LTKM BERHAD (442942-H)

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Jalan Meru,
41050 Klang,
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Malaysia.
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www.ltkm.com.my

LTKM BERHAD (442942-H)

ANNUAL REPORT 2016

LTKM BERHAD
(442942-H)

Annual Report 2016

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 MARDI's 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

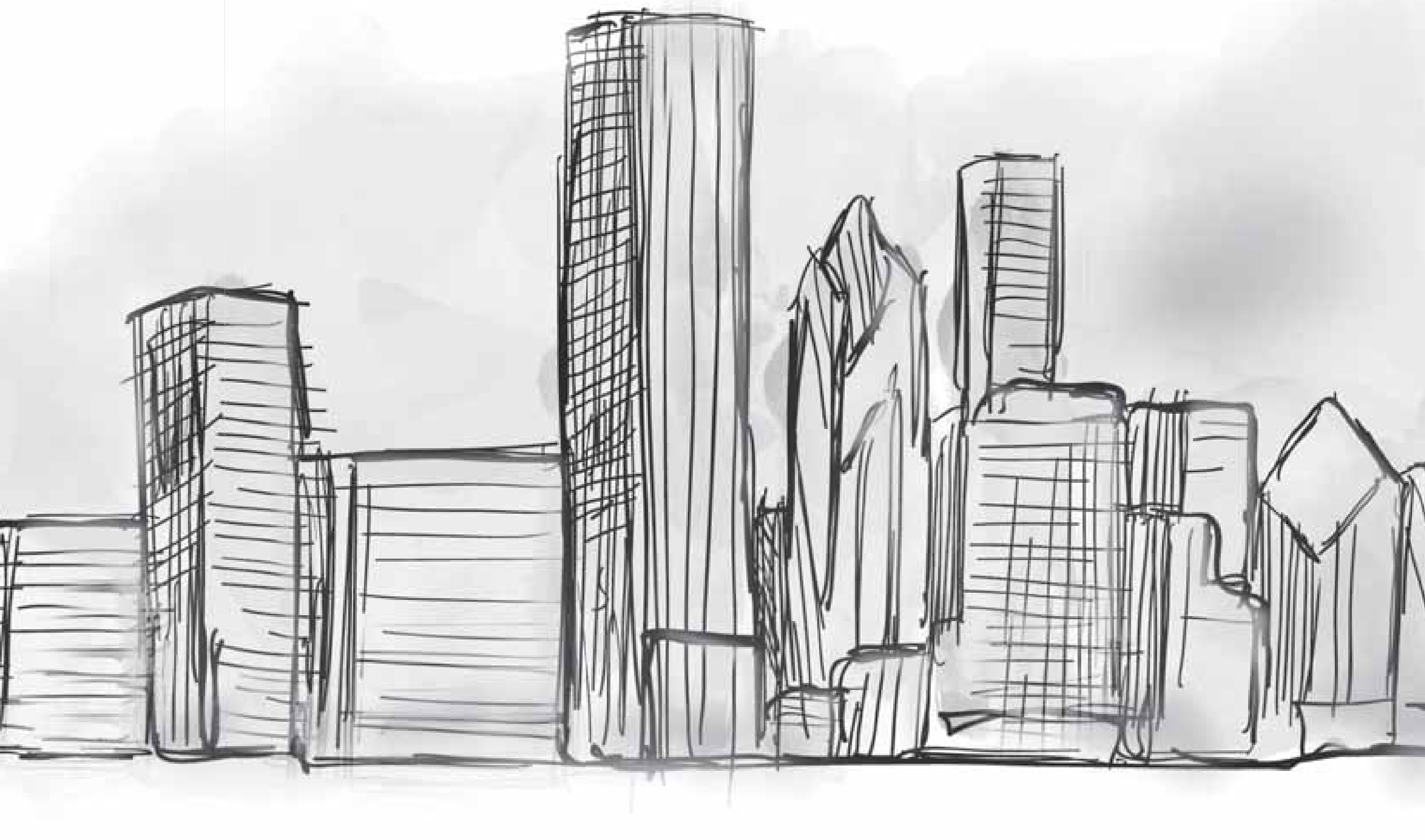
Feeds such as Flaxseed, Corn & Soybean.

100% Natural

Caratenoids. No synthetic colouring.

* In comparison to an ordinary egg

Content



"At LTKM, Our Farm Management Philosophy Emphasises On **Safety**, **Health** and the **Environment**."

Over the years, we have emphasised on and invested in modernising and promoting bio-security in the farm. We believe operating in a clean, hygienic and safe environment is key to product quality and sustainability.

Corporate Information

BOARD OF DIRECTORS

Ir. Kamarudin bin Md Derom
Chairman/Independent Non-Executive Director

Datuk Tan Kok
Managing Director

Tan Chee Huey
Executive Director
(appointed on 24 February 2016)

Datin Lim Hooi Tin
Non-Independent Non-Executive Director

Ravindran Markandu
Independent Non-Executive Director

Ooi Hoy Bee @ Ooi Hooi Bee
Non-Independent Non-Executive Director
(appointed on 1 March 2016)

AUDIT COMMITTEE

Ravindran Markandu (*Chairman)*
Ir. Kamarudin bin Md Derom
Ooi Hoy Bee @ Ooi Hooi Bee

NOMINATION COMMITTEE

Ir. Kamarudin bin Md Derom *(Chairman)*
Ravindran Markandu
Ooi Hoy Bee @ Ooi Hooi Bee

REMUNERATION COMMITTEE

Datuk Tan Kok *(Chairman)*
Ir. Kamarudin bin Md Derom
Ooi Hoy Bee @ Ooi Hooi Bee

COMPANY SECRETARY

Ng Yim Kong

REGISTERED OFFICE

Strategy Corporate Secretariat Sdn Bhd
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 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 Directors

Ir. Kamarudin bin Md Derom
Chairman, Independent Non-Executive Director, Chairman of Nomination Committee and Member of Audit Committee and Remuneration Committee

A Malaysian, aged 58, he was appointed to the Board on 23 December 1999. He graduated with a degree in Civil and Environmental Engineering from University of Wisconsin in Madison, United States of America. Prior to joining the Company, he worked as a civil engineer, sales manager and project manager in several private limited companies. Currently, he is also the Executive Director of Haisan Resources Berhad and sits on the Board of several private limited companies. He is a professional engineer registered with the Board of Engineers Malaysia.

Datuk Tan Kok
Managing Director, Chairman of Remuneration Committee

A Malaysian, aged 65, he 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.

Tan Chee Huey
Executive Director

A Malaysian, aged 36, she was appointed to the Board on 24 February 2016. She graduated with a degree in Nutrition and Community Health (Hons.) from University of 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 spouse of a son of Datuk Tan Kok and Datin Lim Hooi Tin.

Datin Lim Hooi Tin
Non-Independent Non-Executive Director

A Malaysian, aged 64, she 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.

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

A Malaysian, aged 66, he was appointed to the Board on 30 September 2014. He is a Fellow of the Institute of Chartered Accountants in England and Wales since 1976 and a member of the Malaysian Institute of Accountants. His previous employments include ten years with the UMW Group as Group Accountant initially and finally as Group Financial Controller of UMW Toyota Motor Sdn Bhd, seven years with the Upali Group, the last position held being Executive Director, Malaysian Operations. In 1993, he accomplished a management buy-in of Bright Packaging Industry Berhad and successfully had the company listed on the Bursa Malaysia (Kuala Lumpur Stock Exchange) in 1995. He left Bright Packaging in 1998, after having sold a substantial portion of his stake. Through a family company he is involved in real estate investment, affordable and luxury property development and is an Independent Non-Executive Director of Tex Cycle Technology (M) Berhad. He is also involved in a number of non profit organisations, being a past Secretary-General of the Kuala Lumpur and Selangor Indian Chamber of Commerce and Industry, Honorary Treasurer of the Bukit Damansara House Owners' Association, and a committee member of the Institute of Chartered Accountants in England and Wales, Malaysia City Group.

Profile of Directors
cont'd

Ooi Hoy Bee @ Ooi Hooi Bee
Non-Independent Non-Executive Director, Member of Audit Committee, Remuneration Committee & Nomination Committee

A Malaysian aged 65, she was appointed to the Board on 1 March 2016. She graduated with a Bachelor of Economics from the Australian National University, Australia majoring in Economics and Accountancy. She is a member of the Malaysian Institute of Accountants. She is also a Member of the Institute of Chartered Accountants Australia which is now amalgamated with the New Zealand Institute of Chartered Accountants as Chartered Accountants of Australia and New Zealand. She has been in private practice in Malaysia as a Chartered Accountant for over thirty (30) years. Prior to that she worked in Deloitte Haskins & Sells in Sydney, Australia. She was joint company secretary of LTKM Berhad from year 2000 up to 24 February 2016.

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:

a. any conflict of interest with the Company or
b. any convictions for offences within the past 10 years other than traffic offences (if any).

Summary of attendance of Board of Directors meetings held during the financial year ended 31 March 2016.

Directors	No. of Meetings Attended
Ir. Kamarudin bin Md Derom	7 / 8
Datuk Tan Kok	8 / 8
Tan Chee Huey *(appointed on 24 February 2016)*	1 / 2
Datin Lim Hooi Tin	8 / 8
Ravindran Markandu	8 / 8
Ooi Hoy Bee @ Ooi Hooi Bee *(appointed on 1 March 2016)*	1 / 1
Ooi Chee Seng *(resigned on 15 March 2016)*	6 / 7

Chairman's Statement

On behalf of the Board of Directors of LTKM Berhad, I have pleasure in presenting to you the Annual Report and the Audited Financial Statements of the Group and the Company for the financial year ended 31 March 2016 ("FY2016").

OVERVIEW

The past year was extremely challenging for the poultry industry generally and in particular LTKM. For FY2016, LTKM recorded a revenue of RM168.99 million which is a drop of 12% over the previous financial year. Profit after tax ("PAT") decreased to RM11.65 million in FY2016 as compared to RM46.13 million in FY2015. Earnings per share ("EPS") was RM0.089 as compared to RM0.355 in FY2015.

PERFORMANCE REVIEW

Poultry segment remained the main contributor of the Group's revenue at RM166.06 million with the remaining revenue coming from the sale of sand at RM2.93 million. The poultry segment suffered major decrease in its earnings due to a couple of reasons. Compared to FY2015, revenue for the poultry segment dropped by 12% due primarily to the weak egg prices. Strong supply in the industry resulted in weak egg prices for most part of the year. Coupled with higher cost of major raw materials particularly corn, the poultry segment profit dropped 60% from RM47.21 million in FY2015 to RM18.94 million in FY2016.

The extraction and sale of sand segment of the Group remained relatively small, with revenue and segment profits of only RM2.96 million and RM1.12 million respectively.

PROSPECTS

Volatility of raw material supplies and weak egg prices are the major challenges for the year ahead. Poultry segment which is the Group's core business, is to a great extent resilient towards the economic condition as egg is a basic food item. However, changes in global weather patterns affect the supply of crops such as corn and soybean. Volatility in the US dollar may translate into higher cost of raw materials while increased production in the industry could result in weak egg prices.

In view of these challenges, LTKM continues to emphasize on operational efficiency and cost effectiveness to remain competitive and profitable. Over the years, we have gradually increased the production capacity. Currently the daily production stands at around 1.45 million eggs per day. Centralisation of operation increases efficiency and reduces costs of operations particularly logistics and management costs. Our in-house feedmill plant provides the birds with quality feeds for the production of higher quality eggs. We are proud that our farm which spans over 450 acres in Melaka has progressed to be a sophisticatedly automated operation which drives efficiency and helps to keep costs of operations low.

PROPERTY SEGMENT

While the global economy continues to enjoy a moderate growth rate, the Malaysian economy is expected to grow moderately at between 4% to 4.5%. The slowing in economy will affect all sectors across the board and property sector is no exception. With the recent re-calibration of the 2016's National Budget, our government took proactive measures to focus on strengthening domestic demand in order to enable consumers to benefit from the challenging environment as domestic consumption play a major key driver to growth.

LTKM envisages that the property market will be soft and challenging in 2016. With the demand for high-end properties shifting to medium-high and affordable property ranges and buyers becoming more selective, LTKM takes a cautious approach to increasing its landbank and will be careful to embark on projects that can deliver sustainable revenues and profitability.

Chairman's Statement
cont'd

The property segment is becoming more important to provide sustainable growth and earnings for the Group. In the near term, LTKM has in its plan to launch a residential property project in its 21 acres land in Jenjarom, Kuala Langat. This project will consist of landed properties to cater to the upgrading market and also affordable housing under the Rumah Selangorku initiatives for first time buyers.

We foresee that housing demand in the Klang Valley will continue to be the most resilient due to the population demographic and urbanization. Also, the development of the LRT / MRT lines which enhances connectivity to the Greater Klang Valley will bode well for the residential and commercial property market. Malaysia generally has a young population where 80% of Malaysians are below the age of 50, which means the demand for houses should continue to increase as more young adults come into the workforce. In the long term, LTKM believes there is still robust demand for the right housing products, in the right growth areas.

DIVIDENDS

The Board is pleased to recommend a single-tier final dividend of 3% or 1.5 sen per ordinary share of RM0.50 each for the year ended 31 March 2016. A single-tier interim dividend of 2.5 sen per ordinary share of RM0.50 each was paid out on 8 April 2016 for the financial year ended 31 March 2016. Together, the interim and final dividends amount to a payout of RM5.20 million. The recommended final dividend is subject to the approval of the shareholders at the 2016 Annual General Meeting.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to record a note of appreciation to Mr Ooi Chee Seng who retired from the Board after having served as a director since 20 June 2001. In addition, I would like to welcome Ms Tan Chee Huey and Mdm Ooi Hoy Bee who have recently been appointed to the Board. We are confident that with their credentials and experience, their presence in the Board will contribute positively to the performance of the Company as a whole.

Our employees are dedicated and valuable to us , having them in the team makes all the difference. The Board takes this opportunity to thank each and everyone of them for a job well done, year after year.

The Board would also like to convey its heartfelt appreciation to all valued customers, bankers, suppliers, regulatory bodies namely the Ministry of Agriculture, MARDI and Marditech's dedicated staff; and all shareholders for their contribution and continuous support for the Group.

For and on behalf of the Board of LTM Berhad

IR. KAMARUDIN BIN MD DEROM
Chairman
30 June 2016

Klang, Selangor Darul Ehsan

Five Years Financial Highlights

Year ended 31 March		2016 RM000	2015 RM000	2014 RM000	2013 RM000	2012 RM000
Revenue		168,994	192,637	178,064	154,831	157,163
Operating profits		17,672	60,280	37,364	13,482	20,266
Finance costs		(790)	(842)	(1,194)	(1,242)	(969)
Profit before tax		16,882	59,438	36,170	12,240	19,297
Profit attributable to equity holders		11,645	46,134	28,263	9,613	1,825
Share capital		65,052	43,368	43,368	43,368	43,368
Total equity		222,738	221,379	173,335	145,426	124,058
Net earnings per share - basic	sen	8.95	35.46*	21.72*	7.39*	1.40*
Net dividend per share	sen	4.00#	17.50	18.00	12.00	10.00
Dividend yield	%	2.52#	3.06	6.32	6.35	5.29
Net tangible asset	RM per share	1.71	1.70*	1.33*	1.12*	0.95*
Price-earnings ratio **	times	17.76	5.38	4.37	8.53	44.91
Net debt / total equity ***	%	3.00	-	3.79	2.69	8.34
Closing share price	RM per share	1.59	1.91*	0.95*	0.63*	0.63*

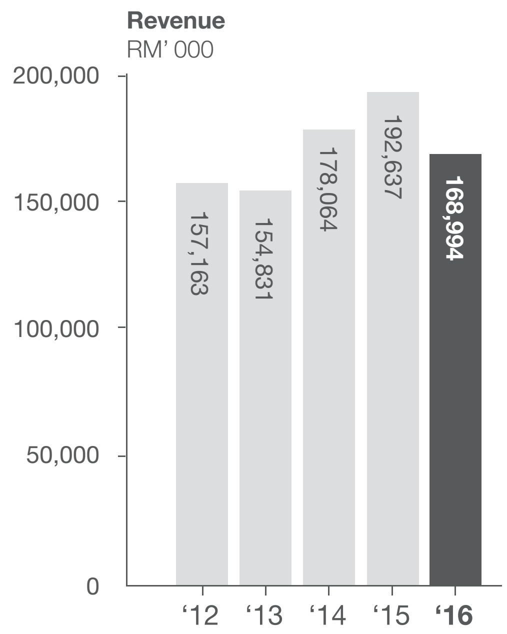
include final dividend of 1.5 sen per ordinary share of RM0.50 each which is subject to the approval of the shareholders at the forthcoming Annual General Meeting.

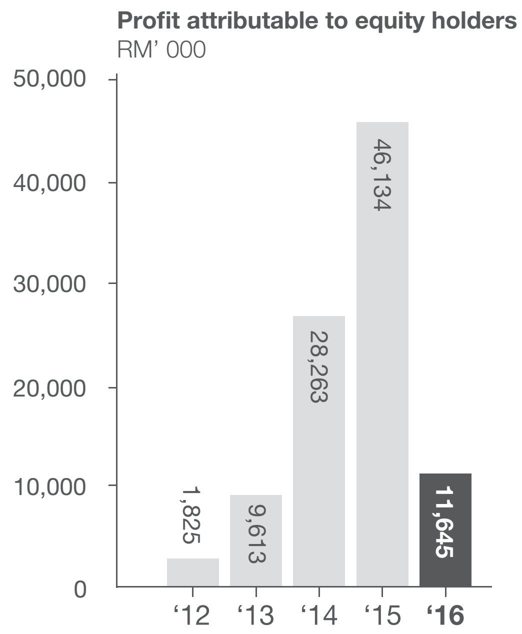
* *restated to reflect the adjustments arising from the bonus issue and share split completed during the financial year 2016.*

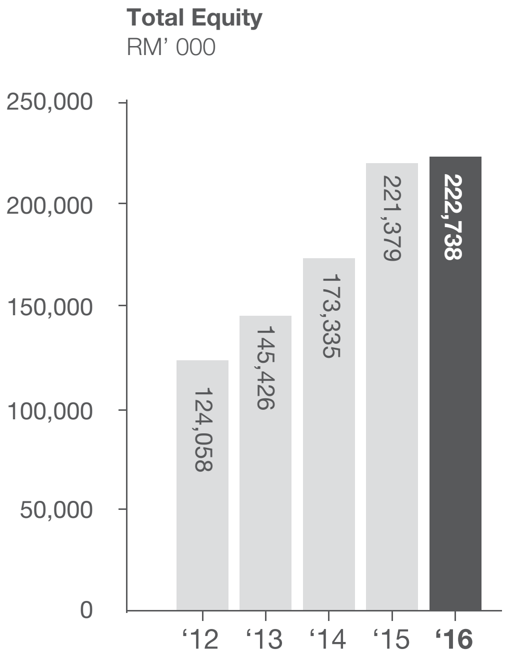
** *represents share price as at 31 March divided by net earnings per share.*

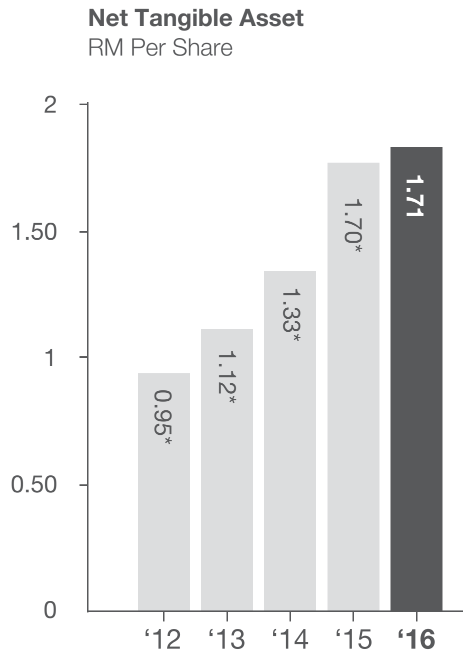
*** *net debt represents total borrowings (incl. hire purchase payables) from financial institutions less cash and bank balances less short term deposits.*

Five Years Financial Highlights
cont'd









* restated to reflect the adjustments arising from the bonus issue and share split completed during the financial year 2016.

