settled on an average term of 60 (2023: 60) days.

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For the financial year ended 31 March 2024
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25. LOANS AND BORROWINGS

	Group	
	2024 RM	2023 RM
Current		
Secured:		
Revolving credits	14,000,000	11,000,000
Bankers' acceptances	4,753,259	3,192,599
Hire purchase	-	24,425
Bank term loans	7,956,757	9,752,192
	26,710,016	23,969,216
Unsecured:		
Revolving credits	6,000,000	9,000,000
Bankers' acceptances	8,645,987	10,764,927
	14,645,987	19,764,927
	41,356,003	43,734,143
Non-current		
Secured:		
Bank term loans	19,684,411	27,224,561
	19,684,411	27,224,561
Total borrowings		
Revolving credits	20,000,000	20,000,000
Bankers' acceptances	13,399,246	13,957,526
Hire purchase	-	24,425
Bank term loans	27,641,168	36,976,753
	61,040,414	70,958,704
Loans and borrowings	61,040,414	70,958,704

The remaining maturities of the loans and borrowings as at the reporting date are as follows:

(a) Maturity periods

	Group	
	2024 RM	2023 RM
Within 1 year	41,356,003	43,734,143
More than 1 year and less than 2 years	5,236,839	8,083,114
More than 2 years and less than 5 years	7,409,001	10,647,997
More than 5 years	7,038,571	8,493,450
	61,040,414	70,958,704

Notes to the Financial Statements

For the Financial Year Ended 31 March 2024
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25. LOANS AND BORROWINGS *cont'd*

(b) The range of interest rates per annum for loans and borrowings were as follows:

	Group	
	2024	2023
	%	%
Revolving credits	4.67 - 5.65	4.67 - 5.44
Bankers' acceptances	4.11 - 4.51	4.26 - 4.42
Bank term loans	5.39 - 7.35	5.06 - 7.10
Hire purchase	2.34	2.34

(c) The secured term loans of the Group are secured by the following:

- (i) charges over the freehold land of a subsidiary as disclosed in Note 13;
- (ii) charges over investment properties as disclosed in Note 14; and
- (iii) charges over land held for development as disclosed in Note 15.

(d) The secured bankers' acceptances and revolving credits of the Group are secured by the following:

- (i) corporate guarantee by LTKM Berhad;
- (ii) charges over the freehold land of a subsidiary as disclosed in Note 13; and
- (iii) charges over investment properties as disclosed in Note 14.

The unsecured bankers' acceptances and revolving credits are backed by corporate guarantees of the Company.

26. DEFERRED TAXATION

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
At beginning of financial year	1,364,472	170,089	(13,448)	12,299
Recognised in profit or loss (Note 10)	1,004,528	1,194,383	(5,563)	(25,747)
At end of financial year	2,369,000	1,364,472	(19,011)	(13,448)
Presented after appropriate offsetting as follows:				
Deferred tax assets	(19,010)	(502,406)	(19,011)	(13,448)
Deferred tax liabilities	2,388,010	1,866,878	-	-
	2,369,000	1,364,472	(19,011)	(13,448)

Notes to the Financial Statements

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26. DEFERRED TAXATION *cont'd*

The components and movements of deferred tax assets and liabilities during the financial year prior to offsetting are as follows:

	At 1 April 2023 RM	Recognised in profit or loss RM	At 31 March 2024 RM
Deferred tax assets of the Group:			
Biological assets	(1,390,817)	422,241	(968,576)
Lease liabilities	(1,457,582)	223,804	(1,233,778)
Investment properties	(1,135,774)	-	(1,135,774)
Land held for development	(347,459)	347,459	-
Unutilised business losses	(118,451)	118,451	-
Provisions	(1,438,551)	(7,592)	(1,446,143)
Others	(449,785)	61,382	(388,403)
	<u>(6,338,419)</u>	<u>1,165,745</u>	<u>(5,172,674)</u>
Deferred tax liabilities of the Group:			
Revaluation surplus	5,897,288	(247,658)	5,649,630
Property, plant and equipment	390,154	327,549	717,703
Right-of-use assets	1,415,449	(241,108)	1,174,341
	<u>7,702,891</u>	<u>(161,217)</u>	<u>7,541,674</u>
	<u>1,364,472</u>	<u>1,004,528</u>	<u>2,369,000</u>
	At 1 April 2022 RM	Recognised in profit or loss RM	At 31 March 2023 RM
Deferred tax assets of the Group:			
Biological assets	(1,225,263)	(165,554)	(1,390,817)
Lease liabilities	(1,701,009)	243,427	(1,457,582)
Investment properties	(1,135,774)	-	(1,135,774)
Land held for development	(347,459)	-	(347,459)
Unabsorbed capital allowances	(55,143)	55,143	-
Unutilised business losses	(2,477,120)	2,358,669	(118,451)
Provisions	(842,509)	(596,042)	(1,438,551)
Others	(449,785)	-	(449,785)
	<u>(8,234,062)</u>	<u>1,895,643</u>	<u>(6,338,419)</u>
Deferred tax liabilities of the Group:			
Revaluation surplus	6,009,788	(112,500)	5,897,288
Property, plant and equipment	698,894	(308,740)	390,154
Right-of-use assets	1,695,469	(280,020)	1,415,449
	<u>8,404,151</u>	<u>(701,260)</u>	<u>7,702,891</u>
	<u>170,089</u>	<u>1,194,383</u>	<u>1,364,472</u>

Notes to the Financial Statements

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26. DEFERRED TAXATION *cont'd*

The components and movements of deferred tax assets and liabilities during the financial year prior to offsetting are as follows: *cont'd*

	At 1 April 2023 RM	Recognised in profit or loss RM	At 31 March 2024 RM
Deferred tax assets of the Company:			
Provisions	(11,284)	(7,727)	(19,011)
Lease liabilities	(39,034)	(23,548)	(62,582)
	(50,318)	(31,275)	(81,593)
Deferred tax liability of the Company:			
Right-of-use assets	36,870	25,712	62,582
	(13,448)	(5,563)	(19,011)
	At 1 April 2022 RM	Recognised in profit or loss RM	At 31 March 2023 RM
Deferred tax assets of the Company:			
Provisions	(18,482)	7,198	(11,284)
Lease liabilities	(47,413)	8,379	(39,034)
	(65,895)	15,577	(50,318)
Deferred tax liabilities of the Company:			
Revaluation surplus	32,107	(32,107)	-
Right-of-use assets	46,087	(9,217)	36,870
	78,194	(41,324)	36,870
	12,299	(25,747)	(13,448)

Deferred tax assets have not recognised in respect of the following items:

	Group	
	2024 RM	2023 RM
Unused tax losses	4,876,284	4,854,327
Unabsorbed capital allowances	3,060	2,900
Other deductible temporary difference	1,941,292	-
	6,820,636	4,857,227

Notes to the Financial Statements

For the financial year ended 31 March 2024
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26. DEFERRED TAXATION *cont'd*

Deferred tax assets have not been recognised in respect of the above as they may not be used to offset taxable profits elsewhere in the Group. They have arisen in subsidiaries with recent history of losses, and there are no other tax planning opportunities or other evidence of recoverability in the near future.

The unused tax losses are available for offsetting against future taxable profits for ten consecutive years. The accumulation of tax losses for which deferred tax assets have not been recognised in the financial statements are as follows:

	Group	
	2024 RM	2023 RM
Year of assessment:		
2028	3,752,212	3,752,212
2029	417,738	417,738
2030	336,959	336,959
2031	232,352	232,352
2032	100,802	100,802
2033	14,264	14,264
2034	21,957	-
	4,876,284	4,854,327

27. SHARE CAPITAL

	Number of ordinary shares		Amount	
	2024	2023	2024 RM	2023 RM
Issued and fully paid, at no par value				
At beginning and end of financial year	143,114,006	143,114,006	76,695,953	76,695,953

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All the ordinary shares rank equally with regards to the Company's residual assets.

28. OTHER RESERVES

	Group	
	2024 RM	2023 RM
Non-distributable		
FVOCI reserve	(147,378)	(6,090,718)

FVOCI reserve represents the cumulative fair value changes, net of tax, of financial assets designated at FVOCI. Gains and losses on financial assets at FVOCI are never recycled to profit or loss. The Group transfers the cumulative amounts from this reserve to retained earnings when the financial assets is derecognised.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2024
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29. RETAINED EARNINGS

The Company may distribute dividends out of its entire retained earnings under the single-tier system.

