

**LTKM Berhad (Company No: 442942-H)**  
**Condensed Consolidated Statement of Comprehensive Income**  
**For the quarter ended 30 June 2016**

	Note	Individual Quarter		Cumulative Quarter	
		3 months ended		3 months ended	
		30/6/2016	30/6/2015	30/6/2016	30/6/2015
		RM'000	RM'000	RM'000	RM'000
Revenue		42,682	40,755	42,682	40,755
Cost of sales		(33,332)	(34,870)	(33,332)	(34,870)
Gross profit		9,350	5,885	9,350	5,885
Other income		639	1,228	639	1,228
Administrative expenses		(2,512)	(1,948)	(2,512)	(1,948)
Distribution expenses		(863)	(849)	(863)	(849)
Finance costs		(575)	(184)	(575)	(184)
Other expenses		(1,195)	(575)	(1,195)	(575)
Profit before tax		4,844	3,557	4,844	3,557
Taxation	B5	(1,775)	(1,106)	(1,775)	(1,106)
<b>Profit net of tax attributable to owners of the parent</b>		<b>3,069</b>	<b>2,451</b>	<b>3,069</b>	<b>2,451</b>
Other comprehensive income, net of tax :					
Net change on AFS reserves :					
- reversal of gain on fair value changes		(1,494)	(785)	(1,494)	(785)
- impairment loss transferred to profit or loss		983	251	983	251
- profit transferred to profit or loss upon disposal		(3)	(321)	(3)	(321)
Deferred tax on revaluation of land		-	(246)	-	(246)
<b>Total comprehensive income attributable to owners of the parent</b>		<b>2,555</b>	<b>1,350</b>	<b>2,555</b>	<b>1,350</b>
<b>Basic earnings per share attributable to owners of the parent (sen) :</b>	B11	2.36	1.88	2.36	1.88

The condensed consolidated income statement should be read in conjunction with the audited financial statements for the year ended 31 March 2016 and the accompanying explanatory notes attached to the interim financial statements.

**LTKM Berhad (Company No: 442942-H)**  
**Condensed Consolidated Statement of Financial Position**  
**As at 30 June 2016**

	Note	As at 30 June 2016	As at 31 Mar 2016
		RM'000	RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		92,797	91,813
Investment properties		32,184	3,900
Land held for development		23,084	23,074
Biological assets		341	338
Investment securities		30,654	32,287
		<u>179,060</u>	<u>151,412</u>
<b>Current assets</b>			
Biological assets		13,451	13,563
Inventories		19,210	24,012
Trade receivables		11,594	9,899
Other receivables		38,149	7,364
Prepayments		674	5,959
Tax recoverables		1,252	1,239
Cash and bank balances		32,685	42,885
		<u>117,015</u>	<u>104,921</u>
Assets held for sale		-	26,000
		<u>117,015</u>	<u>130,921</u>
<b>TOTAL ASSETS</b>		<u>296,075</u>	<u>282,333</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Attributable to equity holders of the parent</b>			
Share capital		65,052	65,052
Reserves		160,241	157,686
<b>Total equity</b>		<u>225,293</u>	<u>222,738</u>
<b>Non-current liabilities</b>			
Borrowings	B7	30,859	8,042
Deferred tax liabilities		7,743	7,746
		<u>38,602</u>	<u>15,788</u>
<b>Current liabilities</b>			
Trade payables		5,323	5,360
Other payables		7,323	7,621
Dividend payable		-	3,253
Borrowings	B7	19,534	27,561
Taxation		-	12
		<u>32,180</u>	<u>43,807</u>
<b>Total liabilities</b>		70,782	59,595
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>296,075</u>	<u>282,333</u>

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 31 March 2016 and the accompanying explanatory notes attached to the interim financial statements.

