

**LTKM Berhad (Company No: 442942-H)**  
**Condensed Consolidated Statement of Comprehensive Income**  
**For the quarter ended 31 December 2017**

	Note	Individual Quarter		Cumulative Quarter	
		3 months ended		9 months ended	
		31/12/2017	31/12/2016	31/12/2017	31/12/2016
		RM'000	RM'000	RM'000	RM'000
Revenue		45,901	42,789	130,526	129,240
Cost of sales		(38,268)	(35,228)	(113,660)	(102,881)
Gross profit		7,633	7,561	16,866	26,359
Other income		452	1,166	2,701	3,062
Administrative expenses		(1,996)	(2,328)	(6,368)	(6,962)
Distribution expenses		(991)	(872)	(2,891)	(2,595)
Finance costs		(1,414)	(1,191)	(3,988)	(2,647)
Other expenses		(170)	(618)	(472)	(1,832)
Profit before tax		3,514	3,718	5,848	15,385
Taxation	B5	(1,911)	(1,681)	(3,400)	(5,147)
<b>Profit net of tax attributable to owners of the parent</b>		<b>1,603</b>	<b>2,037</b>	<b>2,448</b>	<b>10,238</b>
Other comprehensive income, net of tax :					
Net change on AFS reserves :					
- (reversal of gain)/gain on fair value changes		(2,746)	(1,688)	(3,498)	(2,497)
- impairment loss transferred to profit or loss		-	411	68	1,394
- profit transferred to profit or loss upon disposal		(4)	(11)	(876)	(181)
<b>Total comprehensive (loss)/income attributable to owners of the parent</b>		<b>(1,147)</b>	<b>749</b>	<b>(1,858)</b>	<b>8,954</b>
<b>Basic earnings per share attributable to owners of the parent (sen) :</b>	B11	1.23	1.57	1.88	7.87

The condensed consolidated income statement should be read in conjunction with the audited financial statements for the year ended 31 March 2017 and the accompanying explanatory notes attached to the interim financial statements.

**LTKM Berhad (Company No: 442942-H)**  
**Condensed Consolidated Statement of Financial Position**  
**As at 31 December 2017**

	Note	As at 31 Dec 2017	As at 31 Mar 2017
		RM'000	RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		99,179	97,333
Investment properties		103,295	103,295
Land held for development		34,331	33,758
Biological assets		309	325
Deferred tax assets		125	125
Investment securities		30,108	35,704
		<u>267,347</u>	<u>270,540</u>
<b>Current assets</b>			
Biological assets		15,232	14,321
Inventories		21,642	16,325
Trade receivables		12,444	8,813
Other receivables		4,660	5,683
Prepayments		358	293
Tax recoverables		249	337
Cash and bank balances		25,855	26,490
		<u>80,440</u>	<u>72,262</u>
<b>TOTAL ASSETS</b>		<u>347,787</u>	<u>342,802</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Attributable to equity holders of the parent</b>			
Share capital		65,052	65,052
Reserves		169,186	172,590
<b>Total equity</b>		<u>234,238</u>	<u>237,642</u>
<b>Non-current liabilities</b>			
Borrowings	B7	66,086	65,161
Deferred tax liabilities		7,170	7,170
		<u>73,256</u>	<u>72,331</u>
<b>Current liabilities</b>			
Trade payables		6,571	5,498
Other payables		5,823	5,955
Dividend payable		-	1,952
Borrowings	B7	27,203	19,290
Taxation		696	134
		<u>40,293</u>	<u>32,829</u>
<b>Total liabilities</b>		113,549	105,160
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>347,787</u>	<u>342,802</u>

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 31 March 2017 and the accompanying explanatory notes attached to the interim financial statements.