30. RELATED PARTY DISCLOSURES

(a) Sales and purchase of goods and services

In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Rental of farm paid to a related company	1,320,000	1,320,000	-	-
Rental of office paid to a director	45,600	45,600	45,600	45,600
Management fee received from subsidiary companies			(559,200)	(559,200)
Office rental income received from immediate and ultimate holding company	(12,000)	(12,000)	(12,000)	(12,000)
Fees payable to director and/or firm connected to director	46,995	199,977	43,515	189,126
Dividend received from a subsidiary	-	-	(18,000,000)	-

The directors are of the opinion that the above related party transactions are undertaken in the ordinary course of business and have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

(b) Compensation of key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group and Company either directly or indirectly. The key management personnel of the Group and Company are the respective directors of the Group and of the Company who make certain critical decisions in relation to the strategic direction of the Group and of the Company.

Remuneration of directors is disclosed in Note 9(b).

31. CAPITAL COMMITMENTS

	Group	
	2024 RM	2023 RM
Approved and contracted for:		
Property, plant and equipment	-	3,112,000
Approved but not contracted for:		
Property, plant and equipment	5,325,000	-

Notes to the Financial Statements

For the financial year ended 31 March 2024
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32. FINANCIAL GUARANTEES

	Company	
	2024	2023
	RM	RM
Guarantees to licensed financial institutions in respect of credit facilities granted to subsidiaries:		
LTK (Melaka) Sdn. Bhd.	33,564,332	40,171,857
LTK Omega Plus Sdn. Bhd.	2,457,605	2,724,425
LTK Properties Sdn. Bhd.	16,018,633	17,662,239
LTK Development Sdn. Bhd.	8,000,000	9,000,000
Jarom Firstville Sdn. Bhd.	999,844	1,400,183
	61,040,414	70,958,704

No value has been placed on the corporate guarantees provided by the Company as the directors regard the value of the credit enhancement provided by the said corporate guarantees as minimal. This is because the credit facilities granted under the guarantees are sufficiently collateralised by fixed charges over certain freehold and leasehold land of the Group and the probability of default based on historical track records of the parties receiving guarantees are remote.

33. FAIR VALUE OF FINANCIAL INSTRUMENTS

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value:

	Note
Other investment	18(b)
Trade and other receivables (current)	21
Cash and bank balances	23
Trade and other payables (current)	24
Loans and borrowings (current)	25
Loans and borrowings (non-current)	
- with floating rate	25

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values either due to their short-term nature, repayable on demand terms or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date and as such the impact of discounting is insignificant.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2024
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34. FAIR VALUE MEASUREMENT

The Group and the Company measure fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1

Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2

Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3

Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The following table provides the fair value measurement hierarchy of the Group's assets:

	Date of valuation	(Level 1) RM	(Level 2) RM	(Level 3) RM	Total RM
Group					
At 31 March 2024					
Assets measured at fair value:					
Investment properties (Note 14)	29 March 2024	-	-	93,800,000	93,800,000
Biological assets (Note 19)	31 March 2024	-	-	9,275,530	9,275,530
Fair value through other comprehensive income (Note 18)					
Quoted shares:					
- In Malaysia	31 March 2024	61,293,681	-	-	61,293,681
- Outside of Malaysia	31 March 2024	242,397	-	-	242,397
Group					
At 31 March 2023					
Assets measured at fair value:					
Investment properties (Note 14)	8 March 2023	-	-	88,800,000	88,800,000
Biological assets (Note 19)	31 March 2023	-	-	7,900,853	7,900,853
Fair value through other comprehensive income (Note 18)					
Quoted shares:					
- In Malaysia	31 March 2023	19,993,226	-	-	19,993,226
- Outside of Malaysia	31 March 2023	236,975	-	-	236,975

There have been no transfers between Level 1, Level 2 and Level 3 during the financial year.

Notes to the Financial Statements

For the financial year ended 31 March 2024

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35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk, foreign currency risk, market price risk and commodity price risk.

The Board of directors reviews and agrees policies and procedures for the management of these risks, which are executed by the management. The audit committee provides independent oversight to the effectiveness of the risk management process.

It is, and has been throughout the current and previous financial years, the Group's and the Company's policy that no derivatives shall be undertaken except for the use as hedging instruments where appropriate and cost-efficient. The Group and the Company do not apply hedge accounting.

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arise primarily from trade and other receivables. For other financial assets (including investment securities and cash and bank balances), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. For transactions that do not occur in the country of the relevant operating unit, the Group does not offer credit terms without the approval of the executive directors.

Exposure to credit risk

At the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by:

- The carrying amount of each class of financial assets recognised in the statements of financial position.
- A nominal amount of RM61,040,414 (2023: RM70,958,704) relating to corporate guarantees provided by the Company to licensed financial institutions on certain subsidiaries' bank loans and credit facilities (Note 32).

Information regarding credit enhancements for trade and other receivables is disclosed in Note 21(a).

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the industry sector profile of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's trade receivables at the reporting date are as follows:

	Group			
	2024		2023	
	RM	% of total	RM	% of total
By industry sectors:				
Poultry and related products	8,417,318	87%	9,231,023	88%
Sand extraction and sale	1,297,959	13%	1,277,988	12%
	9,715,277	100%	10,509,011	100%

Notes to the Financial Statements

For the Financial Year Ended 31 March 2024
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35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *cont'd*

(a) Credit risk *cont'd*

Credit risk concentration profile *cont'd*

At the reporting date, the Group does not have any significant exposure to any individual customer or counterparty nor does it have any major concentration of credit risks related to any financial assets other than an amount of RM3,653,868 (2023: RM4,601,412) due from 5 (2023: 5) customers, representing 38% (2023: 44%) of the gross trade receivables of the Group.

Financial assets that are neither past due nor impaired

Information regarding trade and other receivables that are neither past due nor impaired is disclosed in Note 21(a). Deposits with banks and other financial institutions and investment securities that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 21(a).

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on historical actual amount written off over the observation period. The calculation reflects the probability-weighted outcome, based on reasonable and supportable information that is available at the reporting date about past events.

The provision matrix is based on the Group's historical observed default rates, adjusted with forward looking information. For instance, if forecast economic conditions (i.e. gross domestic product and unemployment rate) are expected to deteriorate over the next year which can lead to an increased number of defaults, the historical default rates are adjusted. The Group's ECL provision matrix is guided by the Group's historical credit loss experience which may not be representative of customer's actual default in the future.

Set out below is the information about the credit risk exposure on the Group's trade receivables:

Group

31 March 2024

	Trade receivables				Total RM
	Current RM	Days past due			
		< 30 days RM	31 - 60 days RM	> 61 days RM	
Estimated total gross receivables	7,665,463	999,953	393,159	656,702	9,715,277
Expected credit loss	-	-	-	(340,280)	(340,280)
Net receivables	7,665,463	999,953	393,159	316,422	9,374,997

31 March 2023

	Trade receivables				Total RM
	Current RM	Days past due			
		< 30 days RM	31 - 60 days RM	> 61 days RM	
Estimated total gross receivables	8,843,689	905,381	274,807	485,134	10,509,011
Expected credit loss	-	-	-	(485,134)	(485,134)
Net receivables	8,843,689	905,381	274,807	-	10,023,877

Notes to the Financial Statements

For the financial year ended 31 March 2024
cont'd

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *cont'd*

(b) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective are to maintain a balance between continuity of internal funding and flexible use of stand-by credit facilities.

The Group's liquidity risk management policy is to maintain sufficient liquid financial assets and stand-by credit facilities with different banks. At the reporting date, approximately 68% (2023: 62%) of the Group's loans and borrowings (Note 25) will mature in less than one year based on the carrying amount reflected in the financial statements.

The table below summarises the maturity profile of the Group's and the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations.

	2024			
	On demand or within one year RM	One to five years RM	Over five years RM	Total RM
Group				
Financial liabilities:				
Trade and other payables	19,981,377	-	-	19,981,377
Loans and borrowings	44,199,030	15,280,204	7,593,460	67,072,694
Lease liabilities	1,371,600	4,386,400	51,600	5,809,600
Total undiscounted financial liabilities	65,552,007	19,666,604	7,645,060	92,863,671
	2023			
	On demand or within one year RM	One to five years RM	Over five years RM	Total RM
Group				
Financial liabilities:				
Trade and other payables	23,674,707	-	-	23,674,707
Loans and borrowings	46,858,025	21,473,632	9,140,057	77,471,714
Lease liabilities	1,365,600	5,416,800	220,000	7,002,400
Total undiscounted financial liabilities	71,898,332	26,890,432	9,360,057	108,148,821

Notes to the Financial Statements

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35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *cont'd*

(b) Liquidity risk *cont'd*

The table below summarises the maturity profile of the Group's and the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations. *cont'd*

	2024			
	On demand or within one year	One to five years	Over five years	Total
	RM	RM	RM	RM
Company				
Financial liabilities:				
Trade and other payables	256,232	-	-	256,232
Lease liabilities	51,600	206,400	51,600	309,600
Total undiscounted financial liabilities	307,832	206,400	51,600	565,832
2023				
	On demand or within one year	One to five years	Over five years	Total
	RM	RM	RM	RM
Company				
Financial liabilities:				
Trade and other payables	1,127,535	-	-	1,127,535
Lease liabilities	45,600	136,800	-	182,400
Total undiscounted financial liabilities	1,173,135	136,800	-	1,309,935

The table below shows the contractual expiry of the Company's contingent liabilities and commitments. The maximum amount of the financial guarantee contracts are allocated to the earliest period in which the guarantee could be called.