Audit Committee Report

COMPOSITION

Members of the Committee	Designation in the Company
Ravindran Markandu *(Chairman)*	Independent Non-Executive Director
Ir. Kamarudin bin Md Derom *(Member)*	Chairman / Independent Non-Executive Director
Ooi Hoy Bee @ Ooi Hooi Bee *(Member)*	Non-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; and

d) determine the adequacy of the Group's administrative, operating and accounting controls.

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.

e) The Nomination Committee shall review the term of office and performance of the Audit Committee and each of its members at least once every year to determine whether such Audit Committee and members have carried out their duties in accordance with their terms of reference.

f) 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.

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 a 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 (if any);

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;

    ii) with the external auditors, his evaluation of the system of internal controls;

    iii) with the external auditors, his audit report;

    iv) the assistance given by the employees of the Group to the external auditors;

    v) 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;

    vi) 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;

    vii) 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 changes;
        o significant and unusual events; and
        o compliance with accounting standards and other legal requirements;

    viii) 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;

    ix) any letter of resignation from the external auditors of the Company; and

    x) whether there is reason (supported by grounds) to believe that the Group's external auditors are not suitable for re-appointment.

b) recommend the nomination of a person or persons as external auditors;

Audit Committee Report
cont'd

TERMS OF REFERENCE *Cont'd*

Functions *Cont'd*

c) prepare an Audit Committee Report at the end of the 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 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 members 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 Managing Director, 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 the 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 and reports to the Audit Committee. The primary objective of the internal audit function is to undertake independent, regular and systematic reviews of the risk management and internal control systems in 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 Auditor carries out its roles based on the audit plan that is reviewed with and approved by the Audit Committee. The audit plan covers review of adequacy of operational controls, risk management, compliance with established procedures, laws and regulations, quality of assets, computer application system, amongst others. The Internal Auditor will also carry out investigations and special review upon request by management or the Audit Committee.

During the financial year under review, the Internal Auditor tested and reviewed the following processes in the Group:

- Common corporate risk
- Bio-security risk
- Information system / Technology risk
- Fixed asset risk management

and had reported that the systems, processes and control are operating satisfactorily.

Audit Committee Report
cont'd

TERMS OF REFERENCE *Cont'd*

Internal Audit Function *Cont'd*

The internal audit reports are deliberated by the Audit Committee and the Internal Auditor's follow-up audits provide assurance that recommendations are duly acted upon by the management.

The cost incurred for the internal audit function for the year ended 31 March 2016 approximates RM30,900.

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 the quarterly 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 with the external auditors their audit plan prior to their commencement of audit;
- reviewed the management letters and audit report of the external auditors; and
- reviewed the internal audit findings on quarterly basis based on the evaluation of the internal control system of the Group and its recommendations on system and control weaknesses noted during the course of audit.

General Information

Summary of attendance at the Audit Committee meetings held during the financial year ended 31 March 2016.

Audit Committee Members	No. of Meetings Attended
Ravindran Markandu	5/5
Ir. Kamarudin bin Md Derom	5/5
Ooi Hoy Bee @ Ooi Hooi Bee (appointed on 1 March 2016)	-/-
Ooi Chee Seng (resigned on 15 March 2016)	4/5

Corporate Governance 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 2012 ("the Code") aims to set out principles and best practices on structures and processes that companies may apply in their operations towards achieving the optimal corporate governance framework. Set out herewith is the manner in which the Board has applied the Principles ("the Principles") and Best Practices ("the Best Practices") of the Code.

A. BOARD OF DIRECTORS

(i) The Board

The Board consists of persons from various professional fields and business background with different commercial/industrial knowledge, skills and experiences. The information of all the Directors is set out in the Profile of Directors on pages 4 and 5 of this Annual Report.

The Board currently has six Directors - a Managing Director, an Executive Director, two Non-Independent Non-Executive Directors and two Independent Non-Executive Directors. 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. The positions of Chairman and Managing Director are held by two different individuals who are not related to each other. The Code recommends that the Chairman shall be a Non-Executive member of the Board. The Chairman of the Board is Ir. Kamarudin bin Md Derom who is an Independent Non-Executive Director while Datuk Tan Kok is the Managing Director. The roles of the Chairman and Managing Director are distinct and separate. The Chairman being non-executive, is not involved in the management and day-to-day operations of the Company. The key role of the Chairman and Managing Director are clearly set out in the Board Charter.

(ii) Board Responsibilities

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, replacing 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.

(iv) Code of Conduct

The Board of Directors adheres to the Code of Ethics for Company Directors issued by the Companies Commission of Malaysia. 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.

Corporate Governance Statement
cont'd

A. BOARD OF DIRECTORS *Cont'd*

(iv) Code of Conduct *Cont'd*

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 recognizing the importance of ethical conduct by all levels of employees in the business operations of the Group, the Company has embedded the Code of Conduct across its business operations and practices. Clear and easy to understand policies on ethical conduct are outlined in the terms of employment and relevant policies and procedures for key processes applicable to all employees and directors.

(v) Corporate Social Responsibility and Sustainability

The Board is committed to building a sustainable business by taking into consideration the impact of its business operations on the environment, social and the governance aspect of its business operations.

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 practised 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 over 400 workforce ranging from operators to management. The Company values the contribution of its employees and provides opportunities for development and enhancement of employees's 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 on regular basis to schools, homes for the underprivileged and organizations that promote charitable activities.

(vi) 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"). The current NC Chairman is an Independent Non-Executive Director and is able to contribute effectively to the NC in view of his vast experience in the industry.

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. All the Board members of the Company hold less than 5 directorships in listed companies.

Corporate Governance Statement
cont'd

A. BOARD OF DIRECTORS *Cont'd*

(vi) Appointments of the Board Members and Re-election *Cont'd*

In accordance with the Company's Articles of Association, 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 the Independent Directors based on the provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("MMLR") covers a series of objective tests and is carried out before the 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 provided 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, the Board must justify the decision and seek shareholders' approval at the general meeting.

By the forthcoming Annual General Meeting of the Company, Ir. Kamarudin bin Md Derom has served the Board for more than ten (10) years. However, the Board has via the NC conducted an assessment on the Independent Director and had considered him to have exercised his independency in all Board matters and recommended that he be retained as Independent Non-Executive Directors of the Board based on the following justifications:-

- He continues to meet the criteria under the definition of "independent director" as set out in Chapter 1 of the MMLR;
- His experience enables him to provide the Board and AC with a pertinent set of experience, expertise, skills and competence;
- His long tenure in the Company enables him to understand the Company's business operations thus, he could contribute actively and effectively during deliberations or discussions at Board and Committee Meetings; and
- He has always exercised due care and diligence during his tenure as Independent Non-Executive Directors of the Company and carried out his professional duties in the best interest of the Company.

(vii) Board Meeting and Supply of Information

The Board held eight meetings during the financial year to control and monitor the development of the Group. The details of Directors' attendance are set out as follows:-

Name of Directors	No. of Meetings Attended
Ir. Kamarudin bin Md Derom	7/8
Datuk Tan Kok	8/8
Tan Chee Huey *(appointed on 24 February 2016)*	1/2
Datin Lim Hooi Tin	8/8
Ravindran Markandu	8/8
Ooi Hoy Bee @ Ooi Hooi Bee *(appointed on 1 March 2016)*	1/1
Ooi Chee Seng *(resigned on 15 March 2016)*	6/7

Corporate Governance Statement
cont'd

A. BOARD OF DIRECTORS *Cont'd*

(vii) Board Meeting and Supply of Information *Cont'd*

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 for each Board meeting is 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, 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.

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 AC are set out under the Audit Committee Report in page 10 of the Annual Report. The AC meets at least four times a year.

(ii) Nomination Committee ("NC")

The members of the NC are:-

- Ir. Kamarudin bin Md Derom *(Chairman, Independent Non-Executive Director)*
- Ooi Hoy Bee @ Ooi Hooi Bee *(Non Independent Non-Executive Director) (appointed on 1 March 2016)*
- Ravindran Markandu *(Independent Non-Executive Director)*
- Ooi Chee Seng *(Independent Non-Executive Director) (resigned on 15 March 2016)*

The NC meets whenever necessary. In the financial year ended 31 March 2016, the NC met to evaluate the nomination of Mdm Ooi Hoy Bee @ Ooi Hooi Bee and Ms Tan Chee Huey for directorship as Non-Independent Non-Executive Director and Executive Director respectively and recommended them to the Board for appointment. The NC also met to consider the resignation of Mr. Ooi Chee Seng, an independent director before recommending the decision to the Board.

The NC makes recommendations to the Board on suitable candidates for appointment as Board members, member of Board Committees and Executive Director of the Company based on the following criteria:-

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 Directors, the Committee shall also evaluate the candidates' ability to discharge such responsibilities/functions as are expected from Independent Non-Executive Directors; and
g) Boardroom diversity (i.e. age, ethnicity and gender).

Corporate Governance Statement
cont'd

B. BOARD COMMITTEES *Cont'd*

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

The NC's function, amongst others, is to recommend to the Board candidates for all directorships to be filled. In addition, the Committee has reviewed and assessed the profile of the required mix of skills, experience and other qualities of Board; the effectiveness of the Board Committees and Board as a whole; the performance and contribution of each individual Director and the independence of the Independent Director. This is to ensure that the Board has an appropriate balance of expertise and abilities.

The NC will arrange for the induction of any new Directors appointed to the Board to enable them to have a full understanding of the nature of the business, current issues within the Company and corporate strategies as well as the structure and management of the Company.

The NC is supportive of gender diversity in the boardroom as recommended by the Code. At present, there are equal men and women representation at the Board level.

(iii) Remuneration Committee ("RC")

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

- Datuk Tan Kok *(Chairman, Managing Director)*
- Ir. Kamarudin bin Md Derom *(Independent Non-Executive Director)*
- Ooi Hoy Bee @ Ooi Hooi Bee *(Non-independent Non-Executive Director) (appointed on 1 March 2016)*
- Ooi Chee Seng *(Independent Non-Executive Director) (resigned on 15 March 2016)*

The RC meets whenever necessary. The RC reviews and recommends to the Board the remuneration of the Executive Directors of the Group. The respective Director would abstain from participating in the decisions regarding his/her own remuneration package. The remuneration of Executive Director is linked to corporate and individual performance and goals.

The details of the remuneration of Directors for the financial year ended 31 March 2016 are disclosed in Note 9 of the Audited Financial Statements.

(iv) 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 training programmes, seminars and briefings attended by the members of the Board during the financial year include the following:-

- Ir. Kamarudin bin Md Derom
  - o Bank Negara Malaysia Governor's Address organised by Persatuan Ekonomi Malaysia on 24 March 2016
- Datuk Tan Kok
  - o Housing Development Act 1966 (2015 Updates) organised by Uni-Link Smart Venture Sdn Bhd on 28 & 30 March 2016
- Datin Lim Hooi Tin
  - o The Proposed Companies Act 2015 - An Outline & Comparison organised by The Malaysian Institute of Chartered Secretaries and Administrators an 15 March 2016.

Corporate Governance Statement
cont'd

B. BOARD COMMITTEES *Cont'd*

(iv) Directors' Training

The following Directors attended the Mandatory Accreditation Programme organized by Bursatra Sdn Bhd on 6 and 7 April 2016:

- Tan Chee Huey
- Ooi Hoy Bee @ Ooi Hooi Bee

C. ACCOUNTABILITY AND AUDIT

(i) 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.

Suitability and Independence of External Auditors

The External Auditors have confirmed that they are, and have been, independent throughout their audit engagement.

(ii) Risk Management and Internal Control

The Board has overall responsibility of maintaining 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.

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 and not absolute 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.

The 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.

(iii) Relationship with the External Auditors

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

Corporate Governance Statement
cont'd

D. RELATIONSHIP WITH SHAREHOLDERS

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 can be effectively conducted. Shareholders are notified of the meeting with a copy of the Company's Annual Report sent to the shareholders at least 21 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 prepared 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 issues of concern raised by the shareholders, if any.

The Board encourages participation at general meetings and will generally put the resolutions to vote by a show of hand, except for Related Party Transaction if any (where a poll will be conducted) or unless otherwise demanded by shareholders in accordance with the Articles of Association of the Company. However, with effect from the forthcoming AGM, all resolutions set out in the Company's Notice of AGM or Notices of Resolutions received, and its related amendments will be subject to poll voting.

In addition, the Group maintains a website at http://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 http://www.bursamalaysia.com. With effect from the forthcoming AGM, a summary of the key matters discussed at the Company's AGM will be posted onto the Company's website.

E. OTHER INFORMATION

(i) Material Contracts

There were no 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 Depositorty 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

No options or convertible securities were issued during the financial year under review.

(vi) Non-Audit Fees Paid To External Auditors

There were no 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 88 of this Annual Report.

Corporate Governance Statement
cont'd

E. OTHER INFORMATION *Cont'd*

(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 2016 with the unaudited results previously announced by the Company.

(x) Utilisation of Proceeds Raised from Corporate Proposals

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

Statement on 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 the Institute of Internal Auditors Malaysia and pursuant to paragraph 15.26(b) of the Bursa Malaysia Securities Berhad ("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 recognizes 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 Managing Director and the Group Accountant 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 on Risk Management and Internal Control
cont'd

INTERNAL AUDIT FUNCTION

The Internal Audit functions independently with the principal responsibility to evaluate and improve the adequacy and effectiveness of the risk management, internal control and governance processes. This is accomplished through regular review of the risk management and internal control processes implemented by the management and reports to the Audit Committee periodically. Internal audit adopts a risk-based methodology in planning and conducting audits by focusing on key risk areas and is independent of the activities it audits. The Audit Committee holds regular meetings to deliberate on the Internal Audit findings and its recommendations, and reports back to the Board.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

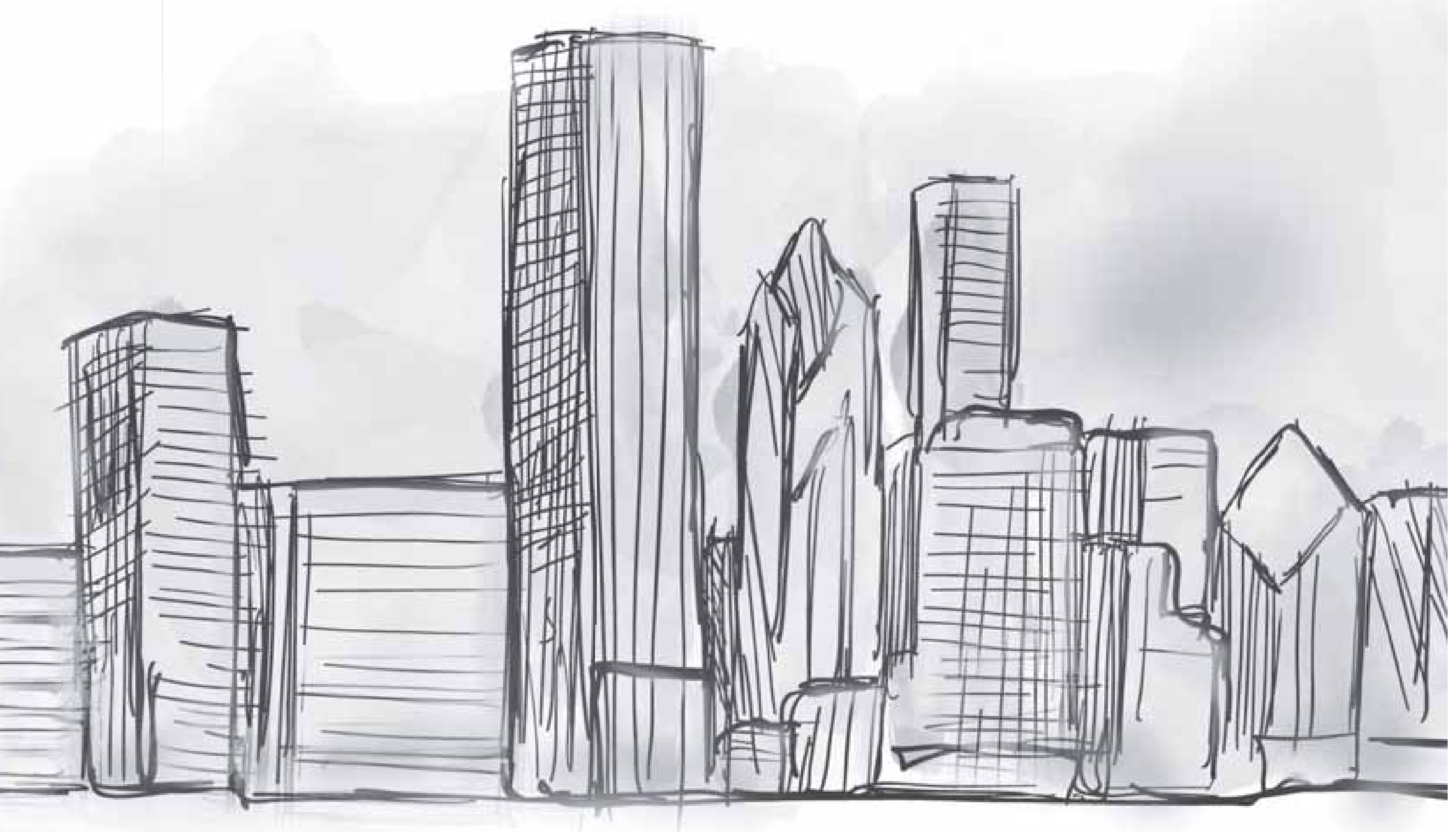
The External Auditors have performed limited assurance procedures on this Statement on Risk Management and Internal Control pursuant to the scope set out in Recommended Practice Guide ("RPG") 5 (Revised), Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants ("MIA") for inclusion in the Annual Report of the Group for the year ended 31 March 2016, 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.