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

	9 months ended 31 December	
	2017	2016
	RM'000	RM'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	5,848	15,385
Adjustment for non-cash flow		
Depreciation of property, plant & equipment	5,466	4,942
Amortisation of biological assets	16	15
Gain on disposal of property, plant and equipment	-	(91)
Share option granted under ESOS	406	-
Gain on disposal of investment securities	(33)	(72)
Net fair value gain on AFS investment securities transferred from equity upon disposal	(876)	(181)
Impairment loss on AFS investment securities	68	1,394
Net fair value (gain)/loss on FVTPL investment securities	(348)	257
Unrealised loss/(gain) on foreign exchange	201	(78)
Dividend income from investment securities	(675)	(701)
Interest expense	3,988	2,647
Interest income	(273)	(694)
Operating profit before working capital changes	<u>13,788</u>	<u>22,823</u>
Working capital changes in:		
Land held for development	-	(6,040)
Property development costs	(573)	-
Biological assets	(911)	99
Inventories	(5,317)	7,743
Receivables	(2,739)	(2,123)
Payables	941	2,844
Cash generated from operating activities	<u>5,189</u>	<u>25,346</u>
Net taxes paid	(2,749)	(4,418)
Interest paid	(3,988)	(2,647)
Net cash (used in)/generated from operating activities	<u>(1,548)</u>	<u>18,281</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of:		
Property, plant & equipment	(7,312)	(7,696)
Investment securities	(593)	(796)
Investment property	-	(96,101)
Proceeds from disposal of:		
Property, plant and equipment	-	95
Investment securities	2,935	1,068
Investment property	-	23,400
Interest received	273	694
Dividend received from investment securities	675	701
Net cash used in investing activities	<u>(4,022)</u>	<u>(78,635)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividends paid	(3,903)	(5,204)
Net drawdown of term loans	637	63,170
Net drawdown/(repayment) of other bank borrowings	8,201	(10,485)
Net cash generated from financing activities	<u>4,935</u>	<u>47,481</u>
Net change in cash and cash equivalents	(635)	(12,873)
Cash and cash equivalents at 1 April	<u>26,490</u>	<u>42,885</u>
Cash and cash equivalents at end of the period	<u><u>25,855</u></u>	<u><u>30,012</u></u>
Cash and cash equivalents comprise the following amounts:-		
Deposits with licensed banks	14,943	14,174
Cash on hand and at bank	10,912	15,838
Cash and bank balances	<u>25,855</u>	<u>30,012</u>
	<u><u>25,855</u></u>	<u><u>30,012</u></u>

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 March 2017 and the accompanying explanatory notes attached to the interim financial statements.

**LTKM Berhad (Company No: 442942-H)**  
**Condensed Consolidated Statements of Changes in Equity**  
**For the quarter ended 31 December 2017**

	←-----Attributable to equity holders of the parent----->						Total equity RM'000
	[------(Non- distributable)-----]			(Distributable)			
	Share capital RM'000	Share premium RM'000	Asset revaluation reserve RM'000	Available -for-sale reserve RM'000	Other reserve RM'000	Retained profits RM'000	
<b>9 months ended 31 December 2017</b>							
At 1 April 2017	65,052	-	37,310	7,416	-	127,864	237,642
<b>Total comprehensive income</b>	-	-	-	(4,306)	406	2,448	(1,452)
<b>Transactions with owners</b>							
Dividends	-	-	-	-		(1,952)	(1,952)
At 31 December 2017	65,052	-	37,310	3,110	406	128,360	234,238
<b>9 months ended 31 December 2016</b>							
At 1 April 2016	65,052	-	35,925	2,462		119,299	222,738
<b>Total comprehensive income</b>	-	-	-	(1,284)		10,238	8,954
<b>Transactions with owners</b>							
Dividends	-	-	-	-		(1,952)	(1,952)
At 31 December 2016	65,052	-	35,925	1,178		127,585	229,740

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 March 2017 and the accompanying explanatory notes attached to the interim financial statements.

## **PART A – Explanatory Notes Pursuant to FRS 134 – Paragraph 16**

### **A1. Basis of Preparation**

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

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 March 2017. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 March 2017.