	On demand or within one year RM
Company	
31 March 2024	
Financial guarantee	61,040,414
31 March 2023	
Financial guarantee	70,958,704

Notes to the Financial Statements

For the financial year ended 31 March 2024

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35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *cont'd*

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and of the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group is exposed to interest rate risk arising from bank borrowings and credit facilities. The Group does not use derivative financial instruments to hedge its exposure to interest rate fluctuations. However, it is the Group's policy to obtain the most favourable interest rates available whenever the Group obtains additional financing through bank borrowings. The Group has bank and fixed deposits balances which generate interest income for the Group. The Group and the Company monitor interest rates closely to ensure that interest rates are maintained at favourable rates.

The information on maturity dates and effective interest rates of financial assets are disclosed in their respective notes.

Sensitivity analysis for interest rate risk

At the reporting date, if interest rates had been 25 basis points higher/lower, with all other variables held constant, the Group's profit net of tax would have been RM126,818 (2023: RM108,516) lower/higher, arising mainly as a result of higher/lower interest expense on floating rate loans and borrowings. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

(d) Foreign currency risk

The Group has transactional currency exposures arising from sales or purchases that are denominated in currencies other than the functional currency of the Company and its subsidiaries, which is the RM. The foreign currencies in which these transactions are denominated are mainly Singapore Dollar ("SGD") and Hong Kong Dollar ("HKD").

The Group is also exposed to currency translation risk arising from its investments in foreign investment securities denominated in HKD.

The net unhedged financial assets of the Group as at 31 March that are not denominated in the functional currency of the Company and its subsidiaries are as follows:

Functional currency in Ringgit Malaysia	SGD RM	HKD RM	Total RM
At 31 March 2024			
Cash and bank balances	20,482,329	-	20,482,329
Trade and other receivables	3,427,768	109,620	3,537,388
Investment securities	-	242,397	242,397
	23,910,097	352,017	24,262,114
At 31 March 2023			
Cash and bank balances	34,319,854	-	34,319,854
Trade and other receivables	3,827,447	78,120	3,905,567
Investment securities	-	236,975	236,975
	38,147,301	315,095	38,462,396

Notes to the Financial Statements

For the Financial Year Ended 31 March 2024
cont'd

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *cont'd*

(d) Foreign currency risk *cont'd*

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit net of tax arising from its net unhedged financial assets and financial liabilities as at reporting date to a reasonably possible change in the SGD and HKD exchange rates against the Group's functional currency, with all other variables held constant.

		Group	
		Increase/(Decrease)	
		in profit, net of tax	
		2024	2023
		RM	RM
SGD/RM	- strengthened 3%	545,150	869,758
	- weakened 3%	(545,150)	(869,758)
HKD/RM	- strengthened 3%	10,561	7,184
	- weakened 3%	(10,561)	(7,184)

(e) Market price risk

Market price risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates).

The Group is exposed to equity price risk arising from its investment in quoted investment securities. The quoted investment securities in Malaysia are listed on the Bursa Malaysia, whereas the quoted equity instruments outside Malaysia are substantially listed on the Hang Seng Index ("HSI") in Hong Kong. These instruments are classified as FVOCI. The Group is also exposed to commodity price risk and is disclosed in Note 35(f).

The Group's objective is to manage investment returns and equity price risk using a mix of investment grade shares with steady dividend yield. Any deviation from this policy is required to be approved by the Managing Director and the Board of directors.

Sensitivity analysis for equity price risk

At the reporting date, if the FTSE Bursa Malaysia KLCI had been 5% higher/lower, with all other variables held constant, the Group's other comprehensive income would have been RM3,064,685 (2023: RM999,661) higher/lower, arising as a result of higher/lower fair value gains on investments in equity instruments classified as fair value through other comprehensive income.

At the reporting date, if the HSI had been 5% higher/lower, with all other variables held constant, the Group's other comprehensive income would have been RM12,120 (2023: RM11,849) higher/lower, arising as a result of higher/lower fair value gains on investments in equity instruments classified as fair value through other comprehensive income instruments.

(f) Commodity price risk

The price of agricultural commodities are subject to wide fluctuations due to unpredictable factors such as weather, government policies, changes in global demand resulting from population growth and changes in standards of living, and global production of similar and competitive crops. During its ordinary course of business, the value of the Group's open sales and purchases commitments and inventory of raw material changes continuously in line with movements in the prices of the underlying commodities. To the extent that its open sales and purchases commitments do not match at the end of each business day, the Group is subject to price fluctuations in the commodities market.

Notes to the Financial Statements

For the financial year ended 31 March 2024

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35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *cont'd*

(f) Commodity price risk *cont'd*

While the Group is exposed to fluctuations in agricultural commodities prices, its policy is to minimise the risks arising from such fluctuations through purchase of the commodity in advance, where appropriate.

Sensitivity analysis for commodity price risk

During the financial year, if the commodity price had been 5% higher/lower, with all other variables held constant, the Group's profit net of tax would have been RM4,680,941 (2023: RM5,271,058) lower/higher.

36. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services, and has four reportable operating segments as follows:

- (i) Production and sale of poultry and related products - the production and sales of chicken eggs, chickens, organic fertilisers, chicken feeds and other materials.
- (ii) Extraction and sale of sand - the mining and sale of sand.
- (iii) Investment holding - investment in quoted and unquoted securities, and investment properties held by the Group on a long term basis.
- (iv) Property development - the business of developing residential and commercial properties.

The segment information is presented to reflect the reportable operating segments above and to allocate the finance cost to the respective operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respects as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements. Income taxes are managed on a group basis and are not allocated to operating segments. The directors are of the opinion that all inter-segment transactions have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

Notes to the Financial Statements

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36. SEGMENT INFORMATION *cont'd*

	Production and Sale of Poultry and Related Products		Extraction and Sale of Sand		Investment Holding		Property Development		Elimination		Group	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
Revenue												
External sales	248,340,495	249,816,939	8,986,098	7,094,717	360,000	360,000	-	-	-	-	257,686,593	257,271,656
Inter-segment sales	580,080	738,733	-	-	18,559,200	585,600	-	-	(19,139,280)	(1,324,333)	-	-
Total revenue	248,920,575	250,555,672	8,986,098	7,094,717	18,919,200	945,600	-	-	(19,139,280)	(1,324,333)	257,686,593	257,271,656
Result												
Segment results	64,491,132	38,123,740	1,436,218	(88,831)	4,548,521	(1,242,152)	(1,852,193)	(2,501,039)	-	-	68,623,678	34,291,718
Inter-segment net (income)/expense	(1,831,657)	(1,300,544)	62,948	5,915	89,333	-	1,679,376	1,294,629	-	-	-	-
Finance costs	62,659,475	36,823,196	1,499,166	(82,916)	4,637,854	(1,242,152)	(172,817)	(1,206,410)	-	-	68,623,678	34,291,718
	(1,845,809)	(2,418,907)	(191,779)	(1,872)	(1,878,705)	(853,296)	(68,038)	(493,941)	-	-	(3,984,331)	(3,768,016)
Segment profit/(loss) before tax	60,813,666	34,404,289	1,307,387	(84,788)	2,759,149	(2,095,448)	(240,855)	(1,700,351)	-	-	64,639,347	30,523,702
Income tax benefit											(6,073,916)	(9,896,788)
Profit for the financial year											58,565,431	20,626,914
Assets												
Segment assets	191,325,036	199,624,890	21,337,967	23,746,839	271,482,809	223,943,341	60,070,856	60,440,738	(156,766,972)	(168,568,990)	387,449,696	339,186,818
Unallocated corporate assets											1,555,591	804,318
Consolidated total assets											389,005,287	339,991,136
Liabilities												
Segment liabilities	56,241,091	56,822,012	3,570,523	6,205,024	46,769,088	46,976,118	54,357,729	46,556,688	(60,464,498)	(55,882,832)	100,473,933	100,677,010
Unallocated corporate liabilities											2,582,310	3,580,585
Consolidated total liabilities											103,056,243	104,257,595
Other Information												
Capital expenditure	7,203,280	1,758,251	97,633	4,101,408	-	-	-	-	-	-	7,300,913	5,859,659
Depreciation and amortisation	5,621,122	5,386,153	355,171	295,771	43,857	53,275	320	-	-	-	6,020,470	5,735,199
Impairment losses	-	30,700	1,000,000	708,125	-	-	-	-	-	-	1,000,000	738,825
Allowance for expected credit losses	30,708	168,122	98,277	112,387	-	-	-	-	-	-	128,985	280,509
Development cost written off	-	-	-	-	-	-	-	1,540,404	-	-	-	1,540,404
Non-cash expenses other than depreciation amortisation and impairment loss	319,061	1,000,782	162	26,969	8,491	10,950	-	-	-	-	327,714	1,038,701

The above eliminations were made for related company transactions.

