

LTKM Berhad (Company No: 442942-H)
Condensed Consolidated Statement of Comprehensive Income
For the quarter ended 31 December 2015

	Note	Individual Quarter		Cumulative Quarter	
		3 months ended		9 months ended	
		31/12/2015	31/12/2014	31/12/2015	31/12/2014
		RM'000	RM'000	RM'000	RM'000
Revenue		44,929	49,276	128,651	142,651
Cost of sales		(36,859)	(35,010)	(106,540)	(103,704)
Gross profit		8,070	14,266	22,111	38,947
Other income		908	853	4,377	2,700
Administrative expenses		(2,244)	(1,743)	(6,316)	(4,885)
Distribution expenses		(815)	(744)	(2,534)	(2,107)
Finance costs		(187)	(210)	(512)	(675)
Other expenses		(5)	(803)	(1,755)	(1,317)
Profit before tax		5,727	11,619	15,371	32,663
Taxation	B5	(1,382)	(3,700)	(3,863)	(9,879)
Profit net of tax attributable to owners of the parent		4,345	7,919	11,508	22,784
Other comprehensive income, net of tax :					
Deferred tax on revaluation of land		-	-	(246)	-
Net change on AFS reserves :					
- fair value gain/(loss)		388	(6,017)	(3,040)	853
- impairment loss reclassified to profit or loss		5	-	1,048	-
- transfer to profit or loss upon disposal		(13)	-	(918)	-
owners of the parent		4,725	1,902	8,352	23,637
Basic earnings per share attributable to owners of the parent (sen) :	B11	3.34	6.09	8.85	17.51

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

LTKM Berhad (Company No: 442942-H)
Condensed Consolidated Statement of Financial Position
As at 31 December 2015

	Note	As at 31 Dec 2015	As at 31 Mar 2015
		RM'000	RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		92,045	93,911
Investment properties		52,850	52,850
Biological assets		338	341
Investment securities		33,031	36,119
		<u>178,264</u>	<u>183,221</u>
Current assets			
Biological assets		13,396	14,699
Inventories		22,894	11,744
Tax recoverables		1,372	84
Trade and other receivables		16,748	12,153
Cash and bank balances		38,144	37,645
		<u>92,554</u>	<u>76,325</u>
TOTAL ASSETS		<u>270,818</u>	<u>259,546</u>
EQUITY AND LIABILITIES			
Attributable to equity holders of the parent			
Share capital		65,052	43,368
Reserves		161,224	178,011
Total equity		<u>226,276</u>	<u>221,379</u>
Non-current liabilities			
Borrowings	B7	4,073	5,865
Deferred tax liabilities		8,773	8,528
		<u>12,846</u>	<u>14,393</u>
Current liabilities			
Trade and other payables		13,467	8,290
Dividend payable		-	4,337
Borrowings	B7	18,228	9,580
Taxation		1	1,567
		<u>31,696</u>	<u>23,774</u>
Total liabilities		44,542	38,167
TOTAL EQUITY AND LIABILITIES		<u>270,818</u>	<u>259,546</u>

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

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

	9 months ended 31 December	
	2015	2014
	RM'000	RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax from continuing operations	15,371	32,663
Adjustment for non-cash flow		
Depreciation of property, plant & equipment	5,141	6,190
Amortisation of biological assets	11	28
Gain on disposal of property, plant and equipment	(226)	(176)
Gain on disposal of investment securities	(1,256)	(79)
Fair value loss on FVTPL investment	546	608
Impairment loss on AFS investment	1,048	603
Dividend income	(911)	(1,211)
Unrealised exchange gain	(302)	(142)
Operating profit before changes in working capital	19,422	38,484
Decrease/(increase) in biological assets	1,295	(1,316)
(Increase)/decrease in inventories	(11,150)	8,936
(Increase)/decrease in receivables	(4,529)	1,329
Increase in payables	5,243	4,177
Cash generated from operating activities	10,281	51,610
Net taxes paid	(6,717)	(6,482)
Net cash generated from operating activities	3,564	45,128
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant & equipment	(3,331)	(6,331)
Purchase of investment securities	(4,130)	(5,187)
Withdrawal of long term fixed deposits	109	106
Proceeds from disposal of property, plant and equipment	282	372
Proceeds from disposal of investment securities	4,138	868
Dividend received from investment securities	911	1,211
Net cash used in investing activities	(2,021)	(8,961)
CASH FLOW FROM FINANCING ACTIVITIES		
Dividends paid	(7,589)	(7,806)
Shares issuance expense	(202)	-
Net repayment of term loans	(2,343)	(1,448)
Net drawdown / (repayment) of other bank borrowings	9,199	(13,947)
Repayment of hire purchase	-	(340)
Net cash used in financing activities	(935)	(23,541)
Net change in cash and cash equivalents	608	12,626
Cash and cash equivalents at 1 April	37,536	20,933
Cash and cash equivalents at end of the period	38,144	33,559
Cash and cash equivalents comprise the following amounts:-		
Deposits with licensed banks	22,909	17,513
Cash on hand and at bank	15,235	16,046
Cash and bank balances	38,144	33,559
	38,144	33,559

