

**LTKM Berhad (Company No: 442942-H)**  
**Condensed Consolidated Statement of Comprehensive Income**  
**For the quarter ended 31 March 2016**

	Note	Individual Quarter 3 months ended		Cumulative Quarter 12 months ended	
		31/3/2016	31/3/2015	31/3/2016	31/3/2015
		RM'000	RM'000	RM'000	RM'000
Revenue		40,342	49,986	168,994	192,637
Cost of sales		(33,710)	(33,450)	(140,411)	(137,469)
Gross profit		6,632	16,536	28,583	55,168
Other income		323	14,441	4,636	15,999
Administrative expenses		(3,085)	(2,535)	(9,240)	(6,400)
Distribution expenses		(788)	(680)	(3,322)	(2,786)
Finance costs		(278)	(167)	(790)	(842)
Other expenses		(1,293)	(820)	(2,985)	(1,701)
Profit before tax		1,511	26,775	16,882	59,438
Taxation	B5	(1,374)	(3,425)	(5,237)	(13,304)
<b>Profit net of tax attributable to owners of the parent</b>		137	23,350	11,645	46,134
Other comprehensive income, net of tax :					
Net change on AFS reserves :					
- fair value (loss)/gain		(788)	2,558	(3,828)	3,373
- impairment loss reclassified to profit or loss		411	675	1,459	675
- (gain)/loss transfer to profit or loss upon disposal		(54)	(34)	(972)	3
Revaluation of land and building		-	8,088	-	8,054
Deferred tax on revaluation of land		8	(1,556)	(238)	(1,521)
<b>Total comprehensive income attributable to owners of the parent</b>		(286)	33,081	8,066	56,718
<b>Basic earnings per share attributable to owners of the parent (sen) :</b>	B11	0.11	17.95	8.95	35.46

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

**LTKM Berhad (Company No: 442942-H)**  
**Condensed Consolidated Statement of Financial Position**  
**As at 31 March 2016**

	Note	As at 31 Mar 2016	As at 31 Mar 2015
		RM'000	RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		91,813	93,911
Investment properties		3,900	52,850
Land held for development		23,058	-
Biological assets		338	341
Other receivables		82	-
Investment securities		32,287	36,119
		<u>151,478</u>	<u>183,221</u>
<b>Current assets</b>			
Biological assets		13,563	14,699
Inventories		24,012	11,744
Trade receivables		9,899	10,670
Other receivables		7,297	1,102
Prepayments		5,959	381
Assets held for sale		26,000	-
Tax recoverables		1,239	84
Cash and bank balances		42,885	37,645
		<u>130,854</u>	<u>76,325</u>
<b>TOTAL ASSETS</b>		<u>282,332</u>	<u>259,546</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Attributable to equity holders of the parent</b>			
Share capital		65,052	43,368
Reserves		157,685	178,011
<b>Total equity</b>		<u>222,737</u>	<u>221,379</u>
<b>Non-current liabilities</b>			
Borrowings	B7	8,042	5,865
Deferred tax liabilities		7,746	8,528
		<u>15,788</u>	<u>14,393</u>
<b>Current liabilities</b>			
Trade payables		5,350	4,419
Other payables		7,631	3,871
Dividend payable		3,253	4,337
Borrowings	B7	27,561	9,580
Taxation		12	1,567
		<u>43,807</u>	<u>23,774</u>
<b>Total liabilities</b>		59,595	38,167
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>282,332</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**