Notes to the Financial Statements

For the financial year ended 31 March 2024

cont'd

37. CAPITAL MANAGEMENT

The primary objective of the Group and of the Company's capital management is to ensure that they maintain a strong credit rating and healthy capital ratios in order to support their business and maximise shareholders' value.

The Group and the Company manage their capital structure and make adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group and the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial years ended 31 March 2024 and 31 March 2023.

The Group and the Company monitor capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group and the Company include within net debt, loans and borrowings, trade and other payables, less cash and bank balances. Capital includes equity attributable to the owners of the parent less the FVOCI reserve.

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Loans and borrowings	61,040,414	70,958,704	-	-
Trade and other payables	19,981,377	23,674,707	256,232	1,127,535
Less: Cash and bank balances	(79,164,266)	(79,601,762)	(18,072,509)	(1,019,764)
Net debt/(cash)	1,857,525	15,031,649	(17,816,277)	107,771
Equity attributable to the owners of the parent	285,949,044	235,733,541	114,592,794	112,577,488
Less: FVOCI reserve	147,378	6,090,718	-	-
Total capital	286,096,422	241,824,259	114,592,794	112,577,488
Capital and net debt	287,953,947	256,855,908	96,776,517	112,685,259
Gearing ratio	1%	6%	<1%	<1%

Notes to the Financial Statements

For the Financial Year Ended 31 March 2024
cont'd

38. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

Group

	1 April 2023 RM	Cash flows RM	Other RM	31 March 2024 RM
Current interest-bearing:				
- term loans	9,752,192	(9,309,823)	7,514,388	7,956,757
- other borrowings	33,981,951	(573,749)	(8,956)	33,399,246
Current lease liabilities	1,043,955	(1,048,396)	1,104,376	1,099,935
Non-current interest-bearing:				
- term loans	27,224,561	-	(7,540,150)	19,684,411
Non-current lease liabilities	4,999,644	-	(958,838)	4,040,806
Total liabilities from financing activities	77,002,303	(10,931,968)	110,820	66,181,155

	1 April 2022 RM	Cash flows RM	Other RM	31 March 2023 RM
Current interest-bearing:				
- term loans	6,598,774	(6,105,070)	9,258,488	9,752,192
- other borrowings	36,189,017	(2,241,242)	34,176	33,981,951
Current lease liabilities	1,043,955	(1,043,940)	1,043,940	1,043,955
Non-current interest-bearing:				
- term loans	34,077,519	-	(6,852,958)	27,224,561
- other borrowings	24,425	-	(24,425)	-
Non-current lease liabilities	6,043,584	-	(1,043,940)	4,999,644
Total liabilities from financing activities	83,977,274	(9,390,252)	2,415,281	77,002,303

Company

	1 April 2023 RM	Cash flows RM	Other RM	31 March 2024 RM
Current lease liabilities	34,926	(47,424)	49,723	37,225
Non-current lease liabilities	127,717	-	95,815	223,532
Total liabilities from financing activities	162,643	(47,424)	145,538	260,757

	1 April 2022 RM	Cash flows RM	Other RM	31 March 2023 RM
Advances from related companies	2,650,000	(2,650,000)	-	-
Current lease liabilities	34,926	(34,911)	34,911	34,926
Non-current lease liabilities	162,628	-	(34,911)	127,717
Total liabilities from financing activities	2,847,554	(2,684,911)	-	162,643

Notes to the Financial Statements

For the financial year ended 31 March 2024

cont'd

39. SIGNIFICANT EVENT

Proposal of restructuring

On 8th April 2022, LTKM Berhad had entered into a group restructuring plan which amongst others comprise the following:

(a) Proposed Disposals

LTKM Berhad had proposed to dispose to its immediate and ultimate holding company, Ladang Ternakan Kelang Sdn. Bhd. ("LTKSB"), its wholly-owned subsidiaries as follows:

- 100% of the issued share capital in LTK (Melaka) Sdn. Bhd.;
- 100% of the issued share capital in LTK Omega Plus Sdn. Bhd.;
- 100% of the issued share capital in LTK Feeds Sdn. Bhd.;
- 100% of the issued share capital in LTK Development Sdn. Bhd.;
- 100% of the issued share capital in LTK Properties Sdn. Bhd.;
- 100% of the issued share capital in Lumi Jaya Sdn. Bhd.;

for a total cash disposal consideration of RM158.83 million; and

(b) Proposed Acquisition

LTKM Berhad had on the same date entered into a share sale agreement with Chai Voon Sun, Gurmakh Singh A/L Ajmer Singh, Wee Thian Song, Divine Inventions Sdn. Bhd. and Proven Venture Sdn. Bhd. (collectively the "Vendors") for the acquisition of 1,000,000 ordinary shares in Local Assembly Sdn. Bhd. ("Local Assembly") representing 100.0% equity interest in Local Assembly from the Vendors for a total purchase consideration of RM336.00 million to be satisfied by way of cash of RM100.00 million and issuance of 393,333,333 new shares of LTKM Berhad at an issue price of RM0.60 each,

(collectively the "Proposals").

Subsequently on 10 March 2023, the Company announced amongst others, the following variations to the Proposals:

- (a) The total cash disposal consideration for the Proposed Disposals is revised to RM222.00 million.
- (b) The issuance of new shares of LTKM Berhad for part of the total purchase consideration of the Proposed Acquisition is revised to 181,538,500 new shares of LTKM Berhad at an issue price of RM1.30 per share.

However on 5 October 2023, LTKM Berhad and the Vendors mutually agreed to terminate the Proposed Acquisition and to respectively pursue any future strategies of their own after Local Assembly and LTKM Berhad experienced contrasting financial performance which reversed the basis for the Proposals. As the Proposed Acquisition was inter-conditional with the other components of the Proposals, the Proposed Disposals was therefore concurrently aborted. LTKM Berhad and LTKSB had on 5 October 2023 entered into termination letter agreements to mutually record the termination of the Proposed Disposals in accordance with the terms in the sale and purchase agreement of the Proposed Disposals.

List of Properties

As at 31 March 2024

Location	Existing use & description	Approximate Area	Tenure	Remaining Lease Period (Expiry Date)	Age of buildings	Net Book Value As At 31.3.24 (RM'mil)	Date of Revaluation / Acquisition
Lot Nos. 372, 1378 (new lot No. 3268) and 3266, Mukim of Durian Tunggal, District of Alor Gajah, Melaka	Poultry Farm	266.8 acres	Freehold	-	5 - 36 years	43.57*	February 2015 (Revaluation)
Lot Nos 105, 106, 233, 758, 150, 1333, Mukim of Bukit Senggeh, District of Jasin, Melaka	Sand mining & oil palm plantation	199.8 acres	Freehold	-	-	13.00	March 2024 (Revaluation)
Lot Nos 12128 - 12137, Mukim Jus, District of Jasin, Melaka	Sand mining & oil palm plantation	49.90 acres	Leasehold	52 years (11.12.2076)	-	3.62	March 2023 (Revaluation)
Lot Nos. 270, 271, 272 and 165, Mukim Jus, District of Jasin, Melaka	Sand mining & oil palm plantation	40.86 acres	Leasehold (32.3 acres) Freehold (8.51 acres)	33 years (21.03.2057)	-	0.63	March 2023 (Revaluation)
Lot Nos. 51906 to 51920, Pekan Kapar, Klang, Selangor	Land held for development	0.63 acres	Freehold	-	-	2.50	March 2023 (Revaluation)
No.100, Batu 1 ½, Jalan Meru, 41050 Klang, Selangor	3 storey shop house for own use	1,430 sq. ft	Freehold	-	43 years	0.65	March 2016 (Revaluation)
Lot Nos. PT 4030 to 4086, all in Seksyen 2, Mukim Tanjung Dua Belas, Kuala Langat, Selangor	Land held for development	2.22 acres	Freehold	-	-	5.00	March 2023 (Revaluation)
Lot Nos. 422, 435 and 436 all in Mukim Tanjung Dua Belas, Kuala Langat, Selangor	Land held for development	15.81 acres	Freehold	-	-	16.80	March 2023 (Revaluation)
PT4028 and PT4029, Pekan Jenjarum, District of Kuala Langat and State of Selangor	Land held for development	5.07 acres	Freehold	-	-	6.50	March 2023 (Revaluation)
PT No 17040, PT No 17041, PT No 17042 and Lot 1196, Tempat Jalan Balakong Serdang, Mukim & District of Petaling, State of Selangor	Held for investment	6.38 acres	Leasehold	67 years 11.10.2091	-	57.60	March 2024 (Revaluation)
Lot 1401 and Lot 1402, Jalan Puchong of Mukim Petaling District of Federal Territory of Kuala Lumpur	Held for investment	2.938 acres	Freehold	-	-	36.20	March 2024 (Revaluation)
Lot Nos 11757 – 11762, Mukim of Kapar, District Klang, Selangor	Land held for development	0.957 acres	Freehold	-	-	3.01	March 2023 (Revaluation)