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

LTKM Berhad (Company No: 442942-H)
Condensed Consolidated Statements of Changes in Equity
For the quarter ended 31 December 2015

	<-----Attributable to equity holders of the parent----->					
	[------(Non- distributable)-----]			(Distributable)		
	Share capital RM'000	Share premium RM'000	Asset revaluation reserve RM'000	Available -for-sale reserve RM'000	Retained profits RM'000	Total equity RM'000
9 months ended 31 December 2015						
At 1 April 2015	43,368	2,467	36,163	5,803	133,578	221,379
Total comprehensive income	-	-	(246)	(2,910)	11,508	8,352
Transactions with owners						
Bonus shares issued during the period	21,684	(2,265)	-	-	(19,419)	-
Share issuance expense	-	(202)	-	-	-	(202)
Dividends	-	-	-	-	(3,253)	(3,253)
At 31 December 2015	65,052	-	35,917	2,893	122,414	226,276
9 months ended 31 December 2014						
At 1 April 2014	43,368	2,467	29,630	1,751	96,119	173,335
Total comprehensive income	-	-	-	853	22,784	23,637
Transactions with owners						
Dividends	-	-	-	-	(4,337)	(4,337)
	43,368	2,467	29,630	2,604	114,566	192,635

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

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

The interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS 134: Interim Financial Reporting and Amendments to FRS 134: Interim Financial Reporting (Improvements to FRSs (2012)) and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 March 2015. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 March 2015.

The accounting policies and methods of computation adopted in the interim financial statements are consistent with those of the audited financial statements for the year ended 31 March 2015, except for the adoption of the following new and revised Financial Reporting Standards (“FRS”) and Amendments to FRSs that have become effective for the financial periods beginning 1 April 2015:-

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

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

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

Description	Effective date for financial periods beginning on or after
Annual Improvements to FRSs 2013 - 2014 Cycle	1 January 2016
Amendments to FRS 116 and FRS 138 : Clarification of Acceptance Methods of Depreciation and Amortisation	1 January 2016
Amendments to FRS 116 and FRS 141 : Agriculture: Bearer Plants	1 January 2016
Amendments to FRS 10 and FRS128: sale or Contribution of Assets between and Investor and its Associate or Joint Venture	1 January 2016
Amendments to FRS 11: Accounting for Acquisitions of Interest in Joint Operations	1 January 2016
Amendments to FRS 127: Equity Method in Separate Financial Statements	1 January 2016
Amendments to FRS 101: Disclosure Initiative	1 January 2016
Amendments to FRS 10, FRS 12 and FRS 128: Investment Entities: Applying the Consolidation Exception	1 January 2016
FRS 14: Regulatory Deferral Accounts	1 January 2016
FRS 9: Financial Instruments	1 January 2016

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

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

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

Amendments to FRS 127: Equity Method in Separate Financial Statements

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

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

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

FRS 9: Financial Instruments - Classification and Measurement

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

Malaysian Financial Reporting Standards

The Group falls within the Transitioning Entities of the Malaysian Accounting Standards Board (MASB)'s new approved accounting framework, the Malaysian Financial Reporting Standards ("MFRS"); and accordingly, will only be issuing its first MFRS compliant financial statements for the period beginning 1 April 2018.