The accounting policies and methods of computation adopted in the interim financial statements are consistent with those of the audited financial statements for the year ended 31 March 2017, except for the adoption of the following new and revised Financial Reporting Standards (“FRS”) and Amendments to FRSs that have become effective for the financial periods beginning 1 April 2017: -

Description	Effective date for financial periods beginning on or after
FRS 107: Disclosures Initiatives (Amendments to MFRS 107)	1 January 2017
FRS 112: Recognition of Deferred Tax for Unrealised Losses (Amendments to MFRS 112)	1 January 2017
Amendment to FRS 12: Disclosure of Interest in Other Entities (Annual Improvements to FRS Standards 2014-2016 Cycle)	1 January 2017

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

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

Description	Effective date for financial periods beginning on or after
Amendments to FRS 10 and FRS 128: Sale or Contribution of Assets between an Investor and Its Associate or Joint Venture	Deferred

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

#### Amendments to FRS 10 and FRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments clarify that:

- Gains and losses resulting from transactions involving assets that do not constitute a business, between investor and its associate or joint venture are recognized in the entity’s financial statements only to the extent of unrelated investors’ interest in the associate or joint venture; and

- Gains and losses resulting from transactions involving the sale or contribution of assets to an associate of a joint venture that constitute a business is recognized in full.

The amendments are to be applied prospectively to the sale or contribution of assets occurring in annual periods beginning on or after a date to be determined by Malaysian Accounting Standards Board. Earlier application is permitted. These amendments are not expected to have any impact on the Group.

#### Malaysian Financial Reporting Standards

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

### A2. Audit Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the year ended 31 March 2017 was not qualified.

### A3. Segmental Information

	3 months ended		Increase/ (decrease) %	6 months ended		Increase/ (decrease) %
	31-Dec-17 RM'000	31-Dec-16 RM'000		31-Dec-17 RM'000	31-Dec-16 RM'000	
<b>Segment revenue</b>						
Poultry & related products	44,986	42,198	7%	127,927	127,428	0.39%
Extraction & sale of sand	825	591	40%	2,329	1,812	29%
Investment holdings	90	-	0%	270	-	0%
<b>Total</b>	<b>45,901</b>	<b>42,789</b>	<b>7%</b>	<b>130,526</b>	<b>129,240</b>	<b>1%</b>
<b>Segment results</b>						
Segment profit :						
Poultry & related products	4,458	4,900	-9%	7,233	18,408	-61%
Investment holdings	(747)	(996)	25%	(1,312)	(2,709)	52%
Extraction & sale of sand	212	157	35%	747	556	34%
Property development	(409)	(343)	-19%	(820)	(870)	6%
Profit before tax	3,514	3,718	-5%	5,848	15,385	38%
Less: Tax expense	(1,911)	(1,681)	14%	(3,400)	(5,147)	-34%
Profit net of tax	1,603	2,037	-21%	2,448	10,238	-76%

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

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the financial quarter ended 31 December 2017.

### A5. Changes in Estimate

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

**A6. Comments about Seasonal or Cyclical Factors**

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

**A7. Dividends Paid**

On 6 October 2017, the Company has paid a final dividend of 1.5 cent per ordinary share in respect of financial year ended 31 March 2017 which amounted to RM1.95 million.

**A8. Carrying Amount of Revalued Assets**

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

**A9. Debt and Equity Securities**

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

**A10. Changes in Composition of the Group**

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

**A11. Changes in Contingent Liabilities and Contingent Assets**

There were no changes in other contingent liabilities or contingent assets since the last annual balance sheet as at 31 March 2017.

**A12. Subsequent Events**

There were no material events subsequent to the end of the interim period that have not been reflected in the financial statements or to be disclosed as at the date of this report.