* Net book value of both land and building

Analysis of Shareholdings

As at 28 June 2024

ISSUED AND PAID-UP SHARE CAPITAL	:	RM76,695,953 divided into 143,114,006 Ordinary Shares
CLASS OF SHARES	:	Ordinary Shares
VOTING RIGHTS	:	One (1) Vote per Ordinary Share

ANALYSIS BY SIZE OF SHAREHOLDINGS AS AT 28 JUNE 2024

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
Less than 100	65	4.82	1,151	0.00
100 to 1,000	187	13.86	99,683	0.07
1,001 to 10,000	763	56.56	3,377,650	2.36
10,001 to 100,000	277	20.53	8,083,500	5.65
100,001 to 7,155,699 *	56	4.15	34,924,516	24.40
7,155,700 and above **	1	0.08	96,627,506	67.52
Total	1,349	100.00	143,114,006	100.00

* Less than 5% of issued and paid-up share capital.

** 5% and above of issued and paid-up share capital.

SUBSTANTIAL SHAREHOLDERS AS AT 28 JUNE 2024

Name	Shareholdings			
	Direct	%	Indirect	%
Ladang Ternakan Kelang Sdn. Berhad	96,627,506	67.52	-	-
Datuk Tan Kok	3,458,116	2.42	101,360,606 ⁽¹⁾	70.83
Datin Lim Hooi Tin	600,000	0.42	101,360,606 ⁽²⁾	70.83

- Deemed interested by virtue of his shareholdings in Ladang Ternakan Sdn Berhad, pursuant to Section 8(4) and Section 59(11)(c) of the Companies Act 2016.
- Deemed interested by virtue of her being the spouse of Datuk Tan Kok, a shareholder of Ladang Ternakan Sdn Berhad, which is a substantial shareholder of LTKM Berhad and pursuant to Section 59(11)(c) of the Companies Act 2016.

DIRECTORS' SHAREHOLDINGS AS AT 28 JUNE 2024

Name	Shareholdings			
	Direct	%	Indirect	%
Datuk Tan Kok	3,458,116	2.42	101,360,606 ⁽¹⁾	70.83
Datin Lim Hooi Tin	600,000	0.42	101,360,606 ⁽²⁾	70.83
Tan Chee Huey	192,000	0.13	4,241,100 ⁽³⁾	2.96
Loh Wei Ling	12,000	0.01	492,000 ⁽³⁾	0.38
Tan Kah Poh	-	-	-	-
Mok Kam Loong	-	-	-	-
Choo Seng Choon	-	-	-	-

- Deemed interested by virtue of his shareholdings in Ladang Ternakan Sdn Berhad pursuant to Section 8(4) and Section 59(11)(c) of the Companies Act 2016.
- Deemed interested by virtue of her being the spouse of Datuk Tan Kok, a shareholder of Ladang Ternakan Sdn Berhad, which is a substantial shareholder of LTKM Berhad and pursuant to Section 59(11)(c) of the Companies Act 2016.
- Deemed interested pursuant to Section 8(4) and Section 59(11)(c) of the Companies Act 2016.

Analysis of Shareholdings

As at 28 June 2024

cont'd

THIRTY (30) LARGEST SHAREHOLDERS AS PER THE RECORD OF DEPOSITORS AS AT 28 JUNE 2024

No.	Name	No. of Shares	%
1.	Ladang Ternakan Kelang Sdn Bhd	96,627,506	67.52
2.	Tan Kok	3,458,116	2.42
3.	Maybank Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Chiau Haw Choon</i>	3,311,500	2.31
4.	HLB Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Chiau Beng Teik</i>	2,670,000	1.87
5.	YBJ Capital Sdn Bhd	2,625,000	1.83
6.	RHB Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Ooi Chen Seng</i>	1,389,700	0.97
7.	Maybank Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Law Kim San</i>	1,365,000	0.95
8.	CGS International Nominees Malaysia (Tempatan) Sdn Bhd <i>Pledged Securities Account for Sim Chun Wei (MP0560)</i>	1,320,000	0.92
9.	Kok Chiew Heng	1,148,500	0.80
10.	Tan Yee Boon	1,100,000	0.77
11.	CGS International Nominees Malaysia (Tempatan) Sdn Bhd <i>Pledged Securities Account for Por Teong Eng (MY3923)</i>	1,089,700	0.76
12.	CGS International Nominees Malaysia (Tempatan) Sdn Bhd <i>Pledged Securities Account for Tan Hwa Sing (MP0486)</i>	1,000,000	0.70
13.	CGS International Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Cha Weay Chia (MY2307)</i>	960,500	0.67
14.	CGS International Nominees Malaysia (Tempatan) Sdn Bhd <i>Pledged Securities Account for Ong Hang Ping (MY4667)</i>	913,700	0.64
15.	Lin Jiayu	800,000	0.56
16.	Phuah Chai Tin	768,300	0.54
17.	Lee Hai Leong	762,900	0.53
18.	Lim Hooi Tin	600,000	0.42
19.	CGS International Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Chew Hew Wearn (MY4130)</i>	552,700	0.39
20.	Tan Yee Boon	516,100	0.36
21.	RHB Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Chiau Beng Soo</i>	500,000	0.35
22.	CGS International Nominees Malaysia (Tempatan) Sdn Bhd <i>Pledged Securities Account for Fong Shin Ni (MY4129)</i>	450,000	0.31
23.	Maybank Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Gan Sheng Yih</i>	435,000	0.30
24.	CGS International Nominees Malaysia (Tempatan) Sdn Bhd <i>Pledged Securities Account for Chow Kian Hung (MY4666)</i>	410,300	0.29
25.	CGS International Nominees Malaysia (Tempatan) Sdn Bhd <i>Pledged Securities Account for Khor Kai Fu (MY4565)</i>	380,000	0.27
26.	CGS International Nominees Malaysia (Tempatan) Sdn Bhd <i>Pledged Securities Account for Chu Yi Pei (MF00144)</i>	375,000	0.26
27.	Tye Lim Huat	375,000	0.26
28.	Ng Chew Kee	353,000	0.25
29.	Tan Yee Siong	341,700	0.24
30.	Chia Seong Pow	302,800	0.21
	Total	126,902,022	88.67

Statement to Shareholders

In Relation to the Proposed Renewal of Authority for Share Buy-Back

1. INTRODUCTION

LTKM had on 22 July 2024 announced its intention to seek shareholders' approval of the "Proposed Renewal of Authority for Share Buy-Back" at the forthcoming Twenty Seventh Annual General Meeting ("27th AGM") of the Company.

The purpose of this Statement is to provide you with the relevant information on the "Proposed Renewal of Authority for Share Buy-Back" and to seek your approval of the ordinary resolution to be tabled at the forthcoming 27th AGM of the Company.

The authority from the shareholders for the proposed purchase would be effective immediately upon the passing of the ordinary resolution for the "Proposed Renewal of Authority for Share Buy-Back" until the conclusion of the next AGM of LTKM unless earlier revoked or varied by ordinary resolution of shareholders of LTKM at a general meeting.

2. RATIONALE, POTENTIAL ADVANTAGES AND DISADVANTAGES

The "Proposed Renewal of Authority for Share Buy-Back", if exercised, is expected to potentially benefit the Company and its shareholders in the following manners:-

- (a) The earnings per share of the Group may be enhanced (in the case where the shares so purchased are cancelled), and thereby long term investors are expected to enjoy a corresponding increase in the value of their investments in the Company;
- (b) If the purchased shares are kept as treasury shares, the treasury shares may be realized with potential gain without affecting the total issued and paid-up share capital of the Company. Alternatively, the purchased shares can be distributed as share dividends to reward the shareholders of the Company; and
- (c) The Company may be able to stabilize the supply and demand of its shares in the open market, thereby supporting its fundamental value.