RPG 5 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 levels of systems of risk management and internal control are adequate and effective to enable the Group to achieve its business objectives and there were no material losses arising from weaknesses in the risk management and internal control practices identified during the financial year that would require mention in the Annual Report.

Financial Statements



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 2016.

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 16 to the financial statements.

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

RESULTS

	Group RM	Company RM
Profit net of tax, attributable to owners of the parent	11,645,265	10,057,418

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.

DIVIDENDS

The amounts of dividends paid by the Company since 31 March 2015 were as follows:

	RM
In respect of the financial year ended 31 March 2015 as reported in the Directors' report of that year:	
Interim dividend of 10%, single-tier, on 43,368,002 ordinary shares of RM1.00 each, declared on 26 February 2015 and paid on 8 April 2015	4,336,800
Final dividend of 5%, single-tier, on 130,104,006 ordinary shares of RM0.50 each, declared on 27 August 2015 and paid on 6 October 2015	3,252,600
In respect of the financial year ended 31 March 2016:	
Interim dividend of 5%, single-tier, on 130,104,006 ordinary shares of RM0.50 each, declared on 24 February 2016 and paid on 8 April 2016	3,252,600
	10,842,000

At the forthcoming Annual General Meeting, a single-tier final dividend of 3% (1.5 sen per ordinary share of RM0.50 each) in respect of the financial year ended 31 March 2016, on 130,104,006 ordinary shares, amounting to a dividend payable of RM1,951,560 will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained profits in the financial year ending 31 March 2017.

Directors' Report
cont'd

DIRECTORS

The names of the Directors of the Company in office since the date of the last report and at the date of this report are:

Ir. Kamarudin bin Md Derom
Datuk Tan Kok
Datin Lim Hooi Tin
Ravindran Markandu
Tan Chee Huey *(appointed on 24 February 2016)*
Ooi Hoy Bee @ Ooi Hooi Bee *(appointed on 1 March 2016)*
Ooi Chee Seng *(resigned on 15 March 2016)*

DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during that 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 as shown in Note 9 to the financial statements or the fixed salary of a full-time employee of the Company) 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.

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 of					
	RM1.00 each			RM0.50 each		
	1.4.2015	Sold	Bonus issue*	Split#	Sold	31.3.2016
The Company						
Direct interest:						
Datuk Tan Kok	1,152,700	-	576,358	1,729,058	-	3,458,116
Datin Lim Hooi Tin	200,000	-	100,000	300,000	-	600,000
Ravindran Markandu	5,000	-	2,500	7,500	-	15,000
Tan Chee Huey	104,000	-	52,000	156,000	-	312,000
Ooi Hoy Bee @ Ooi Hooi Bee	50,000	-	25,000	75,000	-	150,000
Indirect interest:						
Datuk Tan Kok (1)	28,127,202	(5,900)	14,060,651	42,181,953	(78,000)	84,285,906
Datin Lim Hooi Tin (2)	28,127,202	(5,900)	14,060,651	42,181,953	(78,000)	84,285,906
Tan Chee Huey (3)	878,000	-	439,000	1,317,000	-	2,634,000

DIRECTORS' INTERESTS cont'd

	Number of ordinary shares of RM1.00 each					
	1.4.2015	**Sold**	**Bonus issue***	**Split#**	**Sold**	**31.3.2016**
Holding company - Ladang Ternakan Kelang Sdn. Bhd.						
Direct interest:						
Datuk Tan Kok	14,773,440	-	-	-	-	14,773,440
Datin Lim Hooi Tin	1,383,360	-	-	-	-	1,383,360

* *A bonus issue of 21,684,001 new ordinary shares of RM1.00 each in the Company was credited as fully paid up, on the basis of 1 Bonus Share for every 2 existing shares held in the Company during the financial year.*

\# *The ordinary shares of RM1.00 each were sub-divided into RM0.50 per ordinary share each during the financial year.*

(1) *Deemed interest by virtue of his substantial shareholdings in Ladang Ternakan Kelang Sdn. Bhd. pursuant to Section 6A(4) of the Companies Act, 1965 and pursuant to Section 134(12)(c) of the Companies (Amendment) Act, 2007.*

(2) *Deemed interest by virtue of being the spouse of Datuk Tan Kok, a substantial shareholder of Ladang Ternakan Kelang Sdn. Bhd., which is a substantial shareholder of LTKM Berhad and pursuant to Section 134(12)(c) of the Companies (Amendment) Act, 2007.*

(3) *Deemed interest pursuant to Section 6A(4) of the Companies Act, 1965 and Section 134(12)(c) of the Companies (Amendment) Act, 2007.*

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.

ISSUANCE OF BONUS SHARES AND SHARE SPLIT

During the current financial year, the Company:

(i) undertook a bonus issue of 21,684,001 new ordinary shares of RM1.00 each in the Company and was credited as fully paid-up, on the basis of 1 Bonus Share for every 2 existing shares held in the Company; and

(ii) undertook a share split involving the subdivision of every one (1) existing ordinary share of RM1.00 into 2 ordinary shares of RM0.50 each.

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 provision for doubtful debts and satisfied themselves that there were no known bad debts and that adequate provision 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.

Directors' Report
cont'd

OTHER STATUTORY INFORMATION cont'd

(b) At the date of this report, the Directors are not aware of any circumstances which would render:

(i) it necessary to write off any bad debts or the amount of the provision for doubtful debts 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 EVENTS

Significant events are disclosed in Note 23, 27 and 39 to the financial statements.

SUBSEQUENT EVENTS

Subsequent events are disclosed in Note 40 to the financial statements.

AUDITORS

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

Signed on behalf of the Board in accordance with a resolution of the Directors dated 30 June 2016.

Datuk Tan Kok **Tan Chee Huey**

Statement by Directors

Pursuant to Section 169(15) of the Companies Act, 1965

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 32 to 103 are drawn up in accordance with applicable Financial Reporting Standards and the requirements of the Companies Act, 1965 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 2016 and of their financial performance and the cash flows for the financial year then ended.

Further to the Statement by Directors pursuant to Section 169(15) of the Companies Act, 1965, the information set out in Note 41 on page 103 to the financial statements have been prepared in accordance with the Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 30 June 2016.

Datuk Tan Kok **Tan Chee Huey**

Statutory Declaration

Pursuant to Section 169(16) of the Companies Act, 1965

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 32 to 103 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 30 June 2016

Jancy Oh Suan Tin

Before me,

Yip Ban Leng
B435
Commissioner for Oaths
Klang, Selangor Darul Ehsan

Independent Auditors' Report
to the members of LTKM Berhad
(Incorporated in Malaysia)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of LTKM Berhad, which comprise the statements of financial position as at 31 March 2016 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 a summary of significant accounting policies and other explanatory information, as set out on pages 32 to 103.

Directors' responsibility for the financial statements

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The director are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 March 2016 and of their financial performance and cash flows for the year then ended in accordance with Financial Reporting Standards and the requirements of the Companies Act,1965 in Malaysia.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors, have been properly kept in accordance with the provisions of the Act.

(b) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

(c) The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification and did not include any comment required to be made under Section 174(3) of the Act.

Independent Auditors' Report
to the members of LTKM Berhad
(Incorporated in Malaysia)
cont'd

OTHER REPORTING RESPONSIBILITIES

The supplementary information set out in Note 41 on page 103 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young
AF: 0039
Chartered Accountants

Chong Tse Heng
No. 3179/05/17(J)
Chartered Accountant

Kuala Lumpur, Malaysia
30 June 2016

Statements of Comprehensive Income

For the financial year ended 31 March 2016

	Note	Group 2016 RM	Group 2015 RM	Company 2016 RM	Company 2015 RM
Revenue	5(a)	168,994,025	192,636,970	10,456,000	15,384,000
Cost of sales	5(b)	(140,769,445)	(137,469,190)	-	-
Gross profit		28,224,580	55,167,780	10,456,000	15,384,000
Other income					
Interest income		803,763	478,591	1,301,373	1,016,592
Dividend income		1,142,440	1,651,661	-	-
Others		2,689,831	13,868,579	12,000	8,400
	6	4,636,034	15,998,831	1,313,373	1,024,992
Other items of expense					
Distribution expenses		(3,322,391)	(2,786,262)	-	-
Administrative expenses		(9,906,087)	(6,399,724)	(1,332,685)	(1,188,819)
Other expenses	7	(1,960,010)	(1,700,921)	-	-
Finance costs	8	(789,903)	(842,062)	-	-
Profit before tax	9	16,882,223	59,437,642	10,436,688	15,220,173
Income tax expense	10	(5,236,958)	(13,304,140)	(379,270)	(333,658)
Profit net of tax		11,645,265	46,133,502	10,057,418	14,886,515
Other comprehensive income					
Other comprehensive income to be reclassified to profit or loss in subsequent periods:					
Net change on available-for-sale ("AFS") reserves:					
- (Reversal of gain)/gain on fair value changes		(3,828,069)	4,048,027	-	-
- Impairment loss transferred to profit or loss		1,459,402	-	-	-
- (Profit)/loss transferred to profit or loss upon disposal		(971,965)	3,430	-	-
Revaluation of land and buildings		-	8,053,406	-	307,277
Deferred tax relating to revaluation of land and buildings in prior year	26	(237,867)	(1,520,600)	-	(73,746)
Other comprehensive income for the year, net of tax		(3,578,499)	10,584,263	-	233,531
Total comprehensive income for the year		8,066,766	56,717,765	10,057,418	15,120,046
Profit net of tax, attributable to:					
Owners of the parent		11,645,265	46,133,502	10,057,418	14,886,515
Total comprehensive income attributable to:					
Owners of the parent		8,066,766	56,717,765	10,057,418	15,120,046
Earnings per share attributable to owners of the parent (sen per share):					
Basic	11	8.95	35.46		

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

Statements of Financial Position
As at 31 March 2016

	Note	Group 2016 RM	Group 2015 RM
Assets			
Non-current assets			
Property, plant and equipment	13	91,812,725	93,911,359
Investment properties	14	3,900,000	52,850,000
Land held for property development	15	23,073,509	-
Biological assets	18	338,483	340,234
Investment securities	17	32,286,922	36,119,180
		151,411,639	183,220,773
Current assets			
Biological assets	18	13,563,299	14,699,302
Inventories	19	24,012,010	11,743,836
Tax recoverable		1,238,973	84,190
Trade and other receivables	20	17,262,536	11,771,425
Prepayments	21	5,959,443	381,429
Cash and bank balances	22	42,884,353	37,644,882
		104,920,614	76,325,064
Assets classified as held for sale	23	26,000,000	-
		130,920,614	76,325,064
Total assets		282,332,253	259,545,837

Statements of Financial Position

As at 31 March 2016
cont'd

	Note	Group 2016 RM	Group 2015 RM
Equity and liabilities			
Current liabilities			
Loans and borrowings	25	27,560,610	9,580,259
Trade and other payables	24	12,980,581	8,290,093
Dividend payable	12	3,252,600	4,336,800
Tax payable		11,960	1,566,506
		43,805,751	23,773,658
Net current assets		87,114,863	52,551,406
Non-current liabilities			
Loans and borrowings	25	8,042,500	5,864,840
Deferred tax liabilities	26	7,746,296	8,528,671
		15,788,796	14,393,511
Total liabilities		59,594,547	38,167,169
Net assets		222,737,706	221,378,668
Equity attributable to owners of the parent			
Share capital	27	65,052,003	43,368,002
Share premium		-	2,467,103
Asset revaluation reserve	28(a)	35,925,008	36,162,875
Available-for-sale reserve	28(b)	2,461,910	5,802,542
Retained profits		119,298,785	133,578,146
Total equity		222,737,706	221,378,668
Total equity and liabilities		282,332,253	259,545,837

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

Statements of Financial Position

As at 31 March 2016
cont'd

	Note	Company 2016 RM	Company 2015 RM
Assets			
Non-current assets			
Property, plant and equipment	13	1,358,985	1,479,220
Investment in subsidiaries	16	47,827,440	47,827,440
Other receivables	20	30,000,000	27,850,176
		79,186,425	77,156,836
Current assets			
Trade and other receivables	20	887,930	566,133
Cash and bank balances	22	12,956,394	13,908,477
		13,844,324	14,474,610
Total assets		93,030,749	91,631,446
Equity and liabilities			
Current liabilities			
Trade and other payables	24	192,630	1,044,866
Tax payable		9,653	18,499
Dividend payable		3,252,600	4,336,800
		3,454,883	5,400,165
Non-current liability			
Deferred tax liability	26	68,641	73,746
Total liabilities		3,523,524	5,473,911
Equity attributable to owners of the parent			
Share capital	27	65,052,003	43,368,002
Share premium		-	2,467,103
Asset revaluation reserve	28(a)	233,531	233,531
Retained profits	29	24,221,691	40,088,899
Total equity		89,507,225	86,157,535
Total equity and liabilities		93,030,749	91,631,446

Statements of Changes in Equity

For the financial year ended 31 March 2016

	Note	Attributable to owners of the parent	(Non-distributable)				
	Note	Share capital RM	Share premium RM	Asset revaluation reserve RM	Available-for-sale reserve RM	Distributable retained profits RM	Total equity RM
Group							
2016							
At 1 April 2015		43,368,002	2,467,103	36,162,875	5,802,542	133,578,146	221,378,668
Total comprehensive income		-	-	(237,867)	(3,340,632)	11,645,265	8,066,766
Transaction with owners:							
Issuance of bonus shares		21,684,001	(2,264,575)	-	-	(19,419,426)	-
Shares issuance expense		-	(202,528)	-	-	-	(202,528)
Dividends on ordinary shares	12	-	-	-	-	(6,505,200)	(6,505,200)
At 31 March 2016		65,052,003	-	35,925,008	2,461,910	119,298,785	222,737,706
2015							
At 1 April 2014		43,368,002	2,467,103	29,630,069	1,751,085	96,118,244	173,334,503
Total comprehensive income		-	-	6,532,806	4,051,457	46,133,502	56,717,765
Transaction with owners:							
Dividends on ordinary shares, representing total transaction with owners	12	-	-	-	-	(8,673,600)	(8,673,600)
At 31 March 2015		43,368,002	2,467,103	36,162,875	5,802,542	133,578,146	221,378,668

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 2016
cont'd

	Note	Share capital RM	← (Non-distributable) Share premium RM	Asset revaluation reserve RM →	Distributable retained profits RM	Total equity RM
Company						
2016						
At 1 April 2015		43,368,002	2,467,103	233,531	40,088,899	86,157,535
Total comprehensive income		-	-	-	10,057,418	10,057,418
Transaction with owners:						
Issuance of bonus shares		21,684,001	(2,264,575)	-	(19,419,426)	-
Share issuance expenses		-	(202,528)	-	-	(202,528)
Dividends on ordinary shares	12	-	-	-	(6,505,200)	(6,505,200)
At 31 March 2016		65,052,003	-	233,531	24,221,691	89,507,225
2015						
At 1 April 2014		43,368,002	2,467,103	-	33,875,984	79,711,089
Total comprehensive income		-	-	233,531	14,886,515	15,120,046
Transaction with owners:						
Dividends on ordinary shares, representing total transaction with owners	12	-	-	-	(8,673,600)	(8,673,600)
At 31 March 2015		43,368,002	2,467,103	233,531	40,088,899	86,157,535

Statement of Cash Flows
For the financial year ended 31 March 2016

	Note	Group 2016 RM	Group 2015 RM	Company 2016 RM	Company 2015 RM
Cash flows from operating activities					
Profit before tax		16,882,223	59,437,642	10,436,688	15,220,173
Adjustments for:					
Depreciation of property plant and equipment	9	6,768,430	7,808,178	140,085	162,218
Amortisation of biological assets	9	14,684	14,663	-	-
Property, plant and equipment written off	9	243,848	-	-	-
Gain on disposal of:					
Property, plant and equipment	6	(226,295)	(175,943)	-	-
Investment securities	6	(305,163)	(115,865)	-	-
Net fair value (gain)/loss on available-for-sale investment securities transferred from equity upon disposal	6, 7	(971,965)	3,430	-	-
Prepayment written off		795,540	-	-	-
Impairment loss on:					
Trade receivables	9	357,589	339,864	-	-
Investment securities	7	1,459,402	1,277,930	-	-
Reversal of impairment loss on:					
Trade receivables	9	(83,857)	(1,201,705)	-	-
Leasehold land	6	-	(34,747)	-	-
Provision for unutilised annual leave	9(a)	43,767	39,931	738	4,008
Net fair value loss/(gain) on:					
Investment securities	7	500,608	419,561	-	-
Investment properties	6	-	(12,350,000)	-	-
Unrealised gain on foreign exchange	6	(281,255)	(185,045)	-	-
Dividend income from:					
Investment securities	6	(1,142,440)	(1,651,661)	-	-
A subsidiary company	5(a)	-	-	(10,000,000)	(15,000,000)
Interest expense	8	789,903	842,062	-	-
Interest income	6	(803,763)	(478,591)	(1,301,373)	(1,016,592)
Operating profit/(loss) before working capital changes		24,041,256	53,989,704	(723,862)	(630,193)
Increase in land held for development		(123,509)	-	-	-
Decrease/(increase) in biological assets		1,123,070	(1,538,229)	-	-
(Increase)/decrease in inventories		(12,268,174)	5,756,481	-	-
(Increase)/decrease in receivables		(1,889,176)	2,058,772	(26,745)	(2,753)
Increase/(decrease) in payables		2,054,783	(131,926)	(54,747)	25,919
Cash generated from/(used in) operations		12,938,250	60,134,802	(805,354)	(607,027)
Net taxes paid		(8,312,104)	(13,034,483)	(393,221)	(358,536)
Interest paid		(789,903)	(842,062)	-	-
Net cash generated from/(used in) operating activities		3,836,243	46,258,257	(1,198,575)	(965,563)

Statement of Cash Flows

For the financial year ended 31 March 2016
cont'd

	Note	Group 2016 RM	Group 2015 RM	Company 2016 RM	Company 2015 RM
Cash flows from investing activities					
Net cash outflow from acquisitions of lands		(10,123,646)	-	-	-
Net cash inflow from sale of investment property	24	1,820,000	-	-	-
Purchase of:					
Property, plant and equipment	13	(4,969,141)	(7,811,545)	(19,850)	(5,680)
Investment securities		(4,234,972)	(5,452,485)	-	-
Placement of investment in long-term and pledged fixed deposits		(1,078,635)	(2,589)	-	-
Proceeds from disposal of:					
Property, plant and equipment		281,792	177,698	-	-
Investment securities		4,316,909	1,276,494	-	-
Interest received	6	803,763	478,591	1,301,373	1,016,592
Subscription of additional shares in a subsidiary		-	-	-	(99,998)
Dividend received from:					
A subsidiary		-	-	10,000,000	15,000,000
Investment securities	6	1,142,440	1,651,661	-	-
Net cash (used in)/generated from investing activities		(12,041,490)	(9,682,175)	11,281,523	15,910,914
Cash flows from financing activities					
Advances to subsidiaries		-	-	(3,243,103)	(3,142,047)
Dividends paid	12	(7,589,400)	(7,806,240)	(7,589,400)	(7,806,240)
Net drawdown/(repayment) of term loans		1,950,452	(3,046,410)	-	-
Net drawdown/(repayment) of other bank borrowings		18,207,559	(8,780,068)	-	-
Share issuance expenses		(202,528)	-	(202,528)	-
Repayment of hire purchase		-	(340,280)	-	-
Net cash generated from/ (used in) financing activities		12,366,083	(19,972,998)	(11,035,031)	(10,948,287)
Net increase/(decrease) in cash and cash equivalents		4,160,836	16,603,084	(952,083)	3,997,064
Cash and cash equivalents at beginning of year		37,536,046	20,932,962	13,908,477	9,911,413
Cash and cash equivalents at end of year (Note 22)		41,696,882	37,536,046	12,956,394	13,908,477

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 2016

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 Securities"). 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 16. There have been no significant changes in the nature of the 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 30 June 2016.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with Financial Reporting Standards ("FRSs") and the Companies Act, 1965 in Malaysia. At the beginning of the current financial year, the Group and the Company adopted new and revised FRSs which are mandatory for annual financial periods beginning on or after 1 April 2015 as described fully in Note 3(a).