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

	3 months ended 30 June	
	2016 RM'000	2015 RM'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax from continuing operations	4,844	3,557
Adjustment for non-cash flow		
Depreciation of property, plant & equipment	1,624	1,665
Amortisation of biological assets	4	4
Gain on disposal of property, plant and equipment	(80)	(108)
Gain on disposal of investment securities	(15)	(167)
Net fair value gain on AFS investment securities transferred from equity upon disposal	(3)	(321)
Impairment loss on AFS investment securities	983	251
Fair value loss on FVTPL investment securities	195	323
Unrealised exchange loss/(gain)	4	(42)
Dividend income	(116)	(118)
Operating profit before changes in working capital	7,440	5,044
Increase in land held for development	(10)	-
Decrease in biological assets	105	288
Decrease/(increase) in inventories	4,802	(3,405)
Increase in receivables	(1,021)	(948)
Increase in payables	863	1,405
Cash generated from operating activities	12,179	2,384
Net taxes paid	(1,674)	(4,210)
Net cash generated from/(used in) operating activities	10,505	(1,826)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant & equipment	(2,608)	(1,669)
Proceeds from disposal of property, plant and equipment	80	107
Net cash inflow from disposal of investment property	2,804	-
Net cash outflow from acquisitions of land	(32,587)	-
Purchase of investment securities	(146)	(156)
Proceeds from disposal of investment securities	99	1,547
Withdrawal of long term fixed deposits	-	109
Dividend received from investment securities	116	118
Net cash (used in)/generated from investing activities	(32,242)	56
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividends paid	(3,253)	(4,337)
Shares issuance expense	-	(202)
Net drawdown/(repayment) of term loans	24,367	(852)
Net (repayment)/drawdown of other bank borrowings	(9,577)	4,690
Net cash generated from/(used in) financing activities	11,537	(701)
Net change in cash and cash equivalents	(10,200)	(2,471)
Cash and cash equivalents at 1 April	42,885	37,536
Cash and cash equivalents at end of the period	32,685	35,065
Cash and cash equivalents comprise the following amounts:-		
Deposits with licensed banks	16,830	25,502
Cash on hand and at bank	15,855	9,563
Cash and bank balances	32,685	35,065
	32,685	35,065

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 March 2016 and the accompanying explanatory notes attached to the interim financial statements.

**LTKM Berhad (Company No: 442942-H)**  
**Condensed Consolidated Statements of Changes in Equity**  
**For the quarter ended 30 June 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>3 months ended 30 June 2016</b>						
At 1 April 2016	65,052	-	35,925	2,462	119,299	222,738
<b>Total comprehensive income</b>	-	-	-	(514)	3,069	2,555
At 30 June 2016	65,052	-	35,925	1,948	122,368	225,293
<b>3 months ended 30 June 2015</b>						
At 1 April 2015	43,368	2,467	36,163	5,803	133,578	221,379
<b>Total comprehensive income</b>	-	-	(246)	(855)	2,451	1,350
<b>Transactions with owners</b>						
Bonus shares issued during the period	21,684	(2,265)	-	-	(19,419)	-
Share issuance expense	-	(202)	-	-	-	(202)
At 30 June 2015	65,052	-	35,917	4,948	116,610	222,527

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 March 2016 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 2016. 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 2016.

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 2016, 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 2016:-

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 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

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
FRS 9 : Financial Instruments	1 January 2018
Amendments to FRS 10 and FRS 128: Sale or Contribution of Assets between an Investor and Its Associate or Joint Venture	Deferred

The above new FRS 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.:

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 2016 was not qualified.

## A3. Segmental Information

	<b>3 months ended</b>		<b>Increase/ (decrease)</b>
	<b>30-Jun-16</b>	<b>30-Jun-15</b>	<b>%</b>
	<b>RM'000</b>	<b>RM'000</b>	
<b>Segment revenue</b>			
Poultry & related products	41,948	39,742	6%
Extraction & sale of sand	733	1,013	-28%
Total	42,682	40,755	105%
<b>Segment results</b>			
Poultry & related products	6,328	3,659	73%
Investment holdings	(1,627)	(518)	-214%
Extraction & sale of sand	419	481	-13%
Others	(276)	(65)	-325%
Profit before tax	4,844	3,557	36%
Less: Tax expense	(1,775)	(1,106)	60%
Profit net of tax	3,069	2,451	25%

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

On 13 June 2016, the Company's wholly owned subsidiaries, LTK Properties Sdn Bhd (LTKPSB) and LTK Development Sdn Bhd (LTKDSB) entered into a sale and purchase agreement for the purchase of four (4) adjoining parcels of leasehold lands under H.S (M) 20480, PT No. 17040, H.S (M) 20479 PT No. 17041, H.S. (M) 20481, PT No. 17042 and PM8925, Lot 1196, Tempat Jalan Balakong Serdang, District Petaling, Selangor measuring in aggregate 25,837 square metres together with building and amenities erected thereon for a total consideration of RM58,403,100.

The proposed acquisition is expected to be completed in the second half of the financial year ending 31 March 2017.