The potential disadvantages of the "Proposed Renewal of Authority for Share Buy-Back" to the Company and its shareholders are as follows:-

- (a) As the "Proposed Renewal of Authority for Share Buy-Back" can only be made out of the retained profits of the Company, it may result in the reduction of financial resources available for distribution to the shareholders in the immediate future; and
- (b) The amount of financial resources of the Company will decline upon exercising the share buy-back which may result in the Group having to forego feasible investment opportunities that may emerge in the future.

In any event, the Directors will be mindful of the interest of the Company and its shareholders in implementing the shares buy back.

3. THE MAXIMUM NUMBER OR PERCENTAGE OF SHARES TO BE ACQUIRED

The Board proposes to seek a renewal of the authorization from its shareholders for the Company to be empowered to purchase its own shares on the Bursa Malaysia Securities Berhad ("Bursa Securities"). The Board proposes to purchase and/or hold up to a maximum of 10% of the total number of issued shares of the Company as at the time of purchase. The Main Market Listing Requirements of Bursa Securities ("Listing Requirements") stipulate that a listed company must not purchase its own shares or hold any of its own shares as treasury shares if this result in the aggregate of the shares purchased or held exceeding 10% of its total number of issued shares. As at 22 July 2024, the total number of issued shares of the Company is 143,114,006 ordinary shares. Up to 22 July 2024, the Company has not purchased and/or held any of its own shares.

Statement to Shareholders

In Relation to the Proposed Renewal of Authority for Share Buy-Back
cont'd

4. RETAINED PROFITS

Based on the Audited Financial Statements of the Company for the financial year ended 31 March 2024, the Retained Profits of the Company and the Group stood at RM37,896,841 and RM209,400,469 respectively.

5. FUNDING

The maximum amount of funds to be allocated for the “Proposed Renewal of Authority for Share Buy-Back” will be limited to the amount of retained profits of the Company. The amount allocated for the share buy-back, if implemented, will be financed by internally generated funds.

6. DIRECTORS AND SUBSTANTIAL SHAREHOLDERS' INTEREST

Save for the inadvertent proportionate increase in the percentage shareholdings and/or voting rights of the shareholders of the Company as a consequence of the share buy-back, none of the Directors and/or substantial shareholders nor persons connected with the Directors and/or substantial shareholders of the Company have any interest, direct or indirect, in the “Proposed Renewal of Authority for Share Buy-Back” and the proposed resale of treasury shares, if any.

As such, none of the Directors and/or substantial shareholders nor persons connected with them need to abstain from voting in respect of their direct and indirect shareholdings on the ordinary resolution approving the “Proposed Renewal of Authority for Share Buy-Back” at the forthcoming Twenty Seventh Annual General Meeting.

The effects of the proposed share buy-back on the shareholdings of the Directors and substantial shareholders based on the Record of Depositors of the Company as at 28 June 2024 are set out below based on the following assumptions:-

- The proposed share buy-back is implemented in full, i.e. up to 10% of the issued and paid-up share capital or 14,311,400 of the Company's shares (excluding Treasury Shares) are purchased; and
- The shares so purchased are from shareholders other than the Directors and substantial shareholders of the Company.

Directors

Directors	As At 28 June 2024				After the Proposed Share Buy-Back			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Datuk Tan Kok	3,458,116	2.42	101,360,606	70.83	3,458,116	2.68	101,360,606	78.69
Datin Lim Hooi Tin	600,000	0.42	101,360,606	70.83	600,000	0.47	101,360,606	78.69
Tan Chee Huey	192,000	0.13	4,241,100	2.96	192,000	0.15	4,241,100	3.30
Loh Wei Ling	12,000	0.01	492,000	0.38	12,000	0.01	492,000	0.38
Kenny Tan Kah Poh	-	-	-	-	-	-	-	-
Mok Kam Loong	-	-	-	-	-	-	-	-
Choo Seng Choon	-	-	-	-	-	-	-	-

Substantial Shareholders

Ladang Ternakan Kelang Sdn Bhd	96,627,506	67.52	-	-	96,627,506	75.02	-	-
Datuk Tan Kok	3,458,116	2.42	101,360,606	70.83	3,458,116	2.68	101,360,606	78.69
Datin Lim Hooi Tin	600,000	0.42	101,360,606	70.83	600,000	0.47	101,360,606	78.69

Statement to Shareholders

In Relation to the Proposed Renewal of Authority for Share Buy-Back
cont'd

7. FINANCIAL EFFECTS

On the assumption that the share buy-back is carried out in full, the effects of the “Proposed Renewal of Authority for Share Buy-Back” on the share capital, net asset per share (“NA”), working capital and earnings per share (“EPS”) of the Company are set out below:-

(a) Share Capital

The effect of the share buy-back on the share capital of the Company will depend on the intention of the Board with regard to the purchased shares. As at 28 June 2024, the issued and paid-up share capital of the Company is RM79,695,953 comprising of 143,114,006 shares.

However, the “Proposed Renewal of Authority for Share Buy-Back” will have no effect on the issued and paid-up share capital if all Purchased Shares are to be retained as treasury shares but the rights attached to the treasury shares in relation to voting, dividends and participation in any other distributions or otherwise are suspended. While these shares remain as treasury shares, the Act prohibits the taking into account of such shares in calculating the number of percentage of shares in the Company for a purpose whatsoever including substantial shareholdings, takeovers, notices, requisitioning of meetings, quorum for meetings and the result of votes on resolutions.

(b) NA

The effect of the “Proposed Renewal of Authority for Share Buy-Back” on the NA per share of the Company is dependent on the number of shares purchased, purchase price of the shares, the funding cost, if any, and the subsequent treatment of the shares so purchased.

If all the shares purchased are cancelled, the proposed share buy-back is likely to reduce the NA per share of the Group if the purchase price exceeds the audited NA per share of the Group at the time of purchase and conversely, will increase the NA per share of the Group if the purchase price is less than the audited NA per share of the Group at the time of purchase.

For shares so purchased, which are kept as treasury shares, upon its resale, the NA of the Group may be affected depending on the actual selling price of the treasury shares and the actual number of treasury shares resold.

(c) Working Capital

The “Proposed Renewal of Authority for Share Buy-Back” will reduce the working capital of the Group, the quantum of which depends on, amongst others, the number of shares eventually purchased and the purchase price of the shares.

(d) EPS

Depending on the number of shares purchased, purchase price of shares and the effective cost as well as the opportunity cost of funding the shares, the proposed share buy-back may increase the EPS of the Group.

Any cancellation of shares so purchased is expected to give rise to increased EPS to the Company and the Group due to the reduced number of shares in issue.

(e) Dividends

Assuming the “Proposed Renewal of Authority for Share Buy-Back” is implemented in full, it will have the effect of increasing the dividend rate of the Company as a result of the reduction in the issued and paid-up share capital of the Company.

Statement to Shareholders

In Relation to the Proposed Renewal of Authority for Share Buy-Back
cont'd

(f) Shareholdings

The effect of the “Proposed Renewal of Authority for Share Buy-Back” on the percentage of shareholdings of the Directors and substantial shareholders of the Company would depend on the timing of the purchase, the number of shares purchased and their actual shareholdings at the time of such purchase.

Please refer to Item 6 above for further details on the shareholding structure of the Directors and substantial shareholders of the Company.

8. IMPLICATION UNDER THE CODE

Under the Code, a director and any person acting in concert with him or a relevant shareholder will be required to make a mandatory general offer for the remaining ordinary shares of the Company not already owned by him/ them if his/their stake in the Company is increased beyond thirty-three percent (33%) or if his/their existing shareholding is between thirty-three percent (33%) and fifty percent (50%) and exceeds by another two percent (2%) in any six (6) months period.

Assuming that the “Proposed Renewal of Authority for Share Buy-Back” is carried out in full and the shareholdings of the directors and parties acting in concert will be increased beyond thirty-three percent (33%) as a result of the share buy-back and pursuant to the Code, the directors and parties acting in concert are required to make a mandatory general offer.

Should such circumstances arise and if required, the directors and parties acting in concert are expected to submit an application to the Securities Commission for a waiver from implementing a mandatory general offer under the Code.

The Company takes cognizance of the Code and intends to implement the share buy-back in a manner that it will not result in any of the shareholders having to undertake a mandatory offer pursuant to the Code.

9. PURCHASE, RESALE AND CANCELLATION OF SHARES MADE IN THE PREVIOUS TWELVE (12) MONTHS

In the previous twelve (12) months, the Company has not made any purchase of ordinary shares in the Company.

10. PUBLIC SHAREHOLDING SPREAD

Based on the Record of Depositors of the Company as at 28 June 2024, the public shareholding spread of the Company was 25.26%.