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

2.2 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.

The Company controls an investee if and only if the Company has all the following:

(i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);

(ii) Exposure, or rights, to variable returns from its investment with the investee; and

(iii) The ability to use its power over the investee to affect its returns.

Notes to the Financial Statements
For the financial year ended 31 March 2016
cont'd

2. SIGNIFICANT ACCOUNTING POLICIES *Cont'd*

2.2 Basis of consolidation *Cont'd*

When the Company has less than a majority of the voting rights of an investee, the Company considers the following in assessing whether or not the Company's voting rights in an investee are sufficient to give it power over the investee:

(i) The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;

(ii) Potential voting rights held by the Company, other vote holders or other parties;

(iii) Rights arising from other contractual arrangements; and

(iv) Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Subsidiaries are consolidated when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Losses within a subsidiary are attributed to the non-controlling interests even if that results in a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. The resulting difference is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets and liabilities of the subsidiary and any non-controlling interest, is recognised in profit or loss. The subsidiary's cumulative gain or loss which has been recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss or where applicable, transferred directly to retained earnings. The fair value of any investment retained in the former subsidiary at the date control is lost is regarded as the cost on initial recognition of the investment.

Business combinations

Acquisitions of subsidiaries are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. The Group elects on a transaction-by-transaction basis whether to measure the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Transaction costs incurred are expensed and included in administrative expenses.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes in the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in accordance with FRS 139 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it will not be remeasured. Subsequent settlement is accounted for within equity. In instances where the contingent consideration does not fall within the scope of FRS 139, it is measured in accordance with the appropriate FRS.

Notes to the Financial Statements
For the financial year ended 31 March 2016
cont'd

2. SIGNIFICANT ACCOUNTING POLICIES *Cont'd*

2.2 Basis of consolidation *Cont'd*

Business combinations *Cont'd*

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

2.3 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.

2.4 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable.

(i) Sales of produce inventories, livestock and organic fertilizers

Revenue from sales of produce inventories, livestock and organic fertilizers is recognised upon the transfer of significant risks and rewards of ownership of the goods 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) Sales of sand

Revenue from sales of sand is recognised when sand is collected based on the invoiced value of sand sold.

(iii) Dividend income

Dividend income is recognised when the right to receive the payment is established.

(iv) Interest income

Interest income on short term deposits is recognised using the effective interest method.

(v) Management fee income

Management fee income from subsidiaries is recognised when services are rendered.

(vi) Rental income

Rental income is accounted for 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.

Notes to the Financial Statements

For the financial year ended 31 March 2016
cont'd

2. SIGNIFICANT ACCOUNTING POLICIES *Cont'd*

2.5 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 by 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.

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition, if any.

Notes to the Financial Statements

For the financial year ended 31 March 2016
cont'd

2. SIGNIFICANT ACCOUNTING POLICIES *Cont'd*

2.5 Income taxes *Cont'd*

(ii) Deferred tax *Cont'd*

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(iii) Malaysian sales and service tax

Prior to 1 April 2015, revenues, expenses and assets are recognised net of the amount of sales tax except:

- where the sales tax incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- when receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statements of financial position.

(iv) Malaysian Goods and Service Tax ("GST")

On and after 1 April 2015, revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- receivables and payables that are stated with the amount of GST included

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

2.6 Property, plant and equipment, and depreciation

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Subsequent to recognition, property, plant and equipment, except for freehold land, leasehold land and buildings and capital work-in-progress, are measured at cost less accumulated depreciation and accumulated impairment losses, if any. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Freehold land, leasehold land and buildings are measured at valuation less accumulated depreciation on buildings and impairment losses recognised after the date of the revaluation. Valuations are performed with sufficient regularity to ensure that the carrying amount does not differ materially from the fair value of the freehold land and buildings at the reporting date.

Notes to the Financial Statements

For the financial year ended 31 March 2016
cont'd

2. SIGNIFICANT ACCOUNTING POLICIES *Cont'd*

2.6 Property, plant and equipment, and depreciation *Cont'd*

Any revaluation surplus is recognised in other comprehensive income and accumulated in equity under the asset revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss, in which case the increase is recognised in profit or loss. A revaluation deficit is recognised in profit or loss, except to the extent that it offsets an existing surplus on the same asset carried in the asset revaluation reserve.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. The revaluation surplus included in the asset revaluation reserve in respect of an asset is transferred directly to retained earnings on retirement or disposal of the asset.

Freehold land has an unlimited useful life and therefore is not depreciated. Capital work-in-progress are not depreciated as these assets are not yet available for use. Leasehold lands are depreciated over their lease terms.

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%

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 year the asset is derecognised.

2.7 Investment properties

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 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.

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 year of retirement or disposal.

Notes to the Financial Statements
For the financial year ended 31 March 2016
cont'd

2. SIGNIFICANT ACCOUNTING POLICIES *Cont'd*

2.7 Investment properties *Cont'd*

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. For a transfer from owner-occupied property to investment property, the property is accounted for in accordance with the accounting policy for property, plant and equipment set out in Note 2.6 up to the date of change in use.

2.8 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 cost less any accumulated impairment losses.

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) Property development costs

Property development costs comprise all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities.

When the financial outcome of a development activity can be reliably estimated, property development revenue and expenses are recognised in profit or loss by using the stage of completion method. The stage of completion is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

Where the financial outcome of a development activity cannot be reliably estimated, property development revenue is recognised only to the extent of property development costs incurred that is probable will be recoverable, and property development costs on properties sold are recognised as an expense in the period in which they are incurred.

Any expected loss on a development project, including costs to be incurred over the defects liability period, is recognised as an expense immediately.

Property development costs not recognised as an expense are recognised as an asset, which is measured at the lower of cost and net realisable value.

The excess of revenue recognised in the profit or loss over billings to purchasers is classified as accrued billings within trade receivables and the excess of billings to purchasers over revenue recognised in profit or loss is classified as progress billings within trade payables.

2.9 Leases

(i) As lessee

Finance leases, which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

2. SIGNIFICANT ACCOUNTING POLICIES *Cont'd*

2.9 Leases *Cont'd*

(i) As lessee *Cont'd*

Leased assets are depreciated over the estimated useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life and the lease term.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

(ii) As lessor

Leases where the Group retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. The accounting policy for rental income is set out in Note 2.4(vi).

2.10 Financial assets

Financial assets are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

The Group and the Company determine the classification of their financial assets at initial recognition, and the categories include financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets.

(i) Financial assets at fair value through profit or loss

Financial assets are classified as financial assets at fair value through profit or loss if they are held for trading or are designated as such upon initial recognition. Financial assets held for trading are derivatives (including separated embedded derivatives) or financial assets acquired principally for the purpose of selling in the near term.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss do not include exchange differences, interest and dividend income. Exchange differences, interest and dividend income on financial assets at fair value through profit or loss are recognised separately in profit or loss as part of other losses or other income.

Financial assets at fair value through profit or loss could be presented as current or non-current. Financial assets that is held primarily for trading purposes are presented as current whereas financial assets that is not held primarily for trading purposes are presented as current or non-current based on the settlement date.

(ii) Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Notes to the Financial Statements
For the financial year ended 31 March 2016
cont'd

2. SIGNIFICANT ACCOUNTING POLICIES *Cont'd*

2.10 Financial assets *Cont'd*

(ii) Loans and receivables *Cont'd*

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Loans and receivables are classified as current assets, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current.

(iii) Held-to-maturity investments

Financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold the investment to maturity.

Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the held-to-maturity investments are derecognised or impaired, and through the amortisation process.

Held-to-maturity investments are classified as non-current assets, except for those having maturity within 12 months after the reporting date which are classified as current.

The Group and the Company have not designated any financial assets as held-to-maturity investments.

(iv) Available-for-sale financial assets

Available-for-sale financial assets are financial assets that are designated as available for sale or are not classified in any of the three preceding categories.

After initial recognition, available-for-sale financial assets are measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised. Interest income calculated using the effective interest method is recognised in profit or loss. Dividends on an available-for-sale equity instrument are recognised in profit or loss when the Group and the Company's right to receive payment is established.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

Available-for-sale financial assets are classified as non-current assets unless they are expected to be realised within 12 months after the reporting date.

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Group and the Company commit to purchase or sell the asset.

Notes to the Financial Statements

For the financial year ended 31 March 2016
cont'd

2. SIGNIFICANT ACCOUNTING POLICIES *Cont'd*

2.11 Impairment of financial assets

The Group and the Company assess at each reporting date whether there is any objective evidence that a financial asset is impaired.

(i) Trade and other receivables and other financial assets carried at amortised cost

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics. Objective evidence of impairment for a portfolio of receivables could include the Group's and the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables.

If any such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable becomes uncollectible, it is written off against the allowance account.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

(ii) Available-for-sale financial assets

Significant or prolonged decline in fair value below cost, significant financial difficulties of the issuer or obligor, and the disappearance of an active trading market are considerations to determine whether there is objective evidence that investment securities classified as available-for-sale financial assets are impaired.

If an available-for-sale financial asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from equity to profit or loss.

Impairment losses on available-for-sale equity investments are not reversed in profit or loss in the subsequent periods. Increase in fair value, if any, subsequent to impairment loss is recognised in other comprehensive income. For available-for-sale debt investments, impairment losses are subsequently reversed in profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss in profit or loss.

2.12 Biological assets

(i) Pre-cropping expenditure - oil palm (non-current)

Pre-cropping expenditure comprises expenses incurred from land clearing to the point of maturity. Such expenditure is capitalised and is amortised at maturity of crop at a rate of 5% per annum, which is deemed as the useful economic life of the crop.

Notes to the Financial Statements
For the financial year ended 31 March 2016
cont'd

2. SIGNIFICANT ACCOUNTING POLICIES *Cont'd*

2.12 Biological assets *Cont'd*

(ii) Livestock (current)

Livestock cost includes the original cost of bringing the inventories to its present location and condition.

2.13 Inventories

Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

(i) Consumable goods - livestock feed, fuel and other raw materials

Consumable goods are stated at purchase costs on the weighted average basis.

(ii) Produce inventories - eggs and organic fertilisers

Produce inventories are stated at the lower of cost and net realisable value on the weighted average basis. The cost of eggs and 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 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.

2.14 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. These also include bank overdrafts that form an integral part of the Group's cash management, if any.

2.15 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.16 Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities, within the scope of FRS 139, are recognised in the statement of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

2. SIGNIFICANT ACCOUNTING POLICIES *Cont'd*

2.16 Financial liabilities *Cont'd*

(i) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities held for trading include derivatives entered into by the Group and the Company that do not meet the hedge accounting criteria. Derivative liabilities are initially measured at fair value and subsequently stated at fair value, with any resultant gains or losses recognised in profit or loss. Net gains or losses on derivatives include exchange differences.

The Group and the Company have not designated any financial liabilities as at fair value through profit or loss.

(ii) Other financial liabilities

The Group's and the Company's other financial liabilities include trade payables, other payables and loans and borrowings.

Trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Loans and borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2.17 Employee benefits

(i) Short-term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the financial year in which the associated services are rendered by employees. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave, maternity and paternity leave are recognised when the absences occur.

(ii) Defined contribution plans

The Group participates in the national pension scheme as defined by the laws of the country in which it operates. The Group makes contributions to the Employee 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.

Notes to the Financial Statements
For the financial year ended 31 March 2016
cont'd

2. SIGNIFICANT ACCOUNTING POLICIES *Cont'd*

2.18 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units ("CGU")).

In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

2.19 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

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.

2.20 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 Ringgit Malaysia ("RM"), which is also the Company's functional currency.

Notes to the Financial Statements
For the financial year ended 31 March 2016
cont'd

2. SIGNIFICANT ACCOUNTING POLICIES *Cont'd*

2.20 Foreign currencies *Cont'd*

(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.

2.21 Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group and of the Company.

Contingent liabilities and assets are not recognised in the statements of financial position of the Group and of the Company.

2.22 Share capital and share issuance expenses

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

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

2.23 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 37, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.24 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 2016
cont'd

2. SIGNIFICANT ACCOUNTING POLICIES *Cont'd*

2.24 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, as the issuer, is 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.

2.25 Current versus non-current classification

The Group presents assets and liabilities in statement of financial position based on current/non-current classification. An asset is current when it is:

(i) Expected to be realised or intended to be sold or consumed in normal operating cycle;

(ii) Held primarily for the purpose of trading;

(iii) Expected to be realised within twelve months after the reporting period; or

(iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

(i) It is expected to be settled in normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(iii) It is due to be settled within twelve months after the reporting period; or

(iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

2.26 Fair value measurement

The Group measures financial instruments, such as, investment securities, and non-financial assets, such as, investment properties, at fair value at each reporting date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 34.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

(i) In the principal market for the asset or liability; or

(ii) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

Notes to the Financial Statements

For the financial year ended 31 March 2016
cont'd

2. SIGNIFICANT ACCOUNTING POLICIES *Cont'd*

2.26 Fair value measurement *Cont'd*

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

(i) Level 1- Quoted (unadjusted) market prices in active markets for identical assets or liabilities

(ii) Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement if directly or indirectly observable

(iii) Level 3- Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

3. CHANGES IN ACCOUNTING POLICIES

(a) Adoption of new and revised FRSs

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

On 1 April 2015, the Group and the Company adopted the following new and amended FRSs which are effective for annual financial periods beginning on or after 1 April 2015.

Description	Effective for annual periods beginning on or after
Amendments to FRS 119: *Defined Benefit Plans: Employee Contributions*	1 July 2014
Annual Improvements to FRSs 2010-2012 Cycle	1 July 2014
Annual Improvements to FRSs 2011-2013 Cycle	1 July 2014

The adoption of the above standards and interpretations did not have any significant effect on the financial statements of the Group and of the Company.

(b) Standards issued but not yet effective

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

Notes to the Financial Statements

For the financial year ended 31 March 2016
cont'd

3. CHANGES IN ACCOUNTING POLICIES *Cont'd*

(b) Standards issued but not yet effective *Cont'd*

Description	**Effective for annual periods beginning on or after**
Annual Improvements to FRSs 2012-2014 Cycle	1 January 2016
Amendments to FRS 116 and FRS 138: *Clarification of Acceptable 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 Interests in Joint Operations*	1 January 2016
Amendment to FRS 101: *Disclosure Initiatives*	1 January 2016
Amendment to FRS 10, FRS 12 and FRS 128: *Investment Entities: Applying the Consolidation Exception*	1 January 2016
Amendments to FRS 127: *Equity Method in Separate Financial Statements*	1 January 2016
FRS 14: *Regulatory Deferral Accounts*	1 January 2016
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 Directors expect that the adoption of the above standards and interpretations will have no material impact on the financial statements in the period of initial application except as discussed below:

<u>Amendments to FRS 116 and FRS 141: Agriculture: Bearer Plants</u>

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.

The amendments are effective for annual periods beginning on or after 1 January 2016 and are to be applied retrospectively, with early adoption permitted. The Group and the Company are currently assessing the impact of these amendments and plans to adopt the new standard on the required effective date.

<u>Amendments to FRS 127: Equity Method in Separate Financial Statements</u>

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 MFRS 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 MFRS 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 MFRS. 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.

Notes to the Financial Statements

For the financial year ended 31 March 2016
cont'd

3. CHANGES IN ACCOUNTING POLICIES *Cont'd*

(b) Standards issued but not yet effective *Cont'd*

Amendments to MFRS 101: Disclosure Initiatives

The amendments to MFRS 101 include narrow-focus improvements in the following five areas:

- Materiality
- Disaggregation and subtotals
- Notes structure
- Disclosure of accounting policies
- Presentation of items of other comprehensive income arising from equity accounted investments

The Directors of the Company do not anticipate that the application of these amendments will have a material 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.

The amendments are to be applied retrospectively and 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.

FRS 9: Financial Instruments

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

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (MFRS Framework).

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture (MFRS 141) and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venturer (herein called "Transitioning Entities").

After few announcements of deferment since 19 November 2011, on 28 October 2015, MASB announced that the adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2018.

Notes to the Financial Statements
For the financial year ended 31 March 2016
cont'd

3. CHANGES IN ACCOUNTING POLICIES *Cont'd*

(b) Standards issued but not yet effective *Cont'd*

Malaysian Financial Reporting Standards *Cont'd*

The Group falls within the scope definition of Transitioning Entities and accordingly, will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the financial year ending 31 March 2019. In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained profits.

The Group considers that it is achieving its scheduled milestones and expects to be in a position to fully comply with the requirements of the MFRS Framework for the financial year ending 31 March 2019.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires 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 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 profit and loss and available-for-sale. 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.

(ii) Classification of investment properties

The Group has developed certain criteria based on FRS 140 in making judgement whether a property qualifies as an investment property. Investment property is a property held to earn rentals or for capital appreciation or both.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group would account for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as investment property.

(iii) Impairment of available-for-sale investment securities

The Group reviews its investments in equity instruments, which are classified as available-for-sale investment securities at each reporting date to assess whether they are impaired. The Group records impairment charges when there has been a significant or prolonged decline in the fair value below their cost.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES *Cont'd*

(a) Judgements made in applying accounting policies *Cont'd*

(iii) Impairment of available-for-sale investment securities *Cont'd*

The determination of what is "significant" or "prolonged" requires judgement. In making this judgement, the Group evaluates, among other factors, historical share price movements and the duration and extent to which the fair value of an investment is less than its cost. The Group impairs quoted and unquoted equity instruments with "significant" decline in fair value greater than 20%, or "prolonged" period as greater than 12 months.

(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) Valuation of livestock

The Group applies base-value method in estimating the value of livestock, which includes in its value, the purchase costs of starters and average consumption of feed and other consumables (based on a feed and consumables consumption standard most applicable to the Group's breed of livestock) at each stage of growth for a period of 65 weeks as the starters mature to layers, taking into consideration the health conditions of the livestock population.