**A13. Profit for the Period**

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

	Current Quarter		Cumulative Quarter	
	3 months ended		9 months ended	
	31-Dec-17	31-Dec-16	31-Dec-17	31-Dec-16
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Interest income	120	159	273	694
Other income including investment income	325	600	1,318	1,406
Interest expense	(1,414)	(1,191)	(3,988)	(2,647)
Depreciation & amortisation	(1,908)	(1,671)	(5,482)	(4,957)
Provision for and write off of receivables	-	-	-	-
Provision for and write off of inventories	-	-	-	-
Gain on disposal of :				
Quoted shares	7	36	909	253
Unquoted investments	-	-	-	-
Properties	-	-	-	-
Impairment of assets	-	(411)	(68)	(1,394)
Foreign exchange (loss)/gain:-				
Realised (loss)/gain	(10)	270	201	631
Unrealised (loss)/gain	(77)	101	(201)	78
Gain/(loss) on derivatives	-	-	-	-
Exceptional items	-	-	-	-

**A14. Realised and Unrealised Profits Disclosure**

	Group		Company	
	As at	As at	As at	As at
	31.12.2017	31.3.2017	31.12.2017	31.3.2017
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Total retained profits of the Group and the Company :-				
Realised profits	130,664	130,686	29,367	30,724
Unrealised (loss)/profits	(4,486)	(5,020)	0.21	0.21
	126,178	125,666	29,367	30,724
Add : Consolidation adjustments	2,182	2,197	-	-
Retained profits as per consolidated accounts	128,360	127,863	29,367	30,724

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



**B1. Review of Performance**

	<b>Current Quarter RM'000</b>	<b>Preceding Year Corresponding Quarter RM'000</b>	<b>Change %</b>	<b>Current Year To- date RM'000</b>	<b>Preceding Year Corresponding Period RM'000</b>	<b>Change %</b>
<b>Segment revenue</b>						
Poultry & related products	44,986	42,198	7%	127,927	127,428	0%
Extraction & sale of sand	825	591	40%	2,329	1,812	29%
Investment holdings	90	-	0%	270	-	0%
<b>Total</b>	<b>45,901</b>	<b>42,789</b>	<b>7%</b>	<b>130,526</b>	<b>129,240</b>	<b>1%</b>
<b>Segment result</b>						
Poultry & related products	4,458	4,900	-9%	7,233	18,408	-61%
Investment holdings	(747)	(996)	25%	(1,312)	(2,709)	52%
Extraction & sale of sand	212	157	35%	747	556	34%
Property development	(409)	(343)	-19%	(820)	(870)	6%
Profit before tax	3,514	3,718	-5%	5,848	15,385	-62%
Less: Tax expense	(1,911)	(1,681)	14%	(3,400)	(5,147)	-34%
Profit net of tax	1,603	2,037	-21%	2,448	10,238	-76%

The Group registered a revenue of RM45.90 million and a profit net of tax of RM1.60 million for the current quarter as compared to a revenue of RM42.79 million and a profit net of tax of RM2.04 million in the same quarter of previous year. The lower profit net of tax was mainly due to the slight drop in egg prices as compared to the same quarter of the previous year.

For the financial year-to-date, the Group recorded a revenue of RM130.53 million and a net profit of RM2.45 million as compared to a revenue of RM129.24 million and net profit of RM10.24 million in the corresponding period of the previous year. The drop in profit net of tax was mainly caused by the drop in egg prices and higher cost of major raw materials as compared to the same period of the previous year.

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

**B2. Variation of result Against Preceding Quarter**

	<b>Current Quarter</b>	<b>Immediate Preceding Quarter</b>	<b>Change</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>%</b>
<b>Segment revenue</b>			
Poultry & related products	44,986	43,920	2%
Extraction & sale of sand	825	803	3%
Investment holdings	90	90	0%
<b>Total</b>	<b>45,901</b>	<b>44,813</b>	<b>2%</b>
<b>Segment result</b>			
Poultry & related products	4,458	2,910	53%
Investment holdings	(747)	(4)	-18580%
Extraction & sale of sand	212	328	-35%
Property development	(409)	(199)	-106%
<b>Profit before tax</b>	<b>3,514</b>	<b>3,035</b>	<b>16%</b>

The Group posted a profit before tax of RM3.51 million for the current quarter versus profit before tax of RM3.04 million in the preceding quarter. Poultry segment recorded an increase in revenue and earnings contributed by improved egg prices and decrease in cost of major raw materials as compared to the immediate preceding quarter.