11. DIRECTORS' STATEMENT

This Statement has been seen and approved by the Board on 22 July 2024 and they individually and collectively accept full responsibility for the accuracy of the information given in this Statement and confirm that, after making all reasonable enquiries, to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

Having considered all aspects of the “Proposed Renewal of Authority for Share Buy-Back”, the Board is of the opinion that the preceding is fair, reasonable and in the best interest of the Company.

12. DIRECTORS' RECOMMENDATION

The Board recommends that you vote in favour of the ordinary resolution for the “Proposed Renewal of Authority for Share Buy-Back” to be tabled at the forthcoming Twenty Seventh Annual General Meeting.

Notice of Twenty-Seventh Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Twenty-Seventh Annual General Meeting of the Company will be held at Wyndham Acmar Klang, Ballroom 3, Level 1, No. 1-G-1, Persiaran Bukit Raja 2/KU1, Bandar Baru Klang, 41150 Klang, Selangor on Wednesday, 11th September 2024 at 10.00 a.m. for the purpose of transacting the following business:-

AGENDA

ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 March 2024 together with the Directors' and Auditors' Reports thereon. ***Please refer to Note B of this Notice.***
2. To approve the Directors' Fees of RM300,000 and benefits payable for the period from 12 September 2024 up to the next Annual General Meeting of the Company to be held in 2025. ***Resolution 1***
3. To re-elect Datin Lim Hooi Tin who is retiring in accordance with Clause 88 of the Company's Constitution. ***Resolution 2***
4. To re-elect Mr. Tan Kah Poh who is retiring in accordance with Clause 88 of the Company's Constitution. ***Resolution 3***
5. To re-elect Mr. Choo Seng Choon who is retiring in accordance with Clause 88 of the Company's Constitution. ***Resolution 4***
6. To re-appoint Messrs. Ernst & Young as the External Auditors and to authorize the Board of Directors to fix their remuneration. ***Resolution 5***

SPECIAL BUSINESS

To consider and, if thought fit, to pass with or without modifications, the following Resolutions:-

7. **Ordinary Resolution** ***Resolution 6***
 - **Authority For Directors To Allot And Issue Shares**

“THAT pursuant to Section 75 and 76 of the Companies Act 2016 and the Constitution of the Company subject to the approval of the relevant authorities, the Directors be and are hereby empowered to allot and issue shares in the Company from time to time upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued does not exceed 10% of the issued share capital of the Company for the time being and that the Directors, be and hereby empowered to obtain necessary approval for the listing and quotation of the additional shares so issued on the Bursa Malaysia Securities Berhad.

Notice of Twenty-Seventh Annual General Meeting

cont'd

8. Ordinary Resolution

Resolution 7

- **Proposed Renewal of Authority for Share Buy-Back**

“**THAT** subject to the Companies Act 2016, provisions of the Company’s Constitution and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) and any applicable laws, regulations and guidelines issued by other regulatory authorities, and the approvals of all relevant governmental and/or regulatory authorities, the Company be and is hereby authorized to purchase and/or hold such amount of its ordinary shares on the market of Bursa Securities at any time upon such terms and conditions as the Directors in their absolute discretion deem fit and expedient in the best interest of the Company provided that:-

- (a) the aggregate number of shares which may be purchased and/or held by the Company shall not exceed 10% of the total issued share capital of the Company;
- (b) the maximum amount of funds to be allocated by the Company for the purpose of purchasing its shares shall not exceed the retained earnings of the Company based on the latest audited financial statements;
- (c) upon completion of the purchase(s) of the shares by the Company, the shares shall be dealt with in the following manner;
 - (i) to cancel the shares so purchased; or
 - (ii) to retain the shares so purchased in treasury, either to be distributed as dividends to the shareholders of the Company and/or to be resold on the market of Bursa Securities; or
 - (iii) to retain part of the shares so purchased as treasury shares and cancel the remainder; or
 - (iv) any combination of the three.

AND THAT the authority conferred by this resolution will be effective upon the passing of this resolution and will continue to be in force until:-

- (a) the conclusion of the next Annual General Meeting (“**AGM**”) of the Company at which time it will lapse, unless the authority is renewed by a resolution passed at a general meeting, either unconditionally or subject to conditions; or
- (b) the expiration of the period within which the next AGM of the Company is required by law to be held; or
- (c) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting;

whichever occurs first, but not as to prejudice the completion of purchase(s) by the Company before the aforesaid expiry date, and in any event, in accordance with the provisions of the guidelines issued by Bursa Securities or any other relevant authorities, relevant requirements and guidelines.

Notice of Twenty-Seventh Annual General Meeting

cont'd

AND FURTHER THAT authority be and is hereby given to the Directors of the Company to do all such acts, deeds and things as they may consider expedient or necessary in the best interest of the Company (including executing all such documents as may be required) to give full effect to the purchase by the Company of its own shares with full power to assent to any condition, variation, modification and/or amendment as may be required by any relevant authorities and to deal with all matters relating thereto and take all steps and do all acts and things in any manners as they may deem necessary in the interest of the Company.”

ANY OTHER BUSINESS

9. To transact any other business of the Company of which due notice shall have been given in accordance with the Company's Constitution and the Companies Act 2016.

By Order Of the Board
LTKM BERHAD

NG YIM KONG
Company Secretary
MACS00305
SSM Practicing Certificate No. 202008000309

Dated: 31 July 2024
Selangor Darul Ehsan

NOTES:

A. Appointment of proxy

- a) *A member of the Company entitled to attend, speak and vote at the meeting of the Company, or at a meeting of any class of members of the Company, shall be entitled to appoint any person as his proxy to attend, speak, participate, and vote on his/her behalf. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.*
- b) *A member holding one thousand (1,000) ordinary shares or less may appoint only one (1) proxy to attend and vote at a general meeting who shall represent all the shares held by such member. A member holding more than one (1,000) ordinary shares may appoint up to ten (10) proxies to vote at the same meeting and each proxy appointed shall represent a minimum of one thousand (1,000) shares.*
- c) *A Proxy may but need not be a member of the Company.*
- d) *A Form of Proxy shall be signed by the appointor or his/her attorney duly authorised in writing or, if the member is a corporation, must be executed under its common seal or by its duly authorised attorney or officer.*
- e) *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (“omnibus account”), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*
- f) *The appointment of proxy may be made in a hardcopy form or by electronic means as follows and must be deposited with the Share Registrar of the Company, Tricor Investor & Issuing House Services Sdn Bhd (“Tricor”), not less than forty-eight (48) hours before the time for holding this meeting or any adjournment thereof. Otherwise the instrument of proxy should not be treated as valid.*
 - (a) *In Hardcopy Form*
The Form of Proxy must be deposited at Tricor's office at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, or drop the Form of Proxy at Tricor's Customer Service Centre, Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.

Notice of Twenty-Seventh Annual General Meeting

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(b) ***By Electronic Lodgement***

The Form of Proxy can be electronically submitted to Tricor via TIH Online at <https://tjih.online>.

Kindly refer to Note C(1) below on the Administrative Guide – Electronic Lodgement of Form of Proxy

- g) Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in this Notice will be put to vote by poll.

B. Explanatory Notes

a) **Item 1 of the Agenda – Ordinary Business**
Audited Financial Statements for the financial year ended 31 March 2024

This item of the agenda is meant for discussion only as the provision of Sections 248(2) and 340(1) of the Companies Act 2016 does not require a formal approval of the Shareholders for the Audited Financial Statements. Hence, this item of the agenda is not subject to voting.

b) **Item 2 of the Agenda – Ordinary Business**
Approval of Directors' Fees

The proposed Ordinary Resolution 1, if passed, will enable the Company to pay Directors' fees to the Directors for the period from 12 September 2024 until the next Annual General Meeting of the Company in 2025 up to an amount of RM300,000 in total. The benefits payable is meeting allowance of up to RM1,000 per meeting for the Non-Executive Directors ("NED") which is determined by the number of meeting of the Board and Board Committee and NEDs' respective attendance.

c) **Item 3, 4 & 5 of the Agenda – Ordinary Business**
Re-election of retiring Directors

For the purpose of determining the eligibility of the Directors to stand for re-election at the Twenty-Seventh Annual General Meeting, the Board through its Nomination Committee had assessed the performance of Datin Lim Hooi Tin, Mr. Tan Kah Poh and Mr. Choo Seng Choon. The Directors' Profile section in the Annual Report 2024 provide details of the Directors concerned. Their performance were assessed based on their understanding of the Group's business, their time commitment and also their participation at the Board and Board Committees meetings. They have shown that they were effective in the discharge of their responsibilities. No circumstances have arisen in the past year to impair their judgement on matters brought for Board discussion and they have always acted in the best interest of the Company as a whole. Based on the above, the Board supports their re-election.

d) **Item 7 of the Agenda – Special Business**
Authority for Directors to Allot and Issue Shares

The proposed Resolution 6, if passed, will empower the Directors of the Company, from the date of the above Annual General Meeting, with the authority to allot and issue shares in the Company of up to an amount not exceeding 10% of the issued and paid-up capital of the Company for the time being for such purposes as the Directors consider would be in the best interest of the Company. This authority, unless revoked or varied at a general meeting, will expire at the next Annual General Meeting.