A2. Audit Report on Preceding Annual Financial Statements

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

A3. Segmental Information

	3 months ended		9 months ended	
	31-Dec-15	31-Dec-14	31-Dec-15	31-Dec-14
	RM'000	RM'000	RM'000	RM'000
Segment revenue				
Poultry & related products	44,279	48,469	126,388	139,758
Extraction & sale of sand	650	807	2,264	2,893
Total	44,929	49,276	128,652	142,651
Segment results				
Poultry & related products	5,484	12,466	15,057	32,670
Investment holdings	89	(724)	(318)	(1,100)
Extraction & sale of sand	266	(83)	887	1,199
Others	(112)	(40)	(256)	(106)
Profit before tax	5,727	11,619	15,371	32,663
Less: Tax expense	(1,382)	(3,700)	(3,863)	(9,879)
Profit net of tax	4,345	7,919	11,508	22,784

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

On 22 December 2015, the Company's wholly owned subsidiary, Lumi Jaya Sdn. Bhd. (LJSB) entered into a sale and purchase agreement (the SPA) with JM Asiajaya Sdn. Bhd (JMSB) for the proposed disposal of all that piece of freehold land measuring approximately 21284 square metres together with a factory erected thereon and known as Lot 5998, Batu 8, Jalan Kapar, 42200, Selangor Darul Ehsan (the Property) for a cash consideration of RM26 million.

The proposed disposal is expected to be completed in the quarter ending 30 June 2016.

There were no other unusual items affecting assets, liabilities, equity, net income or cash flows during the financial quarter ended 31 December 2015.

A5. Changes in Estimate

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

A6. Comments about Seasonal or Cyclical Factors

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

A7. Dividends Paid

There were no dividends paid during the quarter under review.

A8. Carrying Amount of Revalued Assets

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

A9. Debt and Equity Securities

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

A10. Changes in Composition of the Group

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

A11. Changes in Contingent Liabilities and Contingent Assets

There were no changes in other contingent liabilities or contingent assets since the last annual balance sheet as at 31 March 2015.

A12. Subsequent Events

There were no material events subsequent to the end of the current quarter under review, saved and disclosed below:-

- i) On 21 January 2016 the Company's wholly-owned subsidiary, LTK (Melaka) Sdn. Bhd. entered into a sale and purchase agreement with the landowners of a parcel of freehold land held under GM62 Lot 1402, Mukim Petaling, Kuala Lumpur measuring 7,841 square metres (the Land) to acquire the Land for a purchase consideration of RM27,436,700 to be fully settled in cash.

The proposed acquisition is expected to be completed in the quarter ending 30 June 2016.

- ii) On 5 February 2016, LJSB and JMSB mutually agreed to revoke and rescind the SPA entered into on 22 December 2015 subject to the terms and conditions of the Deed of Revocation dated 5 February 2016.

Subsequent to the revocation of the SPA, LJSB entered into a new sale and purchase agreement with Yetta Steel Industries Sdn. Bhd. (YSISB) for the proposed disposal of all that piece of freehold land measuring approximately 21284 square metres together with a factory erected thereon and known as Lot 5998, Batu 8, Jalan Kapar, 42200, Selangor Darul Ehsan (the Property) for a cash consideration of RM26 million. YSISB is a related company of JMSB with common shareholders and directors.

The proposed disposal is expected to be completed in the quarter ending 30 June 2016.

A13. Profit for the Period

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

	Current Quarter 3 months ended		Current Quarter 9 months ended	
	31-Dec-15	31-Dec-14	31-Dec-15	31-Dec-14
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Interest income	168	90	583	297
Other income including investment income	595	268	1,362	1,477
Interest expense	(187)	(210)	(512)	(675)
Depreciation & amortisation	(1,744)	(1,614)	(5,153)	(6,217)
Provision for and write off of receivables	-	-	-	-
Provision for and write off of inventories	-	-	-	-
Gain on disposal of :				
Quoted shares	42	4	1,256	79
Unquoted investments	-	-	-	-
Properties	-	-	-	-
Impairment of assets	(5)	-	(1,048)	(603)
Foreign exchange gain:-				
Realised gain	143	414	874	705
Unrealised (loss)/gain	(40)	77	302	142
Gain/(loss) on derivatives	-	-	-	-
Exceptional items	-	-	-	-

A14. Realised and Unrealised Profits Disclosure

	Group		Company	
	As at 31.12.2015 (RM'000)	As at 31.3.2015 (RM'000)	As at 31.12.2015 (RM'000)	As at 31.3.2015 (RM'000)
Total retained profits of the Group and the Company :-				
Realised profits	89,408	101,294	17,592	40,089
Unrealised profits	13,849	13,407	0.21	0.21
	103,257	114,701	17,592	40,089
Add : Consolidation adjustments	19,157	18,877	-	-
Retained profits as per consolidated accounts	122,414	133,578	17,592	40,089

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

The Group registered revenue of RM44.93 million and a net profit after tax of RM4.35 million for the current quarter as compared to a revenue of RM49.28 million and a net profit of RM7.92 million in the same quarter of previous year. The lower revenue and net profit was mainly due to the decline in egg prices and increase in costs of major raw materials.