(ii) Useful lives of plant and equipment

The cost of plant and machinery is depreciated on a straight-line basis over the assets' useful lives. Management estimates the useful lives of these plant and machinery to be 5-10 years. These are common life expectancies applied in the industry. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(iii) Impairment of loans and receivables

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

The carrying amount of the Group's loans and receivables at the reporting date is disclosed in Note 20. If there is objective evidence of impairment, it is the management's policy to impair the debt up to the credit term granted to the specific debtor.

Notes to the Financial Statements

For the financial year ended 31 March 2016
cont'd

5. REVENUE AND COST OF SALES

(a) Revenue

	Group		Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
Sales of produce inventories and livestock, less returns and discounts allowed	166,060,432	188,685,634	-	-
Sales of sand	2,933,593	3,951,336	-	-
Dividend income from a subsidiary	-	-	10,000,000	15,000,000
Management fee from subsidiaries	-	-	456,000	384,000
	168,994,025	192,636,970	10,456,000	15,384,000

(b) Cost of sales

	Group	
	2016	2015
	RM	RM
Produce inventories and livestocks	139,186,648	135,533,604
Sand	1,582,797	1,935,586
	140,769,445	137,469,190

6. OTHER INCOME

	Group		Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
Interest income on:				
- Fixed deposits	803,763	478,591	256,078	201,399
- Intercompany loans	-	-	1,045,295	815,193
Dividend income from investment securities	1,142,440	1,651,661	-	-
Gain on disposal of:				
- Investment securities	305,163	115,865	-	-
- Property, plant and equipment	226,295	175,943	-	-
Rental income from premises	12,960	9,440	12,000	8,400
Gain on foreign exchange				
- Realised	831,949	958,788	-	-
- Unrealised	281,255	185,045	-	-
Net fair value gains on:				
- Investment properties (Note 14)	-	12,350,000	-	-
- Available-for-sale investment securities transferred from equity upon disposal	971,965	-	-	-
Reversal of impairment loss on leasehold land	-	34,747	-	-
Miscellaneous	60,244	38,751	-	-
	4,636,034	15,998,831	1,313,373	1,024,992

Notes to the Financial Statements
For the financial year ended 31 March 2016
cont'd

7. OTHER EXPENSES

	Group	
	2016	2015
	RM	RM
Impairment loss on investment securities available-for-sale (Note 17)	1,459,402	1,277,930
Net fair value loss on fair value through profit and loss investment securities	500,608	419,561
Net fair value loss on available-for-sale investment securities transferred from equity upon disposal	-	3,430
	1,960,010	1,700,921

8. FINANCE COSTS

	Group	
	2016	2015
	RM	RM
Interest expense on:		
- Bank overdrafts	892	1,881
- Bankers' acceptances	269,137	135,667
- Revolving credits	129,869	63,283
- Term loans	390,005	635,833
- Obligation under finance leases	-	5,398
	789,903	842,062

9. PROFIT BEFORE TAX

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

	Group		Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
Staff costs (excluding directors) (Note a)	15,277,347	12,561,244	521,793	508,555
Executive directors' remuneration (Note b)	1,962,659	1,938,236	3,350	-
Non-executive directors' remuneration (Note b)	118,500	116,000	118,500	116,000
Auditors' remuneration	183,000	166,000	65,000	58,000
Depreciation of property, plant and equipment (Note 13)	6,768,430	7,808,178	140,085	162,218
Impairment loss on trade receivables (Note 20(a))	357,589	339,864	-	-
Reversal of impairment loss on trade receivables (Note 20(a))	(83,857)	(1,201,705)	-	-
Amortisation of biological assets (Note 18)	14,684	14,663	-	-
Rental of:				
- Farm	690,000	600,000	-	-
- Office	43,200	43,200	43,200	43,200
Plant and equipment written off (Note 13)	243,848	-	-	-
Direct expenses arising from investment properties that do not generate rental income	981,449	623,507	-	-

Notes to the Financial Statements

For the financial year ended 31 March 2016
cont'd

9. PROFIT BEFORE TAX *Cont'd*

	Group		Company	
	2016	**2015**	**2016**	**2015**
	RM	**RM**	**RM**	**RM**
(a) Staff costs				
Wages and salaries	13,770,115	11,176,867	418,103	396,025
Defined contribution plans	878,143	842,667	78,669	77,560
Social security costs	81,090	74,676	1,807	1,859
Short term accumulating compensated absences	43,767	39,931	738	4,008
Other staff related expenses	504,232	427,103	22,476	29,103
	15,277,347	12,561,244	521,793	508,555
(b) Directors' remuneration				
Executive directors' remuneration:				
- Fees	152,500	150,000	2,500	-
- Salaries and other emoluments	1,529,753	1,510,402	4,200	-
- Defined contribution plans	281,455	274,735	798	-
- Social security costs	3,151	3,099	52	-
Total executive directors' remuneration	1,966,859	1,938,236	7,550	-
Non-executive directors' remuneration:				
Fees	118,500	116,000	118,500	116,000
Total of directors' remuneration (Note 30(b))	2,085,359	2,054,236	126,050	116,000
Benefits-in-kind	176,783	104,391	-	-
Total directors' remuneration including benefits-in-kind	2,262,142	2,158,627	126,050	116,000

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

	Company Number of directors	
	2016	**2015**
Executive directors:		
Below RM50,001	2	1
Non-executive directors:		
Below RM50,001	4	4

Notes to the Financial Statements

For the financial year ended 31 March 2016
cont'd

10. INCOME TAX EXPENSE

Major components of income tax expense

The major components of income tax expense for the financial years ended 31 March 2016 and 31 March 2015 are:

	Group		Company	
	2016	**2015**	**2016**	**2015**
	RM	**RM**	**RM**	**RM**
Current income tax:				
Malaysian income tax	5,779,717	13,154,153	383,879	332,725
(Over)/under provision in prior years	(176,942)	(94,720)	496	933
Real property gains tax	654,425	-	-	-
	6,257,200	13,059,433	384,375	333,658
Deferred tax (Note 26):				
Relating to origination and reversal of temporary differences	(429,319)	262,274	(10,353)	231
Real property gains tax reversed upon disposal	(651,948)	-	-	-
Effect of reduction in tax rate	10,098	3,252	(219)	-
Under/(over) provision in prior years	50,927	(20,819)	5,467	(231)
	(1,020,242)	244,707	(5,105)	-
	5,236,958	13,304,140	379,270	333,658

Notes to the Financial Statements

For the financial year ended 31 March 2016
cont'd

10. INCOME TAX EXPENSE *Cont'd*

Reconciliation between tax expense and accounting profit

A reconciliation of income tax expense applicable to accounting profit before tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company is as follows:

	Group		Company	
	2016	**2015**	**2016**	**2015**
	RM	**RM**	**RM**	**RM**
Profit before tax:	16,882,223	59,437,642	10,436,688	15,220,173
Taxation at Malaysian statutory tax rate of 24% (2015: 25%)	4,051,734	14,859,411	2,504,805	3,805,043
Income not subject to tax	(712,132)	(3,532,955)	(2,400,000)	(3,750,000)
Expenses not deductible for tax purposes	1,994,109	1,460,308	263,891	265,750
Effect of reduction in income tax rate on deferred tax	10,098	3,252	(219)	-
Real property gain tax arising from fair value adjustment of investment property	-	617,500	-	-
Real property gain tax arising from disposal of investment property	2,477	-	-	-
Deferred tax assets not recognised on unutilised capital allowance	4,830	12,163	4,830	12,163
Deferred tax assets not recognised on unutilised business losses	11,857	-	-	-
(Over)/under provision of:				
- Income tax expense in prior years	(176,942)	(94,720)	496	933
- Deferred tax in prior years	50,927	(20,819)	5,467	(231)
Income tax expense	5,236,958	13,304,140	379,270	333,658

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2015: 25%) of the estimated assessable profit for the financial year.

Notes to the Financial Statements
For the financial year ended 31 March 2016
cont'd

11. EARNINGS PER SHARE

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	
	2016	**2015**
	RM	**RM**
Profit attributable to owners of the parent	11,645,265	46,133,502
Issued ordinary shares at the beginning of the year (basic)	43,368,002	43,368,002
Bonus shares issued	21,684,001	21,684,001
Share split	65,052,003	65,052,003
Weighted average number of ordinary shares in issue*	130,104,006	130,104,006
Basic earnings per share (sen per share)	8.95	35.46

The Company does not have any dilutive potential ordinary shares. Accordingly, the diluted earnings per shares is not presented.

* *The basic earnings per ordinary share for the year 2015 has been adjusted for the effect of bonus issue and share split.*

Notes to the Financial Statements

For the financial year ended 31 March 2016
cont'd

12. DIVIDENDS

	Dividends in respect of financial year			Dividends recognised in financial year	
	2016 RM	2015 RM	2014 RM	2016 RM	2015 RM
Recognised during the financial year					
Interim dividend of 8%, single-tier, on 43,368,002 ordinary shares of RM1.00 each, declared on 3 March 2014 and paid on 8 April 2014	-	-	3,469,440	-	-
Final dividend of 10%, single-tier, on 43,368,002 ordinary shares of RM1.00 each, declared on 28 August 2014 and paid on 3 October 2014	-	-	4,336,800	-	4,336,800
Interim dividend of 10%, single-tier, on 43,368,002 ordinary shares of RM1.00 each, declared on 26 February 2015 and paid on 8 April 2015	-	4,336,800	-	-	4,336,800
Final dividend of 5%, single-tier, on 130,104,006 ordinary shares of RM0.50 each, declared on 27 August 2015 and paid on 6 October 2015	-	3,252,600	-	3,252,600	-
Interim dividend of 5%, single-tier, on 130,104,006 ordinary shares of RM0.50 each, declared on 24 February 2016 and paid on 8 April 2016	3,252,600	-	-	3,252,600	-
	3,252,600	7,589,400	7,806,240	6,505,200	8,673,600

At the forthcoming Annual General Meeting, a single-tier final dividend of 3% (1.5 sen per ordinary shares of RM0.50 each) in respect of the financial year ended 31 March 2016, on 130,104,006 ordinary shares, amounting to a dividend payable of RM1,951,560 will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained profits in the financial year ending 31 March 2017.

13. PROPERTY, PLANT AND EQUIPMENT

	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	Total RM
Group										
At 31 March 2016										
Cost or valuation										
At 1 April 2015										
- At cost		-	-	382,133	46,186,847	6,356,176	6,960,068	958,532	2,016,722	62,860,478
- At valuation		2,260,000	52,550,000	21,617,394	-	-	-	-	-	76,427,394
		2,260,000	52,550,000	21,999,527	46,186,847	6,356,176	6,960,068	958,532	2,016,722	139,287,872
Additions		-	-	-	221,573	60,587	1,637,483	-	3,049,498	4,969,141
Reclassifications		-	-	56,756	2,167,603	-	-	-	(2,224,359)	-
Written off		-	-	-	(4,802)	(589,206)	(27,000)	-	-	(621,008)
Disposals		-	-	-	-	(2,950)	(683,232)	-	-	(686,182)
At 31 March 2016		2,260,000	52,550,000	22,056,283	48,571,221	5,824,607	7,887,319	958,532	2,841,861	142,949,823
Representing:										
At cost		-	-	438,889	48,571,221	5,824,607	7,887,319	958,532	2,841,861	66,522,429
At valuation		2,260,000	52,550,000	21,617,394	-	-	-	-	-	76,427,394
At 31 March 2016		2,260,000	52,550,000	22,056,283	48,571,221	5,824,607	7,887,319	958,532	2,841,861	142,949,823

13. PROPERTY, PLANT AND EQUIPMENT *Cont'd*

	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	Total RM
Group *Cont'd*										
At 31 March 2016 *Cont'd*										
Accumulated depreciation and impairment losses:										
At 1 April 2015		4,482	-	483,992	34,480,146	4,176,038	5,273,324	958,531	-	45,376,513
Depreciation charge for the financial year	9	53,788	-	3,198,210	2,351,648	335,950	828,834	-	-	6,768,430
Written off		-	-	-	(520)	(364,934)	(11,706)	-	-	(377,160)
Disposals		-	-	-	-	(2,899)	(627,786)	-	-	(630,685)
At 31 March 2016		58,270	-	3,682,202	36,831,274	4,144,155	5,462,666	958,531	-	51,137,098
Analysed as:										
Accumulated depreciation		58,270	-	3,613,401	36,555,544	3,703,951	5,462,666	954,506	-	50,348,338
Accumulated impairment losses		-	-	68,801	275,730	440,204	-	4,025	-	788,760
		58,270	-	3,682,202	36,831,274	4,144,155	5,462,666	958,531	-	51,137,098
Net carrying amount										
At cost		-	-	217,347	11,739,947	1,680,452	2,424,653	1	2,841,861	18,904,261
At valuation		2,201,730	52,550,000	18,156,734	-	-	-	-	-	72,908,464
At 31 March 2016		2,201,730	52,550,000	18,374,081	11,739,947	1,680,452	2,424,653	1	2,841,861	91,812,725

13. PROPERTY, PLANT AND EQUIPMENT *Cont'd*

	Note	Leasehold land	Freehold land	Buildings	Plant and machinery	Furniture, fittings and equipment	Motor vehicles	Ponds	Capital work-in-progress	Total
		RM	RM	RM	RM	RM	RM	RM	RM	RM
Group *Cont'd*										
At 31 March 2015										
Cost or valuation										
At 1 April 2014										
- At cost		-	-	10,355,377	41,414,591	6,012,773	6,069,066	958,532	976,675	65,787,014
- At valuation		1,190,420	48,500,000	30,141,737	-	-	-	-	-	79,832,157
		1,190,420	48,500,000	40,497,114	41,414,591	6,012,773	6,069,066	958,532	976,675	145,619,171
Additions		-	-	-	4,557,991	348,743	1,180,612	-	1,724,199	7,811,545
Reclassifications		-	-	166,387	517,765	-	-	-	(684,152)	-
Revaluation (Note a)		1,293,398	4,050,000	2,710,008	-	-	-	-	-	8,053,406
Elimination of accumulated depreciation		(223,818)	-	(21,373,982)	-	-	-	-	-	(21,597,800)
Disposals		-	-	-	(303,500)	(5,340)	(289,610)	-	-	(598,450)
At 31 March 2015		2,260,000	52,550,000	21,999,527	46,186,847	6,356,176	6,960,068	958,532	2,016,722	139,287,872
Representing:										
At cost		-	-	382,133	46,186,847	6,356,176	6,960,068	958,532	2,016,722	62,860,478
At valuation		2,260,000	52,550,000	21,617,394	-	-	-	-	-	76,427,394
At 31 March 2015		2,260,000	52,550,000	21,999,527	46,186,847	6,356,176	6,960,068	958,532	2,016,722	139,287,872

Notes to the Financial Statements
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cont'd

13. PROPERTY, PLANT AND EQUIPMENT *Cont'd*

	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	Total RM
Group *Cont'd*										
At 31 March 2015 *Cont'd*										
Accumulated depreciation and impairment losses:										
At 1 April 2014		238,266	-	18,107,325	31,719,602	3,837,236	4,938,044	957,105	-	59,797,578
Depreciation charge for the financial year	9	24,781	-	3,750,649	3,064,043	342,393	624,886	1,426	-	7,808,178
Elimination of accumulated depreciation		(223,818)	-	(21,373,982)	-	-	-	-	-	(21,597,800)
Reversal of impairment loss	6	(34,747)	-	-	-	-	-	-	-	(34,747)
Disposals		-	-	-	(303,499)	(3,591)	(289,606)	-	-	(596,696)
At 31 March 2015		4,482	-	483,992	34,480,146	4,176,038	5,273,324	958,531	-	45,376,513
Analysed as:										
Accumulated depreciation		4,482	-	415,191	34,208,698	3,735,834	5,273,324	954,506	-	44,592,035
Accumulated impairment losses		-	-	68,801	271,448	440,204	-	4,025	-	784,478
		4,482	-	483,992	34,480,146	4,176,038	5,273,324	958,531	-	45,376,513
Net carrying amount										
At cost		-	-	165,694	11,706,701	2,180,138	1,686,744	1	2,016,722	17,756,000
At valuation		2,255,518	52,550,000	21,349,841	-	-	-	-	-	76,155,359
At 31 March 2015		2,255,518	52,550,000	21,515,535	11,706,701	2,180,138	1,686,744	1	2,016,722	93,911,359

Notes to the Financial Statements

For the financial year ended 31 March 2016
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13. PROPERTY, PLANT AND EQUIPMENT *Cont'd*

	Building RM	Furniture, fittings and equipment RM	Total RM
Company			
At 31 March 2016			
Cost/valuation			
At 1 April 2015	1,202,252	1,390,660	2,592,912
Additions	-	19,850	19,850
At 31 March 2016	1,202,252	1,410,510	2,612,762
Representing:			
At cost	-	1,410,510	1,410,510
At valuation	1,202,252	-	1,202,252
At 31 March 2016	1,202,252	1,410,510	2,612,762
Accumulated depreciation and impairment losses			
At 1 April 2015	6,380	1,107,312	1,113,692
Depreciation charge for the financial year (Note 9)	60,538	79,547	140,085
At 31 March 2016	66,918	1,186,859	1,253,777
Analysed as:			
Accumulated depreciation	66,918	896,870	963,788
Accumulated impairment losses	-	289,989	289,989
	66,918	1,186,859	1,253,777
Net carrying amount			
At cost	-	223,651	223,651
At valuation	1,135,334	-	1,135,334
At 31 March 2016	1,135,334	223,651	1,358,985

Notes to the Financial Statements
For the financial year ended 31 March 2016
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13. PROPERTY, PLANT AND EQUIPMENT *Cont'd*

	Building RM	Furniture, fittings and equipment RM	Total RM
Company *Cont'd*			
At 31 March 2015			
Cost/valuation			
At 1 April 2014	1,405,947	1,384,980	2,790,927
Additions	-	5,680	5,680
Revaluation surplus	307,277	-	307,277
Elimination of accumulated depreciation on revaluation	(510,972)	-	(510,972)
At 31 March 2015	1,202,252	1,390,660	2,592,912
Representing:			
At cost	-	1,390,660	1,390,660
At valuation	1,202,252	-	1,202,252
At 31 March 2015	1,202,252	1,390,660	2,592,912
Accumulated depreciation and impairment losses			
At 1 April 2014	437,865	1,024,581	1,462,446
Depreciation charge for the financial year (Note 9)	79,487	82,731	162,218
Elimination of accumulated depreciation on revaluation	(510,972)	-	(510,972)
At 31 March 2015	6,380	1,107,312	1,113,692
Analysed as:			
Accumulated depreciation	6,380	817,323	823,703
Accumulated impairment losses	-	289,989	289,989
	6,380	1,107,312	1,113,692
Net carrying amount			
At cost	-	283,348	283,348
At valuation	1,195,872	-	1,195,872
At 31 March 2015	1,195,872	283,348	1,479,220

Notes to the Financial Statements
For the financial year ended 31 March 2016
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13. PROPERTY, PLANT AND EQUIPMENT *Cont'd*

(a) Freehold land, leasehold land and buildings of the Group and the Company were revalued in February 2015 by Chah Yau Yee, a registered valuer with Jordan Lee & Jaafar (M'cca) Sdn. Bhd., an independent professional valuer, except as discussed below.