There were no other unusual items affecting assets, liabilities, equity, net income or cash flows during the financial quarter ended 30 June 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

On 8 April 2016, the Company has paid an interim single-tier dividend of 2.5 sen per ordinary share of RM0.50 each in respect of the financial year ended 31 March 2016 amounting to RM3,252,600.

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 2016.

## A12. Subsequent Events

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

On 4 July 2016, LTK (Melaka) Sdn Bhd, a wholly-owned subsidiary of the Company entered into sale and purchase agreement for the purchase of a parcel of freehold land held under GM1603 Lot 1401, Mukim Petaling, Kuala Lumpur measuring 4,047 square meters for a purchase consideration of RM12,563,300.

The proposed acquisition is expected to be completed in the second half of year 2016.

## A13. Profit for the Period

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

	<b>Current Quarter</b>	
	<b>3 months ended</b>	
	<b>30-Jun-16</b>	<b>30-Jun-15</b>
	<b>(RM'000)</b>	<b>(RM'000)</b>
Interest income	141	213
Other income including investment income	279	234
Interest expense	(575)	(184)
Depreciation & amortisation	(1,628)	(1,669)
Provision for and write off of receivables	-	-
Provision for and write off of inventories	-	-
Gain on disposal of :		
Quoted shares	18	488
Unquoted investments	-	-
Properties	-	-
Impairment of assets	(983)	(251)
Foreign exchange gain:-		
Realised gain	201	251
Unrealised (loss)/gain	(4)	42
Gain/(loss) on derivatives	-	-
Exceptional items	-	-

## A14. Realised and Unrealised Profits Disclosure

	Group		Company	
	As at 30.6.2016 (RM'000)	As at 31.3.2016 (RM'000)	As at 30.6.2016 (RM'000)	As at 31.3.2016 (RM'000)
Total retained profits of the Group and the Company :-				
Realised profits	106,407	96,678	24,315	24,222
Unrealised profits	14,672	14,867	0.21	0.21
	<u>121,079</u>	<u>111,545</u>	<u>24,315</u>	<u>24,222</u>
Add : Consolidation adjustments	1,289	7,754	-	-
Retained profits as per consolidated accounts	<u>122,368</u>	<u>119,299</u>	<u>24,315</u>	<u>24,222</u>

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

The Group registered a revenue of RM42.68 million and a net profit of RM3.07 million for the current quarter as compared to a revenue of RM40.76 million and a net profit of RM2.45 million in the same quarter of previous year. The Group recorded an increase of 5% in revenue and 25% in net profit. Driven by higher egg prices, earnings from the poultry segment improved by over 70% but were partly offset by losses in investment holdings.

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 RM4.84 million for the current quarter versus RM1.51 million in the preceding quarter. The Group's revenue for this quarter at RM42.68 million is higher compared to RM40.34 million recorded in the preceding quarter. The improvement in egg prices and favorable prices of major raw materials particularly corn and soybean contributed to the higher revenue and earnings respectively.

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 positive due to the stable costs of major raw materials namely corn and soybean and improved 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**

	3 months ended 30.06.16 RM'000	3 months ended 30.06.15 RM'000
Income tax expense	1,778	1,109
Deferred tax expense	(3)	(3)
<b>Total</b>	<b>1,775</b>	<b>1,106</b>

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 10 August 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 30 June 2016 were as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
<b>Short term borrowings</b>			
Term loan	2,597	1,655	4,252
Other bank borrowings	-	15,282	15,282
	2,957	16,937	19,534
<b>Long term borrowings</b>			
Term loan	28,333	2,526	30,859
Total borrowings	31,290	19,463	50,393

There were no borrowings in any foreign currency as at 30 June 2016.

**B8. Off Balance Sheet Financial Instrument**

There were no off balance sheet financial instruments as at 30 June 2016.

**B9. Changes in Material Litigations**

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

**B10. Dividend Payable**

No dividend has been declared in the financial period ended 30 June 2016 (30 June 2015: Nil)

## B11. Earnings per share (“EPS”)

	<b>3 months ended</b>	
	<b>30-Jun-16</b>	<b>30-Jun-15</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Profit attributable to ordinary shareholders of the parent</b>	3,069	2,451
<b>Number of shares in issue ('000)</b>	130,104	130,104
<b>Basic EPS (sen per share)</b>	2.36	1.88

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

## B12. Authorisation for Issue

The interim financial statements were authorized for issue by the Board of Directors in accordance with resolution of the directors on 17 August 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
29	2016	Final dividend	130,104	3% per RM0.50 share, single tier	1,952	6.10.2016