For financial year-to-date, the Group recorded a revenue of RM128.65 million and a net profit of RM11.51 million as compared to a revenue of RM142.65 million and net profit of RM22.78 million in the corresponding period of the previous year. The drop in revenue was caused by 12% decline in the prices of eggs sold. This coupled with higher farm overhead resulted in the sharp drop in the net profit for the period.

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

B2. Comment on Material Change in Profit Before Tax

The Group posted a profit before tax of RM5.73 million for the current quarter versus RM6.08 million in the preceding quarter. The Group's revenue for this quarter at RM44.93 million is higher compared to RM42.97 million recorded in the preceding quarter. The improvement in revenue was mainly contributed by increase in the egg prices. However, increase in costs of major raw materials resulted in lower profit compared to preceding quarter.

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

B3. Commentary on Prospects

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

B4. Profit Forecast or Profit Guarantee

This is not applicable.

B5. Tax Expenses

	9 months ended	9 months ended
	31.12.15	31.12.14
	RM'000	RM'000
Income tax expense	3,866	9,879
Deferred tax expense	(3)	-
Total	3,863	9,879

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

B6. Corporate Proposals**(a) Status of Corporate Proposals**

There were no corporate proposals announced but not completed as at 25 February 2015.

(b) Status of Utilisation of Proceeds

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

B7. Borrowings

The total Group borrowings as at 31 December 2015 were as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
Short term borrowings			
Term loan	699	1,679	2,378
Other bank borrowings	5,000	10,850	15,850
	5,699	12,529	18,228
Long term borrowings			
Term loan	737	3,336	4,073
Total borrowings	6,436	15,865	22,301

There were no borrowings in any foreign currency as at 31 December 2015.

B8. Off Balance Sheet Financial Instrument

There were no off balance sheet financial instruments as at 31 December 2015.

B9. Changes in Material Litigations

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

B10. Dividend Payable**Interim dividend**

The Board of Directors has declared a single-tier interim dividend of 2.5 sen (5%) per ordinary share in respect of the financial year ended 31 March 2016, to be paid on 8 April 2016. The entitlement date for the dividend payment is 18 March 2016.

A depositor shall qualify for entitlement to the dividend only in respect of:

- i) shares transferred to depositor's securities account before 4.00 on 18 March 2016 in respect of transfers; and
- ii) shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

B11. Earnings per share ("EPS")

	3 months ended		9 months ended	
	31-Dec-15 RM'000	31-Dec-14 RM'000	31-Dec-15 RM'000	31-Dec-14 RM'000
Profit attributable to ordinary shareholders of the parent	4,345	7,919	11,508	22,784
Number of shares in issue ('000)	130,104	130,104	130,104	130,104
Basic EPS (sen per share)	3.34	6.09	8.85	17.51

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

Comparative figures for the number of ordinary share have been restated to reflect the adjustment arising from the bonus issue and share split which were completed on 30 June 2015.

B12. Authorisation for Issue

The interim financial statements were authorized for issue by the Board of Directors in accordance with resolution of the directors on 25 February 2016.

B13. Dividends Paid / Declared

Dividend paid / declared since the financial year 2014 up to the date of this report.

Dividend No.	Financial Year	Type	No. of shares (000)	Rate	RM ('000)	Payment Date
24	2014	Interim dividend	43,368	8% per RM1.00 share, single tier	3,469	8.4.2014
25	2014	Final dividend	43,368	10% per RM1.00 share, single tier	4,337	3.10.2014
26	2015	Interim dividend	43,468	10% per RM1.00 share, single tier	4,337	8.4.2015
27	2015	Final dividend	130,104	5% per RM0.50 share, single tier	3,253	6.10.2015
28	2016	Interim dividend	130,104	5% per RM0.50 share, single tier	3,253	8.4.2016