### **B3. Commentary on Prospects**

The Board views the next period to continue to be challenging due to low egg prices whilst costs of major raw materials is not expected to increase.

No material contributions are expected from the other segments.

### **B4. Profit Forecast or Profit Guarantee**

This is not applicable.

### **B5. Tax Expenses**

	9 months ended 31.12.17 RM'000	9 months ended 31.12.16 RM'000
Income tax expense	3,200	5,150
Real property gain tax	203	-
Deferred tax expense	(3)	(3)
<b>Total</b>	<b>3,400</b>	<b>5,147</b>

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

### **B6. Corporate Proposals**

## (a) Status of Corporate Proposals

There were no corporate proposals announced but not completed as at 6 February 2018.

## (b) Status of Utilisation of Proceeds

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

**B7. Borrowings**

- a) The analysis of Group borrowings classified under short term and long-term categories are as follows:

	As at 31.12.2017 RM'000	As at 31.12.2016 RM'000
<b>Short term</b>		
<i>Secured:-</i>		
Term loans	5,349	4,716
Banker acceptance	1,820	1,713
Revolving credit	15,000	5,000
	22,169	11,429
<i>Unsecured:-</i>		
Term loans	1,211	1,730
Banker acceptance	3,823	2,661
Revolving credit	-	5,000
	5,034	9,391
	27,203	20,820
<b>Long term</b>		
<i>Secured:-</i>		
Term loans	65,691	65,862
<i>Unsecured:-</i>		
Term loans	395	1,606
	66,086	67,468
<b>Total borrowings</b>	93,289	88,288

- b) There were no borrowings in foreign currency as at 31 December 2017.
- c) Drawdown of the term loans were utilized for the acquisitions of lands.
- d) Effective average cost of borrowings based on exposure as at 31 December 2017 was 5.95% (2016: 6.04%).

**B8. Off Balance Sheet Financial Instrument**

There were no off balance sheet financial instruments as at 31 December 2017.

**B9. Changes in Material Litigations**

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

#### B10. Dividend Payable

On 13 February 2018, the Board of Directors has declared an interim dividend of 1 cent per ordinary share in respect of the financial year 31 March 2018, to be paid on 6 April 2018. The entitlement date for the dividend payment is 16 March 2018.

#### B11. Earnings per share (“EPS”)

	3 months ended		9 months ended	
	31-Dec-17	31-Dec-16	31-Dec-17	31-Dec-16
	RM'000	RM'000	RM'000	RM'000
<b>Profit attributable to ordinary shareholders of the parent</b>	1,603	2,037	2,448	10,238
<b>Number of shares in issue ('000)</b>	130,104	130,104	130,104	130,104
<b>Basic EPS (sen per share)</b>	1.23	1.57	1.88	7.87

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

#### B12. Authorisation for Issue

The interim financial statements were authorized for issue by the Board of Directors in accordance with resolution of the directors on 13 February 2018.

#### B13. Dividends Paid / Declared

Dividend paid / declared since the financial year 2016 up to the date of this report.

Dividend No.	Financial Year	Type	No. of shares (000)	Rate	RM ('000)	Payment Date
28	2016	Interim dividend	130,104	5% per RM0.50 share, single tier	3,253	8.4.2016
29	2016	Final dividend	130,104	3% per RM0.50 share, single tier	1,952	6.10.2016
30	2017	Interim dividend	130,104	1.5 cent per share, single tier	1,952	7.4.2017
31	2017	Final dividend	130,104	1.5 cent per share, single tier	1,952	6.10.2017
32	2018	Interim dividend	130,104	1 cent per share, single tier	1,301	6.4.2018