	12 months ended 31 March	
	2016 RM'000	2015 RM'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax from continuing operations	16,882	59,438
Adjustment for non-cash flow		
Depreciation of property, plant & equipment	6,768	7,808
Amortisation of biological assets	15	15
Gain on disposal of property, plant and equipment	(226)	(176)
Impairment loss on property, plant and equipment	228	-
Reversal of impairment loss on leasehold land	-	(35)
Impairment loss on investment properties	795	-
Fair value gain on investment properties	-	(12,350)
Gain on disposal of investment securities	(1,277)	(116)
Net fair value loss on AFS investment securities transferred from equity upon disposal	-	3
Impairment loss on AFS investment securities	1,459	1,278
Fair value loss on FVTPL investment securities	500	420
Impairment loss on trade receivables	358	340
Reversal of impairment loss on trade receivables	(84)	(1,202)
Provision for unutilised annual leave	44	40
Unrealised exchange gain	(281)	(185)
Dividend income	(1,142)	(1,652)
Operating profit before changes in working capital	24,039	53,626
Increase in land held for development	(108)	-
Decrease/(increase) in biological assets	1,124	(1,538)
(Increase)/decrease in inventories	(12,268)	5,756
(Increase)/decrease in receivables	(1,904)	2,059
Increase/(decrease) in payables	2,055	(132)
Cash generated from operating activities	12,938	59,771
Net taxes paid	(8,314)	(13,034)
Net cash generated from operating activities	4,624	46,737
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant & equipment	(4,954)	(7,812)
Proceeds from disposal of property, plant and equipment	282	178
Net cash outflow on investment properties	(8,303)	-
Purchase of investment securities	(4,235)	(5,452)
Proceeds from disposal of investment securities	4,317	1,276
Withdrawal/(addition) of long term fixed deposits	109	(3)
Dividend received from investment securities	1,142	1,652
Net cash used in investing activities	(11,642)	(10,161)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividends paid	(7,589)	(7,806)
Shares issuance expense	(202)	-
Net repayment of term loans	(4,194)	(3,047)
Net drawdown / (repayment) of other bank borrowings	24,352	(8,780)
Repayment of hire purchase	-	(340)
Net cash generated from/(used in) financing activities	12,367	(19,973)
Net change in cash and cash equivalents	5,349	16,603
Cash and cash equivalents at 1 April	37,536	20,933
Cash and cash equivalents at end of the period	42,885	37,536
Cash and cash equivalents comprise the following amounts:-		
Deposits with licensed banks	18,602	22,548
Cash on hand and at bank	24,283	14,988
Cash and bank balances	42,885	37,536
	42,885	37,536

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 March 2016**

	<-----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
<b>12 months ended 31 March 2016</b>						
At 1 April 2015	43,368	2,467	36,162	5,803	133,579	221,379
<b>Total comprehensive income</b>	-	-	(238)	(3,341)	11,645	8,066
<b>Transactions with owners</b>						
Bonus shares issued during the period	21,684	(2,265)	-	-	(19,419)	-
Share issuance expense	-	(202)	-	-	-	(202)
Dividends	-	-	-	-	(6,506)	(6,506)
At 31 March 2016	65,052	-	35,924	2,462	119,299	222,737
<b>12 months ended 31 March 2015</b>						
At 1 April 2014	43,368	2,467	29,630	1,751	96,119	173,335
<b>Total comprehensive income</b>	-	-	6,532	-	46,134	52,666
<b>Transactions with owners</b>						
Dividends	-	-	-	-	(8,674)	(8,674)
At 31 March 2015	43,368	2,467	36,162	1,751	133,579	217,327

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		12 months ended	
	31-Mar-16 RM'000	31-Mar-15 RM'000	31-Mar-16 RM'000	31-Mar-15 RM'000
<b>Segment revenue</b>				
Poultry & related products	39,673	48,928	166,060	188,686
Extraction & sale of sand	670	1,058	2,934	3,951
<b>Total</b>	<b>40,342</b>	<b>49,986</b>	<b>168,994</b>	<b>192,637</b>
<b>Segment results</b>				
Poultry & related products	3,516	13,518	18,556	46,188
Investment holdings	(2,067)	12,421	(2,367)	11,321
Extraction & sale of sand	284	860	1,171	2,059
Others	(222)	(24)	(478)	(130)
<b>Profit before tax</b>	<b>1,511</b>	<b>26,775</b>	<b>16,882</b>	<b>59,438</b>
Less: Tax expense	(1,374)	(3,425)	(5,237)	(13,304)
<b>Profit net of tax</b>	<b>137</b>	<b>23,350</b>	<b>11,645</b>	<b>46,134</b>

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

- i) 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.

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.

- ii) 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.

There were no other unusual items affecting assets, liabilities, equity, net income or cash flows during the financial quarter ended 31 March 2016.

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 interim period that have not been reflected in the financial statements for the interim period.