Parcels of freehold lands of a subsidiary, LTK Omega Plus Sdn. Bhd., held for sand mining were revalued in March 2016 by Lee Thiam Sing, a registered valuer with Jordan Lee & Jaafar (M'cca) Sdn. Bhd., an independent professional valuer.

Fair values for lands were determined primarily based on comparison method. Fair values for buildings were determined primarily based on depreciated replacement cost of the buildings. Further information on the fair value measurement are disclosed in Note 35.

Had the revalued land and buildings been carried at historical cost less accumulated depreciation and impairment losses, the net book value of each class of land and buildings that would have been included in the financial statements of the Group and the Company would be as follows:

	Group		Company	
	2016	**2015**	**2016**	**2015**
	RM	**RM**	**RM**	**RM**
Leasehold land	885,639	907,240	-	-
Freehold land	15,312,990	15,312,990	-	-
Buildings	14,202,208	15,588,729	611,708	828,627
	30,400,837	31,808,959	611,708	828,627

(b) The net book values of property, plant and equipment pledged for borrowings (Note 25(c)(i) and (ii)) are as follows:

	Group	
	2016	**2015**
	RM	**RM**
Freehold land	51,100,000	51,100,000
Buildings	3,638,345	5,146,889
	54,738,345	56,246,889

Notes to the Financial Statements

For the financial year ended 31 March 2016
cont'd

14. INVESTMENT PROPERTIES

	Group	
	2016	**2015**
	RM	**RM**
At 1 April	52,850,000	40,500,000
Net gains from fair value adjustment recognised in profit or loss (Note 6)	-	12,350,000
Transferred to land held for property development (Note 15)	(22,950,000)	-
Transferred to asset held for sale (Note 23)	(26,000,000)	-
At 31 March	3,900,000	52,850,000

Investment properties consist of the following:

	Group	
	2016	**2015**
	RM	**RM**
Freehold land	3,900,000	41,100,000
Buildings	-	11,750,000
	3,900,000	52,850,000

The fair values of the investment properties as at 31 March 2016 and 31 March 2015 are based on valuation carried out by Henry Butcher (Selangor) Sdn. Bhd. Fair values are determined primarily based on the Comparison Method for freehold land and Depreciated Replacement Cost Method for buildings.

Information on fair value measurement and hierarchy disclosures for investment properties are disclosed in Note 35.

15. LAND HELD FOR PROPERTY DEVELOPMENT

	Freehold land	**Development cost**	**Total**
	RM	**RM**	**RM**
Group			
Cost			
At 1 April 2015	-	-	-
Transfer from investment properties (Note 14)	22,950,000	-	22,950,000
Additions	108,400	15,109	123,509
At 31 March 2016	23,058,400	15,109	23,073,509

Notes to the Financial Statements

For the financial year ended 31 March 2016
cont'd

16. INVESTMENT IN SUBSIDIARIES

	Company 2016 RM	Company 2015 RM
Unquoted shares, at cost	36,647,198	36,647,198
ESOS granted to employees of subsidiaries	180,242	180,242
Investment in redeemable non-cumulative convertible preference shares ("RNCCPS") of subsidiaries	30,000,000	30,000,000
	66,827,440	66,827,440
Less: Impairment losses	(19,000,000)	(19,000,000)
	47,827,440	47,827,440

During the financial year, LTK Development Sdn. Bhd., a wholly owned subsidiary of the Company, incorporated two new subsidiaries known as Jarom Firstville Sdn. Bhd. and Firstville Development Sdn. Bhd. for a consideration of RM1,000 each representing 1,000 ordinary shares of RM1 each, respectively.

Details of the subsidiaries, all of which are incorporated and domiciled in Malaysia, and audited by Ernst & Young, Malaysia, are as follows:

Name of subsidiary	Equity interest held 2016 %	Equity interest held 2015 %	Principal activities
(a) Subsidiaries of LTKM Berhad			
LTK (Melaka) Sdn. Bhd.	100	100	Production and sale of chicken eggs and chickens
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. ("LJSB")	100	100	Dormant
(b) Subsidiary of LTK Melaka Sdn. Bhd.			
LTK Bio-Fer Sdn. Bhd.	100	100	Manufacturing and sale of organic fertilizers
(c) Subsidiaries of LTK Development Sdn. Bhd.			
Jarom Firstville Sdn. Bhd. *	100	-	Property development
Firstville Development Sdn. Bhd. *	100	-	Dormant

* *Incorporated during the financial year.*

Notes to the Financial Statements
For the financial year ended 31 March 2016
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17. INVESTMENT SECURITIES

	Group 2016 RM	Group 2015 RM
Non-current equity instruments		
Available-for-sale		
Quoted shares:		
- In Malaysia	27,275,677	30,300,095
- Outside of Malaysia	234,337	305,558
	27,510,014	30,605,653
Fair value through profit and loss		
Quoted shares:		
- In Malaysia	4,106,012	4,742,630
- Outside of Malaysia	670,896	770,897
	4,776,908	5,513,527
Total investment securities	32,286,922	36,119,180

During the current financial year, the Group recognised an impairment loss amounting to RM1,459,402 (2015: RM1,277,930) of certain quoted investments designated as available-for-sale financial assets (as disclosed in Note 7) due to significant decline of more than 20% in the fair values of these investments below their costs.

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, and are measured at Level 1 fair value hierarchy as at the reporting date.

No transfers between any levels of fair value hierarchy took place during the current financial year. There were also no changes in the purpose of any financial asset that subsequently resulted in a different classification of that asset.

18. BIOLOGICAL ASSETS

	Group 2016 RM	Group 2015 RM
Current		
Livestock, at cost	13,563,299	14,699,302

18. BIOLOGICAL ASSETS *Cont'd*

	Group	
	2016	**2015**
	RM	**RM**
Non-current		
Pre-cropping expenditure - oil palm:		
Cost		
At 1 April	400,211	381,205
Additions during the financial year	12,933	19,006
At 31 March	413,144	400,211
Accumulated amortisation		
At 1 April	59,977	45,314
Charge for the financial year (Note 9)	14,684	14,663
At 31 March	74,661	59,977
Net carrying amount	338,483	340,234

19. INVENTORIES

	Group	
	2016	**2015**
	RM	**RM**
Cost		
Consumable goods	23,204,588	9,873,523
Produce inventories	807,422	1,870,313
	24,012,010	11,743,836

During the financial year, the amount of consumable goods and produce inventories recognised as an expense in cost of sales of the Group was RM103,042,170 (2015: RM98,621,636).

Notes to the Financial Statements

For the financial year ended 31 March 2016
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20. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
Current				
Trade receivables				
Third parties	10,948,029	11,445,586	-	-
Less: Allowance for impairment	(1,049,325)	(775,593)	-	-
Trade receivables, net	9,898,704	10,669,993	-	-
Other receivables				
Amounts due from subsidiaries	-	-	850,232	555,180
Deposits	4,911,497	254,538	8,200	8,200
Sundry receivables	2,452,335	846,894	29,498	2,753
Other receivables, net	7,363,832	1,101,432	887,930	566,133
	17,262,536	11,771,425	887,930	566,133
Non-current				
Other receivables				
Amounts due from subsidiaries	-	-	30,000,000	27,850,176
Total trade and other receivables (current and non-current)	17,262,536	11,771,425	30,887,930	28,416,309
Add: Cash and bank balances (Note 22)	42,884,353	37,644,882	12,956,394	13,908,477
Total loans and receivables	60,146,889	49,416,307	43,844,324	42,324,786

Notes to the Financial Statements
For the financial year ended 31 March 2016
cont'd

20. TRADE AND OTHER RECEIVABLES *Cont'd*

(a) Trade receivables

Trade receivables are non-interest bearing and are generally on 30 to 90 day (2015: 30 to 90 day) terms. They are recognised at their original invoiced amounts which represent their fair values on initial recognition.

Ageing analysis of trade receivables

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

	Group	
	2016	**2015**
	RM	**RM**
Neither past due nor impaired	8,746,528	9,262,582
1 to 30 days past due but not impaired	964,401	795,133
31 to 60 days past due but not impaired	106,162	377,556
61 to 90 days past due but not impaired	50,671	135,765
91 to 120 days past due but not impaired	30,942	50,032
More than 120 days past due but not impaired	-	48,925
	1,152,176	1,407,411
Impaired	1,049,325	775,593
	10,948,029	11,445,586

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 RM1,152,176 (2015: RM1,407,411) that are past due at the reporting date but not impaired. These are mainly debtors who are still in active trade with the Company but with slower repayment records.

Notes to the Financial Statements

For the financial year ended 31 March 2016
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20. TRADE AND OTHER RECEIVABLES *Cont'd*

(a) Trade receivables *Cont'd*

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 Individually impaired	
	2016	**2015**
	RM	**RM**
Nominal amounts	1,049,325	775,593
Less: Allowance for impairment	(1,049,325)	(775,593)
	-	-

Movement in allowance account:

	Group	
	2016	**2015**
	RM	**RM**
At 1 April	775,593	1,637,434
Charge for the financial year (Note 9)	357,589	339,864
Reversal of impairment loss (Note 9)	(83,857)	(1,201,705)
At 31 March	1,049,325	775,593

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.

(b) Other receivables

Amounts due from subsidiaries

The amounts due from subsidiaries are unsecured, non-interest bearing and are repayable upon demand except for an amount of RM18,000,000 (2015: RM18,000,000) which bears interest rate ranging between 5.14% and 7.00% (2015: 5.14% to 6.60%) per annum.

All interest bearing related company loans granted during the current and prior years were made at prevailing market rates.

Deposits

Included in deposits of the Group in the current financial year is an amount of RM4,645,000 representing deposits placed for acquisition of land as further disclosed in Notes 39 and 40.

Notes to the Financial Statements

For the financial year ended 31 March 2016
cont'd

21. PREPAYMENTS

	Group	
	2016	**2015**
	RM	**RM**
Prepayments	5,959,443	381,429

Included in prepayments in the current financial year is an amount of RM4,400,000 paid to the chargee bank of one of the vendors for the purchase of a parcel of freehold land as further disclosed in Note 39(i).

22. CASH AND BANK BALANCES

	Group		Company	
	2016	**2015**	**2016**	**2015**
	RM	**RM**	**RM**	**RM**
Cash on hand and at bank	12,282,064	14,988,386	2,456,394	4,826,854
Deposits with licensed banks:				
- Long-term fixed deposits	424,471	108,836	-	-
- Short-term fixed deposits	30,177,818	22,547,660	10,500,000	9,081,623
Cash and bank balances	42,884,353	37,644,882	12,956,394	13,908,477

Long-term fixed deposits represent deposits with licensed banks with a maturity of more than 90 days.

The deposits with a licensed bank of a subsidiary amounting to RM783,391 (2015: RM108,836) are pledged as security for bank facilities granted to a subsidiary. The fixed deposit pledged are restricted in usage and does not form part of cash and cash equivalent.

Included in cash at bank of the Group is an amount of Nil (2015: RM116,617) held pursuant to Section 7A of the Housing Development (Housing Development Account) Regulations,1991 and therefore are restricted from use in other operations.

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

	Group		Company	
	2016	**2015**	**2016**	**2015**
	%	**%**	**%**	**%**
Licensed banks	3.64	3.39	3.65	3.40

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

	Group		Company	
	2016	**2015**	**2016**	**2015**
	Days	**Days**	**Days**	**Days**
Licensed banks	31-366	1-339	32	6-25

Notes to the Financial Statements

For the financial year ended 31 March 2016
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22. CASH AND BANK BALANCES *Cont'd*

For the purpose of the statements of cash flows, cash and cash equivalents comprise the following at the reporting date:

	Group		Company	
	2016	**2015**	**2016**	**2015**
	RM	**RM**	**RM**	**RM**
Cash and bank balances	42,884,353	37,644,882	12,956,394	13,908,477
Less:				
- Long-term fixed deposits	(404,080)	(108,836)	-	-
- Fixed deposits pledged	(783,391)	-	-	-
	41,696,882	37,536,046	12,956,394	13,908,477

23. ASSETS CLASSIFIED AS HELD FOR SALE

	Group	
	2016	**2015**
	RM	**RM**
Investment properties (Note 14)	26,000,000	-

On 5 February 2016, a wholly owned subsidiary, Lumi Jaya Sdn. Bhd. entered into a sale and purchase agreement with a third party to dispose a parcel of freehold land measuring approximately 21,284 square metres together with a factory erected thereon located at Mukim of Kapar, District of Klang, State of Selangor Darul Ehsan for a total purchase consideration of RM26,000,000.

24. TRADE AND OTHER PAYABLES

	Group		Company	
	2016	**2015**	**2016**	**2015**
	RM	**RM**	**RM**	**RM**
Current				
Trade payables				
Third parties	5,359,846	4,418,635	-	-
Other payables				
Amount due to a subsidiary	-	-	318	798,545
Accruals	2,001,610	2,459,894	149,408	235,238
Other payables	5,619,125	1,411,564	42,904	11,083
	7,620,735	3,871,458	192,630	1,044,866
Total trade and other payables	12,980,581	8,290,093	192,630	1,044,866
Add: Loans and borrowings (Note 25)	35,603,110	15,445,099	-	-
Total financial liabilities carried at amortised cost	48,583,691	23,735,192	192,630	1,044,866

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For the financial year ended 31 March 2016
cont'd

24. TRADE AND OTHER PAYABLES *Cont'd*

(a) Trade payables

Trade payables are non-interest bearing and the normal trade credit terms granted to the Group range from 30 to 60 (2015: 30 to 60) days.

(b) Other payables

Included in other payables is RM2,600,000 representing 10% of the total purchase consideration received from a third party as deposit for the disposal of a parcel of freehold land with a factory building erected thereon as disclosed in Note 23.

These amounts are non-interest bearing. Other payables are normally settled on an average term of 60 (2015: 60) days.

(c) Amount due to a subsidiary

The amount is unsecured and is repayable upon demand. The amount is short term in nature and non-interest bearing.

25. LOANS AND BORROWINGS

	Group	
	2016	**2015**
	RM	**RM**
Current		
Secured:		
Bank term loans	1,010,018	1,349,923
Unsecured:		
Revolving credits	15,000,000	-
Bankers' acceptances	9,858,929	6,651,370
Bank term loans	1,691,663	1,578,966
	26,550,592	8,230,336
	27,560,610	9,580,259
Non-current		
Secured:		
Bank term loans	5,134,448	1,153,584
Unsecured:		
Bank term loans	2,908,052	4,711,256
	8,042,500	5,864,840
Total borrowings		
Revolving credits	15,000,000	-
Bankers' acceptances	9,858,929	6,651,370
Bank term loans	10,744,181	8,793,729
Loans and borrowings	35,603,110	15,445,099

Notes to the Financial Statements
For the financial year ended 31 March 2016
cont'd

25. LOANS AND BORROWINGS *Cont'd*

The remaining maturities of the loans and borrowings as at 31 March 2016 are as follows:

(a) Maturity periods

	Group	
	2016	**2015**
	RM	**RM**
Within 1 year	27,560,610	9,580,259
More than 1 year and less than 2 years	2,813,110	2,402,367
More than 2 years and less than 5 years	3,503,980	3,462,473
More than 5 years	1,725,410	-
	35,603,110	15,445,099

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

	Group	
	2016	**2015**
	%	**%**
Revolving credits	4.92 - 5.48	4.38 - 4.70
Bankers' acceptances	4.55 - 4.78	4.27 - 4.65
Bank term loans	4.90 - 6.85	4.84 - 6.85

(c) A term loan is secured by the following:

(i) charges over the freehold land of a subsidiary as disclosed in Note 13(b);

(ii) charges over buildings and plant and machinery of a subsidiary as disclosed in Note 13(b); and

The unsecured revolving credits, bankers' acceptance and term loans are backed by corporate guarantees of the Company and of a subsidiary.

26. DEFERRED TAX LIABILITIES

	Group		Company	
	2016	**2015**	**2016**	**2015**
	RM	**RM**	**RM**	**RM**
At 1 April 2015	8,528,671	6,763,364	73,746	-
Recognised in profit or loss (Note 10)	(1,020,242)	244,707	(5,105)	-
Recognised in other comprehensive income	237,867	1,520,600	-	73,746
At 31 March	7,746,296	8,528,671	68,641	73,746

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For the financial year ended 31 March 2016
cont'd

26. DEFERRED TAX LIABILITIES *Cont'd*

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

Deferred tax liabilities of the Group:

	Revaluation surplus RM	Property, plant and equipment RM	Investment properties RM	Total RM
At 1 April 2015	4,380,874	3,479,702	1,098,680	8,959,256
Recognised in profit or loss	(50,762)	(395,225)	(663,223)	(1,109,210)
Recognised in other comprehensive income	237,867	-	-	237,867
At 31 March 2016	4,567,979	3,084,477	435,457	8,087,913
At 1 April 2014	2,860,274	4,019,310	510,860	7,390,444
Recognised in profit or loss	-	(539,608)	587,820	48,212
Recognised in other comprehensive income	1,520,600	-	-	1,520,600
At 31 March 2015	4,380,874	3,479,702	1,098,680	8,959,256

Deferred tax assets of the Group:

	Provision for unutilised annual leave RM	Provision for doubtful debts RM	Others RM	Total RM
At 1 April 2015	(82,528)	(190,706)	(157,351)	(430,585)
Recognised in profit or loss	4,089	97,060	(12,181)	88,968
At 31 March 2016	(78,439)	(93,646)	(169,532)	(341,617)
At 1 April 2014	(73,321)	(409,357)	(144,402)	(627,080)
Recognised in profit or loss	(9,207)	218,651	(12,949)	196,495
At 31 March 2015	(82,528)	(190,706)	(157,351)	(430,585)

Notes to the Financial Statements
For the financial year ended 31 March 2016
cont'd

26. DEFERRED TAX LIABILITIES *Cont'd*

Deferred tax liability of the Company:

	Revaluation surplus RM
At 1 April 2015	73,746
Recognised in profit or loss	(5,105)
At 31 March 2016	68,641

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

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Unutilised business losses	3,047,189	2,997,784	-	-
Unabsorbed capital allowances	346,350	326,223	20,127	-
Unabsorbed industrial building allowances	2,018,197	2,018,197	-	-
	5,411,736	5,342,204	20,127	-

The availability of the unutilised business losses, unabsorbed capital and industrial building allowances for offsetting against future taxable profits of the Company and the respective subsidiaries are subject to no substantial changes in shareholdings of the Company and of the respective subsidiaries under the Income Tax Act, 1967 and guidelines issued by the tax authority.

27. SHARE CAPITAL

	Number of ordinary shares		Amount	
	2016 RM0.50 each	2015 RM1.00 each	2016 RM	2015 RM
Authorised:				
At 1 April	100,000,000	100,000,000	100,000,000	100,000,000
Share split	100,000,000	-	-	-
At 31 March	200,000,000	100,000,000	100,000,000	100,000,000
Issued and fully paid:				
At 1 April	43,368,002	43,368,002	43,368,002	43,368,002
Bonus issue during the year	21,684,001	-	21,684,001	-
Share split	65,052,003	-	-	-
At 31 March	130,104,006	43,368,002	65,052,003	43,368,002

27. SHARE CAPITAL *Cont'd*

During the current financial year, the Company:

(i) undertook a bonus issue of 21,684,001 new ordinary shares of RM1.00 each in the Company and was credited as fully paid-up, on the basis of 1 Bonus Share for every 2 existing shares held in the Company; and

(ii) undertook a share split involving the subdivision of every one (1) existing ordinary share of RM1.00 into 2 ordinary shares of RM0.50 each.