The general mandate sought to grant authority to Directors to allot and issue shares is a renewal of the mandate that was approved by the shareholders at the Twenty-Sixth Annual General Meeting held on 12 September 2023. The renewal of the general mandate is to provide flexibility to the Company to issue new shares without the need to convene a separate general meeting to obtain Shareholders' approval so as to avoid incurring additional cost and time. The purpose of this general mandate is for possible fund raising exercises including but not limited to further placement of shares for purpose of funding current and/or future investment projects, working capital and/or acquisitions.

Up to the date of this Notice, the Company has not issued any shares pursuant to the mandate granted to the Directors at the Twenty-Sixth Annual General Meeting because there was no need for any fund raising activity for the purpose of investment, acquisition or working capital since then.

e) **Item 8 of the Agenda – Special Business**
Proposed Renewal of Authority for Share-Buy-Back

The proposed Resolution 7, if passed will empower the Company to purchase and/or hold up to 10 % of the issued share capital (excluding treasury shares) of the Company. This authority, unless revoked or varied by the Company at a general meeting, will expire at the next Annual General Meeting.

Please refer to the Statement to Shareholder in Relation to the Proposed Renewal of Authority for Share-Buy-Back on pages 104 to 107 of the Annual Report 2024 for further information.

Notice of Twenty-Seventh Annual General Meeting

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C. Administrative Guide

1. ELECTRONIC LODGEMENT OF FORM OF PROXY

PROCEDURES	ACTIONS
(a) Register as a user with TIIH Online	<ul style="list-style-type: none"> Using your computer, access the website at https://tiih.online. Register as a user under "e-Services". You may refer to the tutorial guide posted on the homepage for assistance. If you are already a user with TIIH Online, you are not required to register again.
(b) Proceed with submission of Form of Proxy	<ul style="list-style-type: none"> After the release of the Notice of the 27th AGM by the Company, login with your username (i.e. email address) and password. Select the corporate event: "LTKM 27th AGM - Submission of Proxy Form". Read and agree to the Terms & Conditions and confirm the Declaration. Insert your CDS account number and indicate the number of shares for your proxy(s) to vote on your behalf. Appoint your proxy(s) and insert the required details of your proxy(s) or appoint Chairperson as your proxy. Indicate your voting instructions - FOR or AGAINST, otherwise your proxy will decide your vote. Review and confirm your proxy(s) appointment. Print e-proxy form for your record.

2. PRE-REGISTRATION TO ATTEND THE 27th AGM

- i) In order to assist the Company in managing the turnout at the 27th AGM, shareholders are encouraged to pre-register their attendance electronically.
- ii) The following are the procedures to pre-register your attendance via Tricor's TIIH Online website at <https://tiih.online>:
- Log in with your username (i.e email address) and password under e-Services. If you have not registered as a user of TIIH Online, you may refer to the tutorial guide posted on the homepage for assistance.
 - Select the corporate event: "**(REGISTRATION) LTKM 27th AGM**".
 - Read and agree to the Terms & Conditions and confirm the Declaration.
 - Select "Register for Physical Attendance at Meeting Venue".
 - Review your registration and proceed to register.
 - System will send an email to notify that your registration for Physical Attendance at Meeting Venue is received and will be verified.
 - After verification of your registration against the General Meeting Record of Depositors, the system will send you an email after 9 September 2024 to approve or reject your registration to attend physically at the Meeting venue.

GENERAL MEETING RECORD OF DEPOSITORS

For the purpose of determining a member who shall be entitled to attend the Twenty-Seventh Annual General Meeting, the Company will request Bursa Malaysia Depository Sdn Bhd in accordance with Clause 35 of the Company's Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act 1991, to issue a General Meeting Record of Depositors as at 3 September 2024. Only depositors whose name appears on the Record of Depositors as at 3 September 2024 shall be entitled to attend the Twenty-Seventh Annual General Meeting or to appoint proxy/proxies to attend and/or to vote in his/her stead.



LTKM BERHAD

(Registration No. 199701027444 (442942-H))
(Incorporated in Malaysia)

CDS Account No. of Authorised Nominee:

FORM OF PROXY

I/We _____ (NRIC No./Passport No./Company No.) _____
(Full Name in Capital Letters)

of _____
(Full Address)

being a Member of **LTKM BERHAD** hereby appoint _____
(Full Name in Capital Letters)

(NRIC No./Passport No.) _____ of _____
(Full Address)

_____ or failing him/(her) _____
(Full Name in Capital Letters)

(NRIC No./Passport No.) _____ of _____
(Full Address)

or failing him/her, the CHAIRMAN OF MEETING, as *my/our proxy to attend and vote for *me/us and on *my/our behalf at the Twenty-Seventh Annual General Meeting to be held at Wyndham Acmar Klang, Ballroom 3, Level 1, Wyndham Acmar Klang, No. 1-G-1, Persiaran Bukit Raja 2/KU1, Bandar Baru Klang, 41150 Klang, Selangor on Wednesday, 11th September 2024 at 10.00 a.m. and at any adjournment thereof.

Please indicate with an "x" in the space provided below how you wish your votes to be casted. If no specific direction as to voting is given, the Proxy will vote or abstain from voting at his/ her discretion.

No.	Resolutions	For	Against
	Ordinary Business		
1.	Resolution 1 – To approve the Directors' Fees of RM300,000 and benefits payable for the period from 12 September 2024 up to the next Annual General Meeting of the Company to be held in 2025.		
2.	Resolution 2 – To re-elect Datin Lim Hooi Tin who is retiring in accordance with Clause 88 of the Company's Constitution.		
3.	Resolution 3 – To re-elect Mr. Tan Kah Poh who is retiring in accordance with Clause 88 of the Company's Constitution.		
4.	Resolution 4 – To re-elect Mr. Choo Seng Choon who is retiring in accordance with Clause 88 of the Company's Constitution.		
5.	Resolution 5 – To re-appoint Messrs. Ernst & Young as External Auditors and to authorize the Board of Directors to fix their remuneration.		
	Special Business		
6.	Resolution 6 – Authority for Directors to allot and issue shares		
7.	Resolution 7 – Proposed Renewal of Authority for Share Buy-Back.		

* *Strike out whichever is not applicable.*

Dated this _____ day of _____, 2024

Number of shares held

Signature of Member/Common Seal

Notes:

- A member of the Company entitled to attend, speak and vote at the meeting of the Company, or at a meeting of any class of members of the Company, shall be entitled to appoint any person as his proxy to attend, speak, participate, and vote on his/ her behalf. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.
- A member holding one thousand (1,000) ordinary shares or less may appoint only one (1) proxy to attend and vote at a general meeting who shall represent all the shares held by such member. A member holding more than one (1,000) ordinary shares may appoint up to ten (10) proxies to vote at the same meeting and each proxy appointed shall represent a minimum of one thousand (1,000) shares.
- A Proxy may but need not be a member of the Company.
- A Form of Proxy shall be signed by the appointor or his/her attorney duly authorised in writing or, if the member is a corporation, must be executed under its common seal or by its duly authorised attorney or officer.
- Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- The appointment of proxy may be made in a hardcopy form or by electronic means as follows and must be deposited with the Share Registrar of the Company, Tricor Investor & Issuing House Services Sdn Bhd ("Tricor"), not less than forty-eight (48) hours before the time for holding this meeting or any adjournment thereof. Otherwise the instrument of proxy shall be valid.
 - In Hardcopy Form
The Form of Proxy must be deposited at Tricor's office at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, or drop the Form of Proxy at Tricor's Customer Service Centre, Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.
 - By Electronic Lodgement
The Form of Proxy can be electronically submitted to Tricor via TIH Online at <https://tjih.online>.
Kindly refer to Note C(1) Administrative Guide – Electronic Lodgement of Form of Proxy as contained in the Notice of the 27th AGM.

Fold This Flap For Sealing

Then Fold Here

AFFIX
STAMP

Share Registrar

Tricor Investor & Issuing House Services Sdn Bhd

Unit 32-01, Level 32
Tower A, Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur

1st Fold Here

www.ltkm.com.my

LTKM BERHAD

199701027444 (442942-H)

102, Batu 1 1/2, Jalan Meru, 41050 Klang,
Selangor Darul Ehsan, Malaysia.

Tel : (603) 3342 2830

Fax : (603) 3341 1967