## A13. Profit for the Period

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

	Current Quarter 3 months ended		Current Quarter 12 months ended	
	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Interest income	221	182	804	479
Other income including investment income	80	13,950	1,442	14,260
Interest expense	(278)	(167)	(790)	(842)
Depreciation & amortisation	(1,631)	(1,605)	(6,784)	(7,823)
Provision for and write off of receivables	(358)	(340)	(358)	(340)
Provision for and write off of inventories	-	-	-	-
Gain on disposal of :				
Quoted shares	21	13	1,277	116
Unquoted investments	-	-	-	-
Properties	-	-	-	-
Impairment of assets	(1,434)	(904)	(2,482)	(1,278)
Foreign exchange gain:-				
Realised (loss)/gain	(42)	253	832	959
Unrealised (loss)/gain	(21)	43	281	185
Gain/(loss) on derivatives	-	-	-	-
Exceptional items	-	-	-	-

## A14. Realised and Unrealised Profits Disclosure

	Group		Company	
	As at 31.3.2016 (RM'000)	As at 31.3.2015 (RM'000)	As at 31.3.2016 (RM'000)	As at 31.3.2015 (RM'000)
Total retained profits of the Group and the Company :-				
Realised profits	114,451	101,294	24,222	40,089
Unrealised profits	(2,906)	13,408	0.21	0.21
	111,545	114,702	24,222	40,089
Add : Consolidation adjustments	7,754	18,877	-	-
Retained profits as per consolidated accounts	119,299	133,579	24,222	40,089

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

The Group registered a revenue of RM40.34 million and a net profit of only RM0.14 million for the current quarter as compared to a revenue of RM49.99 million and a net profit of RM23.35million in the same quarter of previous year. The lower revenue was mainly due to the decline in the egg prices. Net profit dropped largely in tandem with the declined revenue. Furthermore, the same quarter previous year recorded a gain from revaluation of investment properties of RM11.73 as compared to none in this reporting quarter.

For the full financial year, the Group recorded a revenue of RM168.99 million and a net profit of RM11.65 million as compared to a revenue of RM192.64 million and net profit of RM46.13 million in the previous financial year. Decline in the egg prices resulted in lower revenue and net profit. Gain from revaluation of investment properties of RM11.73 million recorded in the previous year. Increase in impairment losses on assets by RM2.42 million also contributed to the decline in the net profit of the full financial year.

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 RM1.51 million for the current quarter versus RM5.73 million in the preceding quarter. The Group's revenue for this quarter at RM40.34 million is lower compared to RM44.93 million recorded in the preceding quarter. Decline in the egg prices resulted in lower revenue and profit before tax.

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

**B3. Commentary on Prospects**

The Board views the next period as challenging due to the volatile egg prices. 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**

	12 months ended	12 months ended
	31.03.16	31.03.15
	RM'000	RM'000
Income tax expense	6,257	13,048
Deferred tax expense	(1,020)	256
Total	5,237	13,304

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

B6. unallowable expenses.  
Corporate Proposals

(a) Status of Corporate Proposals

There were no corporate proposals announced but not completed as at 20 May 2016.

(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 March 2016 were as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
<b>Short term borrowings</b>			
Term loan	1,010	1,692	2,702
Other bank borrowings	15,000	9,859	24,859
	16,010	11,551	27,561
<b>Long term borrowings</b>			
Term loan	5,134	2,908	8,042
Total borrowings	21,144	14,459	35,603

There were no borrowings in any foreign currency as at 31 March 2016.

B8. Off Balance Sheet Financial Instrument

There were no off balance sheet financial instruments as at 31 March 2016.

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. It was paid on 8 April 2016 to depositors registered in the Record of Depositors at the close of business on 18 March 2016.

## B11. Earnings per share (“EPS”)

	3 months ended		12 months ended	
	31-Mar-16 RM'000	31-Mar-15 RM'000	31-Mar-16 RM'000	31-Mar-15 RM'000
<b>Profit attributable to ordinary shareholders of the parent</b>	137	23,350	11,645	46,134
<b>Number of shares in issue ('000)</b>	130,104	130,104	130,104	130,104
<b>Basic EPS (sen per share)</b>	0.11	17.95	8.95	35.46

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 27 May 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