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

(a) Asset revaluation reserve

The asset revaluation reserve represents increases in the fair value of land and buildings, net of tax, and decreases to the extent that such decreases relate to an increase on the same asset previously recognised in other comprehensive income.

(b) Available-for-sale reserve

Available-for-sale reserve includes the cumulative net change in the fair value of available-for-sale investment held until the investment is derecognised.

29. RETAINED PROFITS

The Company may distribute dividends out of its entire retained earnings as at 31 March 2016 and 31 March 2015 under the single-tier system.

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30. RELATED PARTY DISCLOSURES

(a)

	Group		Company	
	2016	**2015**	**2016**	**2015**
	RM	**RM**	**RM**	**RM**
Rental of farm paid to a related company (1)	690,000	600,000	-	-
Rental of office paid to a director (2)	43,200	43,200	43,200	43,200
Gross dividend income received from a subsidiary company, LTK (Melaka) Sdn. Bhd.	-	-	(10,000,000)	(15,000,000)
Management fee received from subsidiary companies:				
LTK (Melaka) Sdn. Bhd.	-	-	(432,000)	(360,000)
LTK Omega Plus Sdn. Bhd.	-	-	(24,000)	(24,000)
Office rental income received from immediate and ultimate holding company	(12,000)	(8,400)	(12,000)	(8,400)
Fees payable to director and/or firm connected to director (3)	21,364	32,042	-	32,042
Interest income receivable from related companies	-	-	(1,045,295)	(815,193)

(1) The rental of farm paid to LTK Capital Sdn. Bhd., a wholly owned subsidiary of Ladang Ternakan Kelang Sdn. Bhd.

(2) The rental of office paid to Datin Lim Hooi Tin.

(3) This was in respect of fees for professional services payable to director and/or firm connected to director.

(b) Compensation of key management personnel

The remuneration of directors and other members of key management during the financial year was as follows:

	Group		Company	
	2016	**2015**	**2016**	**2015**
	RM	**RM**	**RM**	**RM**
Short-term employee benefits	2,262,142	2,054,236	126,050	116,000
Included in the total key management personnel:				
Directors' remuneration (Note 9(b))	2,262,142	2,054,236	126,050	116,000

Notes to the Financial Statements

For the financial year ended 31 March 2016
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31. OPERATING LEASE ARRANGEMENTS

The Group has entered into a non-cancellable operating lease on its farm and certain properties. These leases have non-cancellable lease term of 3 years. The future minimum lease payments and receivable under non-cancellable operating lease contracted for as at the reporting date but not recognised as liability and asset are as follows:

	Group	
	2016	**2015**
	RM	**RM**
Future minimum rental payments:		
Not later than 1 year	690,000	690,000
Later than 1 year and not later than 3 years	690,000	1,380,000
	1,380,000	2,070,000

32. CAPITAL COMMITMENTS

	Group	
	2016	**2015**
	RM	**RM**
Approved and contracted for:		
Property, plant and equipment	8,700,000	1,028,600
Land held for development	5,805,000	-
Investment property	20,293,030	-
Approved but not contracted for:		
Property, plant and equipment	-	10,072,500
	34,798,030	11,101,100

33. FINANCIAL GUARANTEES

	Company	
	2016	**2015**
	RM	**RM**
Guarantees to licensed financial institutions in respect of credit facilities granted to subsidiaries:		
LTK (Melaka) Sdn. Bhd.	35,603,110	13,516,035
LTK Omega Plus Sdn. Bhd.	-	1,929,000
	35,603,110	15,445,035

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 collateralised by fixed and floating charges over certain properties, plant and equipment and other assets of the Group.

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34. FAIR VALUE OF FINANCIAL INSTRUMENTS

(a) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value:

	Group	
	Carrying Amount	**Fair Value**
	RM	**RM**
2016		
Financial liabilities		
Loan and borrowings (non-current)		
- Fixed rate term loans	1,288,644	1,218,574
2015		
Financial liabilities		
Loan and borrowings (non-current)		
- Fixed rate term loans	2,280,368	2,144,503

(b) Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximate of fair value.

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
Trade and other receivables (current)	20
Amount due from subsidiaries (non-current)	
- with floating rate	20
Loans and borrowings (current)	25
Loans and borrowings (non-current)	
- with floating rate	25
Trade and other payables (current)	24

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.

The carrying amounts of the current portion of loans and borrowings are reasonable approximations of fair values due to the insignificant impact of discounting.

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35. 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 and Company's assets and liabilities:

	Date of valuation	(Level 1) RM	(Level 2) RM	(Level 3) RM	Total RM
Group - At 31 March 2016					
Assets measured at fair value:					
Investment properties (Note 14)	29 March 2016	-	-	3,900,000	3,900,000
Property, plant and equipment					
- Production and sale of poultry and related products	15 February 2015	-	-	57,015,142	57,015,142
- Extraction and sale of sand	13 February 2016	-	-	18,210,000	18,210,000
- Investment holding	27 February 2015	-	-	1,202,252	1,202,252
Investment securities					
Available-for sale (Note 17)					
Quoted shares:					
- In Malaysia	31 March 2016	27,275,677	-	-	27,275,677
- Outside of Malaysia	31 March 2016	234,337	-	-	234,337
Fair value through profit or loss (Note 17)					
Quoted shares:					
- In Malaysia	31 March 2016	4,106,012	-	-	4,106,012
- Outside of Malaysia	31 March 2016	670,896	-	-	670,896
Liabilities for which fair value are disclosed:					
Loans and borrowings (non-current)					
- Fixed rate term loans (Note 34(a))	31 March 2016	-	-	1,218,574	1,218,574
Company- At 31 March 2016					
Assets measured at fair value:					
Property, plant and equipment (Note 13)	27 February 2015	-	-	1,202,252	1,202,252

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

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35. FAIR VALUE MEASUREMENT *Cont'd*

	Date of valuation	(Level 1) RM	(Level 2) RM	(Level 3) RM	Total RM
Group - At 31 March 2015					
Assets measured at fair value:					
Investment properties (Note 14)	12 February 2015	-	-	52,850,000	52,850,000
Property, plant and equipment					
- Production and sale of poultry and related products	15 February 2015	-	-	57,015,142	57,015,142
- Extraction and sale of sand	13 February 2015	-	-	18,210,000	18,210,000
- Investment holding	27 February 2015	-	-	1,202,252	1,202,252
Investment securities					
Available-for sale (Note 17)					
Quoted shares:					
- In Malaysia	31 March 2015	30,300,095	-	-	30,300,095
- Outside of Malaysia	31 March 2015	305,558	-	-	305,558
Fair value through profit or loss (Note 17)					
Quoted shares:					
- In Malaysia	31 March 2015	4,742,630	-	-	4,742,630
- Outside of Malaysia	31 March 2015	770,897	-	-	770,897
Liabilities for which fair value are disclosed:					
Loans and borrowings (non-current)					
- Fixed rate term loans (Note 34(a))	31 March 2015	-	-	2,144,503	2,144,503
Company- At 31 March 2015					
Assets measured at fair value:					
Property, plant and equipment (Note 13)	27 February 2015	-	-	1,202,252	1,202,252

There have been no transfers between Level 1,Level 2 and Level 3 during 2015 .

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35. FAIR VALUE MEASUREMENT *Cont'd*

Description of valuation techniques used and key inputs to valuation on property, plant and equipment categorised within Level 3:

Segment catgeory	Valuation technique	Significant unobservable inputs	Range
At 31 March 2016			
Production and sales of poultry and related products	Market comparable approach	Difference in location, time factor, size, land usage, shape, tenure and main road frontage	-35% to 20%
	Depreciated replacement cost	Estimated replacement cost per square feet	RM8 to RM75
		Depreciation rate	30 to 90%
Extraction and sale of sand	Market comparable approach	Difference in location, time factor, size, land usage, shape, tenure and main road frontage	-30% to 20%
Investment holding	Depreciated replacement cost	Estimated replacement cost per square feet	RM518 to RM629
		Depreciation rate	20%
At 31 March 2015			
Production and sales of poultry and related products	Market comparable approach	Difference in location, time factor, size, land usage, shape, tenure and main road frontage	-35% to 20%
	Depreciated replacement cost	Estimated replacement cost per square feet	RM8 to RM75
		Depreciation rate	30 to 90%
Extraction and sale of sand	Market comparable approach	Difference in location, time factor, size, land usage, shape, tenure and main road frontage	-30% to 20%
Investment holding	Depreciated replacement cost	Estimated replacement cost per square feet	RM518 to RM629
		Depreciation rate	20%

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35. FAIR VALUE MEASUREMENT *Cont'd*

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

Valuation technique	Significant unobservable inputs	Range
At 31 March 2016		
Market comparable approach	Difference in location, time factor, size, land usage,zoning and main road frontage	-5% to 20%
Depreciated replacement cost	Estimated replacement cost per square feet	RM130 to RM160
	Depreciation rate	10%
At 31 March 2015		
Market comparable approach	Difference in location, time factor, size, land usage,zoning and main road frontage	-15% to 10%
Depreciated replacement cost	Estimated replacement cost per square feet	RM130 to RM160
	Depreciation rate	10%

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, and freehold and leasehold land classified as property, plant and equipment are valued using the comparison method.

Depreciated replacement cost method

Completed buildings are valued by reference to the current estimates on construction costs to erect equivalent buildings, taking into consideration of similar accommodation in terms of size, construction, finishes contractors' overheads, fees and profits. Appropriate adjustments are then made for the factors of obsolescence and existing physical condition of the building.

36. 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 Group Accountant. 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 year, the Group'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.

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36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *Cont'd*

The following sections provide details regarding the Group's and 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 arises 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 RM35,603,110 (2015: RM15,445,035) relating to corporate guarantees provided by the Company to licensed financial institutions on certain subsidiaries' bank loans and credit facilities (Note 33).

Information regarding credit enhancements for trade and other receivables is disclosed in Note 20(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			
	2016		2015	
	RM	% of total	RM	% of total
By industry sectors:				
Poultry and related products	10,359,340	95%	10,447,256	91%
Sand extraction and sale	581,606	5%	882,980	8%
Others	-	-	115,350	1%
	10,940,946	100%	11,445,586	100%

There was no significant concentration of credit risk except for subsidiaries under the poultry and related products sector which have significant concentration of credit risk in the form of outstanding debts due from 6 (2015: 6) customers representing approximately 43% (2015: 41%) of the subsidiaries' trade receivables.

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36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *Cont'd*

(a) Credit risk *Cont'd*

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 20. 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 20.

(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 is to maintain a balance between continuity of funding and flexibility through the 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 77% (2015: 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.

	2016			
	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	12,980,581	-	-	12,980,581
Loans and borrowings	28,308,802	7,752,206	2,117,622	38,178,630
Total undiscounted financial liabilities	41,289,383	7,752,206	2,117,622	51,159,211

	2015			
	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	8,290,093	-	-	8,290,093
Loans and borrowings	9,956,090	6,298,650	-	16,254,740
Total undiscounted financial liabilities	18,246,183	6,298,650	-	24,544,833

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *Cont'd*

(b) Liquidity risk *Cont'd*

	On demand or within one year	
	2016	**2015**
	RM	**RM**
Company		
Financial liabilities:		
Trade and other payables, representing total undiscounted financial liabilities	192,630	1,044,866

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and 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 Company monitors 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 lower/higher, with all other variables held constant, the Group's profit net of tax would have been RM29,505 (2015: RM23,792) higher/lower, arising mainly as a result of lower/higher 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 Group, Malaysian Ringgit ("RM"). The foreign currencies in which these transactions are denominated are mainly Singapore Dollar ("SGD"), US Dollar ("USD") and European Dollar ("EURO").

The Group is also exposed to currency translation risk arising from its investments in foreign investment securities denominated in Hong Kong Dollar ("HKD").

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36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *Cont'd*

(d) Foreign currency risk *Cont'd*

The net unhedged financial assets and financial liabilities of the Group as at 31 March that are not denominated in their functional currencies are as follows:

	EURO RM	SGD RM	USD RM	HKD RM	Total RM
Functional currency in Ringgit Malaysia					
At 31 March 2016					
Trade and other receivables	-	2,489,508	-	931,796	3,421,304
Trade and other payables	-	-	(10,172)	-	(10,172)
Investment securities	-	-	-	905,233	905,233
	-	2,489,508	(10,172)	1,837,029	4,316,365
At 31 March 2015					
Trade and other receivables	-	2,100,617	-	667,961	2,768,578
Trade and other payables	(176,320)	-	(30,602)	-	(206,922)
Investment securities	-	-	-	1,076,455	1,076,455
	(176,320)	2,100,617	(30,602)	1,744,416	3,638,111

<u>Sensitivity analysis for foreign currency risk</u>

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, USD, EURO and HKD exchange rates against the Group's functional currency, with all other variables held constant.

		Group Increase/(Decrease) in profit, net of tax 2016 RM	Group Increase/(Decrease) in profit, net of tax 2015 RM
SGD/RM	- strengthened 3%	74,685	63,019
	- weakened 3%	(74,685)	(63,019)
USD/RM	- strengthened 3%	(305)	(918)
	- weakened 3%	305	918
EURO/RM	- strengthened 3%	-	(5,290)
	- weakened 3%	-	5,290
HKD/RM	- strengthened 3%	55,111	52,332
	- weakened 3%	(55,111)	(52,332)

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *Cont'd*

(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 Hang Seng Index ("HSI") in Hong Kong. These instruments are classified as held for trading or available-for-sale financial assets. The Group is also exposed to commodity price risk.

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 Board of Directors.

<u>Sensitivity analysis for equity price risk</u>

At the reporting date, if the FTSE Bursa Malaysia KLCI had been 5% higher/lower, with all other variables held constant, the Group's profit net of tax would have been RM205,300 (2015: RM237,132) higher/lower, arising as a result of higher/lower fair value gains on investments in equity instruments classified as fair value through profit and loss, and the Group's other reserve in equity would have been RM1,363,784 (2015: RM1,515,005) higher/lower, arising as a result of an increase/decrease in the fair value of equity instruments classified as available-for-sale.

At the reporting date, if the HSI had been 5% higher/lower, with all other variables held constant, the Group's profit net of tax would have been RM33,545 (2015: RM38,545) higher/lower, arising as a result of higher/lower fair value gains on investments in equity instruments classified as fair value through profit and loss, and the Group's other reserve in equity would have been RM11,717 (2015: RM15,278) higher/lower, arising as a result of an increase/decrease in the fair value of equity instruments classified as available-for-sale.

(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.

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

<u>Sensitivity analysis for commodity price risk</u>

At the reporting date, 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 RM2,852,684 (2015: RM2,711,686) lower/higher.

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37. SEGMENT INFORMATION

The Group is organised into four major business segments:

(i) Production and sale of poultry and related products - the production and sales of chicken eggs, chickens and organic fertilisers.

(ii) Extraction and sale of sand - the mining and sale of sand.

(iii) Investment holding - investment activities in quoted and unquoted securities as well as investment properties held by the Group on a long term basis.

(iv) Others - property development segment, inactive companies and companies in its pre-operating phase.

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.

There is no disclosure of geographical segment as the Group operates principally within Malaysia.

37. SEGMENT INFORMATION *Cont'd*

	Production and Sale of Poultry and Related Products		Extraction and Sale of Sand		Investment Holding		Others		Elimination		Group	
	2016 RM	2015 RM	2016 RM	2015 RM	2016 RM	2015 RM	2016 RM	2015 RM	2016 RM	2015 RM	2016 RM	2015 RM
Revenue												
External sales	166,060,432	188,685,634	2,933,593	3,951,336	-	-	-	-	-	-	168,994,025	192,636,970
Inter-segment sales	421,361	357,420	21,681	17,338	10,456,000	15,384,000	-	-	(10,899,042)	(15,758,758)	-	-
Total revenue	166,481,793	189,043,054	2,955,274	3,968,674	10,456,000	15,384,000	-	-	(10,899,042)	(15,758,758)	168,994,025	192,636,970
Result												
Dividend from subsidiary	-	-	-	-	10,000,000	15,000,000	-	-	(10,000,000)	(15,000,000)	-	-
Segment results	18,944,225	47,205,908	1,120,307	2,330,076	(1,240,536)	12,652,958	(454,427)	(1,496,595)	(697,443)	(412,643)	17,672,126	60,279,704
Total segment results	18,944,225	47,205,908	1,120,307	2,330,076	8,759,464	27,652,958	(454,427)	(1,496,595)	(10,697,443)	(15,412,643)	17,672,126	60,279,704
Finance costs											(789,903)	(842,062)
Profit before tax											16,882,223	59,437,642
Income tax expense											(5,236,958)	(13,304,140)
Profit for the year											11,645,265	46,133,502
Assets												
Segment assets	152,495,606	134,427,626	8,287,650	8,506,510	154,907,220	147,622,931	36,307,068	12,676,307	(69,665,291)	(43,687,537)	282,332,253	259,545,837
Liabilities												
Segment liabilities	9,678,955	7,755,321	1,984,544	1,009,464	6,258,728	5,385,376	1,240,060	227,838	(2,929,107)	(1,751,107)	16,233,180	12,626,892
Unallocated corporate liabilities											43,361,367	25,540,277
Consolidated total liabilities											59,594,547	38,167,169
Other Information												
Capital expenditure	4,941,613	7,801,065	7,678	-	19,850	10,480	-	-	-	-	4,969,141	7,811,545
Depreciation and amortisation	6,620,004	7,356,001	78,253	189,274	505,492	666,336	749	770	(421,384)	(389,540)	6,783,114	7,822,841
Impairment losses	289,328	337,864	83,556	2,000	2,483,495	1,277,930	-	-	-	-	2,856,379	1,617,794
Non-cash expenses other than depreciation amortisation and impairment loss	41,955	33,328	289	3,163	501,346	453,875	785	-	-	-	544,375	490,366

The above eliminations were made for intercompany transactions.

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38. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group 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 2016 and 31 March 2015.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes 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 asset revaluation reserve.

	Group		Company	
	2016	**2015**	**2016**	**2015**
	RM	**RM**	**RM**	**RM**
Loans and borrowings	35,603,110	15,445,099	-	-
Trade and other payables	12,980,581	8,290,093	192,630	1,044,866
Less: Cash and bank balances	(42,884,353)	(37,644,882)	(12,956,394)	(13,908,477)
Net debt/(cash)	5,699,338	(13,909,690)	(12,763,764)	(12,863,611)
Equity attributable to the owners of the parent	222,737,706	221,378,668	89,507,225	86,157,535
Less:				
Asset revaluation reserve	(35,925,008)	(36,162,875)	(233,531)	(233,531)
Available for sale reserve	(2,461,910)	(5,802,542)	-	-
Total capital	184,350,788	179,413,251	89,273,694	85,924,004
Capital and net debt	190,050,126	165,503,561	76,509,930	73,060,393
Gearing ratio	3%	-	-	-

39. SIGNIFICANT EVENT

(i) On 21 January 2016, LTK Melaka Sdn. Bhd., a wholly owned subsidiary entered into a sale and purchase agreement to purchase a parcel of freehold land measuring 7,841 square meters located at GM 62 Lot 1402 Mukim of Petaling, State of Kuala Lumpur for a total consideration of RM27,436,700. A deposit of RM2,743,670 was paid during the financial year representing 10% of the total consideration with another RM4,400,000 paid on 29 March 2016 as redemption sum for release of charge by chargee bank in accordance with the terms and conditions of the sale and purchase agreement.

(ii) In addition to the above, LTK (Melaka) Sdn. Bhd. entered into agreement with the vendors of a parcel of freehold land adjoined to the land acquired in Note 39 (i) above: Known as GM 1603 Lot 1401, Mukim of Petaling, State of Kuala Lumpur measuring 4,047 square metres, to acquire the land for a total consideration of RM 12,563,300. A deposit of RM 1,256,330 representing 10% of the total consideration was paid during the financial year to the solicitors as stakeholders pending execution of the sales and purchase agreement.

Notes to the Financial Statements

For the financial year ended 31 March 2016
cont'd

40. SUBSEQUENT EVENTS

(i) On 5 April 2016, Jarom Firstville Sdn. Bhd., a wholly owned subsidiary of the Company entered into a sale and purchase agreement to purchase a parcel of freehold land measuring 20,486 square metres located at Lot 1061, Jenjarom, District of Kuala Langat, Selangor for a total consideration of RM6,450,000. A deposit of RM645,000 was paid on 25 March 2016 representing 10% of the total consideration.

(ii) On 13 June 2016, LTK Properties Sdn. Bhd. and LTK Development Sdn. Bhd., both wholly owned subsidiaries of the Company entered into sale and purchase agreements 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.

41. SUPPLEMENTARY INFORMATION - BREAKDOWN OF RETAINED PROFITS INTO REALISED AND UNREALISED

The breakdown of the retained profits of the Group and of the Company as at 31 March 2016 into realised and unrealised profits/(losses) is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Listing Requirements of Bursa Malaysia Securities Berhad, as issued by the Malaysian Institute of Accountants.

	Group		**Company**	
	2016	**2015**	**2016**	**2015**
	RM	**RM**	**RM**	**RM**
Total retained profits of the Group and the Company				
- Realised profits	96,678,466	101,294,404	24,221,480	40,088,688
- Unrealised gain	14,866,553	13,406,848	211	211
	111,545,019	114,701,252	24,221,691	40,088,899
Add: Consolidation adjustments	7,753,766	18,876,894	-	-
Retained profits as per financial statements	119,298,785	133,578,146	24,221,691	40,088,899

List of Properties
As at 31 March 2016

Location	Existing use & description	Approximate Area	Tenure	Remaining Lease Period (Expiry Date)	Age of buildings	Net Book Value As At 31.3.16 (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	-	Approx 28 years	53.52*	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	-	-	14.50	March 2016 (Revaluation)
Lot Nos. 270, 271 and 272, Mukim Jus, District of Jasin, Melaka	Oil palm plantation	32.3 acres	Leasehold	41 years (21.03.2057)	-	2.20	February 2015 (Revaluation)
Lot No. 165, Mukim Jus, District of Jasin, Melaka	Oil palm plantation	8.51 acres	Freehold	-	-	1.45	February 2015 (Revaluation)
Lot No. 1729, Mukim of Kapar, Klang, Selangor	Vacant land	1.76 acres	Freehold	-	-	3.90	March 2016 (Revaluation)
No. 100, Batu 1 ½, Jalan Meru 41050 Klang, Selangor	3 storey shop house for own use	1,430 sq. ft	Freehold	-	35 years	1.14	March 2016 (Revaluation)
PT 71510 (formerly under Geran Mukim 9486 Lot 5998), Mukim Kapar, Daerah Klang, Selangor	Land with factory building held for sale	2.1284 hectare	Freehold	-	6 years	26.00*	February 2015 (Revaluation)
Lot 421,422,435,436; Mukim Tanjung Dua Belas, Daerah Kuala Langat	Land held for development	8.5237 hectare	Freehold	-	-	22.95	March 2016 (Revaluation)

* *Net book value of both land and building*

Analysis of Shareholdings
As at 30 June 2016

AUTHORISED SHARE CAPITAL	:	RM200,000,000.00
ISSUED AND PAID-UP SHARE CAPITAL	:	RM65,052,003.00 divided into 130,104,006 Ordinary Shares of RM0.50 each
CLASS OF SHARES	:	Ordinary Shares of RM0.50 each
VOTING RIGHTS	:	One (1) Vote per Ordinary Share

ANALYSIS BY SIZE OF SHAREHOLDINGS AS AT 30 JUNE 2016

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
Less than 100	53	2.28	1,114	0.00
100 to 1,000	227	9.78	146,470	0.11
1,001 to 10,000	1,429	61.54	6,331,000	4.87
10,001 to 100,000	548	23.60	15,714,900	12.08
100,001 to 6,505,199 *	64	2.76	28,125,516	21.62
6,505,200 and above **	1	0.04	79,785,006	61.32
Total	**2,322**	**100.00**	**130,104,006**	**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 30 JUNE 2016

	Shareholdings			
Name	Direct	%	Indirect	%
Ladang Ternakan Kelang Sdn. Berhad	79,785,006	61.32	-	-
Datuk Tan Kok	3,458,116	2.66	84,285,906(1)	64.78
Datin Lim Hooi Tin	600,000	0.46	84,285,906(2)	64.78

(1) *Deemed interested by virtue of his substantial shareholdings in Ladang Ternakan Sdn Berhad pursuant to Section 6A(4) of the Companies Act, 1965 and pursuant to Section 134(12)(c) of the Companies (Amendment) Act, 2007.*

(2) *Deemed interested by virtue of being the spouse of Datuk Tan Kok, a substantial shareholder of Ladang Ternakan Sdn Berhad, which is a substantial shareholder of LTKM Berhad and pursuant to Section 134(12)(c) of the Companies (Amendment) Act, 2007.*

DIRECTORS' SHAREHOLDINGS AS AT 30 JUNE 2016

	Shareholdings			
Name	Direct	%	Indirect	%
Datuk Tan Kok	3,458,116	2.66	84,285,906(1)	64.78
Datin Lim Hooi Tin	600,000	0.46	84,285,906(2)	64.78
Tan Chee Huey	312,000	0.24	2,634,000(3)	2.02
Ooi Hoy Bee @ Ooi Hooi Bee	150,000	0.12	-	-
Ravindran Markandu	15,000	0.01	-	-

(1) *Deemed interested by virtue of his substantial shareholdings in Ladang Ternakan Sdn Berhad pursuant to Section 6A(4) of the Companies Act, 1965 and pursuant to Section 134(12)(c) of the Companies (Amendment) Act, 2007.*

(2) *Deemed interested by virtue of being the spouse of Datuk Tan Kok, a substantial shareholder of Ladang Ternakan Sdn Berhad, which is a substantial shareholder of LTKM Berhad and pursuant to Section 134(12)(c) of the Companies (Amendment) Act, 2007.*

(3) *Deemed interested pursuant to Section 6A(4) of the Companies Act, 1965 and Section 134(12)(c) of the Companies (Amendment) Act, 2007.*

Analysis of Shareholdings

As at 30 June 2016
cont'd

THIRTY (30) LARGEST SHAREHOLDERS AS PER THE RECORD OF DEPOSITORS AS AT 30 JUNE 2016

No.	Name	No. of Shares	%
1.	Ladang Ternakan Kelang Sdn. Berhad	79,785,006	61.32
2.	Tan Kok	3,458,116	2.66
3.	Phuah Chai Tin	3,317,300	2.55
4.	YBJ Capital Sdn Bhd	2,634,000	2.02
5.	Tiew Lee Lee	1,377,600	1.06
6.	Kok Chiew Heng	1,148,500	0.88
7.	Phuah Siew Wah	1,090,100	0.84
8.	Ng Chew Kee	804,800	0.62
9.	Yong Nget Min	785,400	0.60
10.	Lee Tong Choo	762,900	0.59
11.	Maybank Nominees (Tempatan) Sdn. Bhd. *- Lim Hooi Tin*	600,000	0.46
12.	Chia Song Kang	560,800	0.43
13.	Hup Hong Lee Trading Sdn Bhd	531,900	0.41
14.	Tan Yee Boon	502,800	0.39
15.	Public Nominees (Tempatan) Sdn Bhd *- Pledged Securities Account for Tan Soon Hui (E-SJA)*	480,500	0.37
16.	Tan Yee Boon	450,000	0.35
17.	Gan Tiong Sew	426,000	0.33
18.	Tan Yee Boon	422,100	0.32
19.	Chia Song Swa	367,800	0.28
20.	Tan Yee Siong	341,700	0.26
21.	Maybank Nominees (Tempatan) Sdn Bhd *- Chooi Heong Yeng*	312,400	0.24
22.	Tan Chee Huey	312,000	0.24
23.	Teh Kim Lan	300,000	0.23
24.	Chai Koon Khow	293,900	0.23
25.	Yew Ah Kow	288,000	0.22
26.	Hock Soon Poultry Farm Sdn Bhd	282,000	0.22
27.	Cimsec Nominees (Tempatan) Sdn Bhd *- Pledged Securities Account for Lee Chee Gaip (T-MLKRAYA-CL)*	270,600	0.21
28.	Lee Tong Choo	261,000	0.20
29.	Ong Boon Leng	255,000	0.20
30.	Kenanga Nominees (Tempatan) Sdn Bhd *- Quek Chong Ai @ Kuek Chong Ai (PCS)*	254,700	0.19
	Total	**102,676,922**	**78.92**

Notice of Nineteenth Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Nineteenth Annual General Meeting of the Company will be held at Merrida Hotel, No. 18A, Lebuh Enggang, Off Persiaran Sultan Ibrahim, 41050 Klang, Selangor Darul Ehsan, Malaysia on Monday, 5 September 2016 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 2016 together with the Directors' and Auditors' Reports thereon.

2. To approve a single-tier Final Dividend of 3% or 1.5 sen per ordinary share of RM0.50 each for the financial year ended 31 March 2016. ***Resolution 1***

3. To approve the Directors' fees for the financial year ended 31 March 2016. ***Resolution 2***

4. To re-elect Ir. Kamarudin bin Md Derom who is retiring in accordance with Article 83 of the Company's Articles of Association. ***Resolution 3***

5. To re-elect the following Directors who are retiring in accordance with Article 87 of the Company's Articles of Association.

   a) Ms. Tan Chee Huey ***Resolution 4***
   b) Mdm. Ooi Hoy Bee @ Ooi Hooi Bee ***Resolution 5***

6. To re-appoint Messrs. Ernst & Young as Auditors and to authorise the Board of Directors to fix their remuneration. ***Resolution 6***

SPECIAL BUSINESS

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

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

     "**THAT** pursuant to Section 132D of the Companies Act, 1965, the Directors be and are hereby authorised to allot and issue shares in the Company at any time until the conclusion of the next Annual General Meeting and 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 and paid-up share capital of the Company for the time being, subject always to the approvals of the relevant regulatory authorities." ***Resolution 7***

8. **Ordinary Resolution**
   - **Proposed Authority for the Company to Purchase its own Ordinary Shares of up to Ten Per Cent (10%) of the Issued and Paid-Up Share Capital of the Company ("Proposed Share Buy-Back Authority")**

     "**THAT** subject to the Companies Act, 1965, provisions of the Company's Memorandum and Articles of Association 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 authorised to purchase and/or hold such amount of its ordinary shares on the market of Bursa Securities at any time upon such term and conditions as the Directors in their absolute discretion deem fit and expedient in the best interest of the Company ("**Proposed Share Buy-Back**") 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 and paid-up share capital of the Company;

Notice of Nineteenth Annual General Meeting
cont'd

(b) the maximum amount of funds to be allocated by the Company for the purpose of purchasing its shares shall not exceed the retained profits and/or share premium account of the Company based on the latest audited financial statements;

(c) upon completion of the purchase(s) of the share by the Company, the shares shall be dealt with 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 after that date 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.

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 Proposed Share Buy-Back 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 connection with the Proposed Share Buy-back in the interest of the Company." ***Resolution 8***

9. **Ordinary Resolution**
- **Authority for Ir. Kamarudin bin Md Derom To Continue In Office as Independent Non-Executive Director**

"**THAT** Ir. Kamarudin bin Md Derom who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, be and is hereby authorised to continue to act as Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting in accordance with the Malaysian Code on Corporate Governance 2012." ***Resolution 9***

Notice of Nineteenth Annual General Meeting
cont'd

ANY OTHER BUSINESS

10. To transact any other business of the Company of which due notice shall have been given in accordance with the Company's Articles of Association and the Companies Act, 1965.

NOTICE OF DIVIDEND ENTITLEMENT

NOTICE IS HEREBY GIVEN THAT a single-tier Final Dividend of 3% or 1.5 sen per ordinary share of RM0.50 each in respect of the financial year ended 31 March 2016, if approved by the members, will be payable on 6 October 2016 to Depositors registered in the Record of Depositors as at the close of business on 15 September 2016.

A Depositor shall qualify for entitlement only in respect of:-

a) Shares transferred to the Depositor's Securities Account before 4.00 p.m. on 15 September 2016 in respect of ordinary transfers; and

b) Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

By Order Of The Board
LTKM BERHAD

NG YIM KONG
Company Secretary

Selangor Darul Ehsan
Dated: 29 July 2016

Notes:

a) *A member of the Company entitled to attend 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 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 and the provision of Section 149(1)(b) of the Companies Act, 1965 shall not apply.*

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 instrument appointing a Proxy must be deposited at the Registered Office of the Company at Unit 07-02, Level 7, Persoft Tower, 6B Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan not less than forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof at which the person named in the instrument proposes to vote, and in default the instrument of Proxy shall not be treated as valid.*

Notice of Nineteenth Annual General Meeting
cont'd

Explanatory Notes on Special Business

a) Resolution 7 - Authority for Directors to Allot and Issue Shares

The proposed Resolution 7 under item 6 of the Agenda, 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 up to an amount not exceeding in total 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 Eighteenth Annual General Meeting held on 27 August 2015. 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 did not issue any shares pursuant to the mandate granted to the Directors at the Eighteenth Annual General Meeting because there was no need for any fund raising activity for the purpose of investment, acquisition or working capital.

b) Resolution 8 - Proposed Share Buy-Back Authority

The proposed Resolution 8, if passed will empower the Company to purchase and/or hold up to 10% of the issued and paid-up 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 conclusion of the next AGM of the Company.

Please refer to the Proposed Share Buy-Back Circular dated 29 July 2016 which is dispatched together with this Annual Report for further information.

c) Resolution 9 - Authority for Ir. Kamarudin bin Md Derom to continue in office as Independent Non-Executive Director of the Company pursuant to the Malaysian Code on Corporate Governance 2012

Ir. Kamarudin bin Md Derom was appointed as an Independent Non-Executive Director of the Company on 23 December 1999 and has therefore served for more than nine (9) years as at the forthcoming Seventeenth Annual General Meeting. However, he has met the independence criteria as set out in Chapter 1 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("MMLR"). The Board based on the review and recommendation made by the Nomination Committee, therefore, considers him to be independent and recommends that he should continue to act as Independent Non-Executive Director. Further rationale for his retention as Independent Non-Executive Director can be found on Page 16 of this Annual Report.

GENERAL MEETING RECORD OF DEPOSITORS

For the purpose of determining a member who shall be entitled to attend this meeting, the Company will request Bursa Malaysia Depository Sdn Bhd in accordance with Article 33 of the Company's Articles of Association and Section 34(1) of the Securities Industry (Central Depositories) Act 1991, to issue a General Meeting Record of Depositors as at 30 August 2016. Only depositor whose name appears on the Records of Depositors as at 30 August 2016 shall be entitled to attend this meeting or appoint proxy/proxies to attend and/or vote in his/her stead.

FORM OF PROXY

LTKM BERHAD
(Company No. 442942-H)
(Incorporated in Malaysia)

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

of ____
(Full Address)

being a Member of **LTKM BERHAD** hereby appoint ______________________________

______________________________ (NRIC No./Passport No.) ______________
(Full Name in Capital Letters)

of ____
(Full Address)

or failing him/(her) ______________________________ (NRIC No./Passport No.) ______________
(Full Name in Capital Letters)

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 Nineteenth Annual General Meeting to be held at Merrida Hotel, No. 18A, Lebuh Enggang, Off Persiaran Sultan Ibrahim, 41050 Klang, Selangor Darul Ehsan on Monday, 5 September 2016 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.

Resolution	Subject	For	Against
1	**Ordinary Business** To approve a single-tier Final Dividend of 3% or 1.5 sen per ordinary share of RM0.50 each for the financial year ended 31 March 2016.		
2	To approve the Directors' fees for the financial year ended 31 March 2016.		
3	To re-elect Ir. Kamarudin bin Md Derom who is retiring in accordance with Article 83 of the Company's Articles of Association.		
4	To re-elect Ms. Tan Chee Huey who is retiring in accordance with Article 87 of the Company's Articles of Association.		
5	To re-elect Mdm. Ooi Hoy Bee @ Ooi Hooi Bee who is retiring in accordance with Article 87 of the Company's Articles of Association.		
6	To re-appoint Messrs. Ernst & Young as Auditors and to authorise the Board of Directors to fix their remuneration.		
7	**Special Business** Authority for Directors to Allot and Issue shares under Section 132D of the Companies Act, 1965.		
8	Proposed Authority for the Company to Purchase its own Ordinary Shares of up to Ten Per Cent (10%) of the Issued and Paid-Up Share Capital of the Company ("Proposed Share Buy-Back Authority")		
9	To approve Ir. Kamarudin bin Md Derom to continue in office as Independent Non-Executive Director.		

* *Strike out whichever is not applicable.*

Dated this __________ day of ______________________, 2016

Number of shares held

____
Signature of Member/Common Seal

Notes:

a) A member of a Company entitled to attend and vote at a meeting of a 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 and vote instead of the member at the meeting. 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 thousand (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) ordinary shares.

c) A Proxy may but need not be a member of the Company and the provision of Section 149(1)(b) of the Companies Act, 1965 shall not apply.

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 instrument appointing a Proxy must be deposited at the Registered Office of the Company at Unit 07-02, Level 7, Persoft Tower, 6B Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan not less than forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof at which the person named in the instrument proposes to vote, and in default the instrument of Proxy shall not be treated as valid.

Fold This Flap For Sealing

Then Fold Here

AFFIX
STAMP

The Company Secretary

LTKM BERHAD
(Company No. 442942-H)
Unit 07-02, Level 7, Persoft Tower
6B Persiaran Tropicana
Tropicana Golf & Country Resort
47410 Petaling Jaya
Selangor Darul Ehsan

1st Fold Here