

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the course of action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

Bursa Malaysia Securities Berhad takes no responsibility for the contents of this Circular/Statement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular/Statement.

In line with the provisions of Practice Note 18 on Perusal of Draft Circulars and Other Documents, Bursa Malaysia Securities Berhad has not perused the Circular in relation to the Proposed Share Buy-Back Authority as this transaction falls under the category of Exempt Circulars as outlined in the aforesaid Practice Note.



LTKM BERHAD
(Company No. 442942-H)

(Incorporated in Malaysia under the Companies Act, 1965)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO THE

**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”)**

The Notice convening the Nineteenth Annual General Meeting (“19th AGM”) of LTKM Berhad to be held at Merrida Hotel, No. 18A, Lebu Enggang, Off Persiaran Sultan Ibrahim, 41050 Klang, Selangor Darul Ehsan, Malaysia on Monday, 5 September 2016 at 10.00 a.m to consider the abovementioned proposal, together with the Form of Proxy enclosed therein, is circulated to all the shareholders on 29 July 2016.

If you are unable to attend and vote at the 19th AGM in person, you are requested to complete, sign and return the original Form of Proxy, in accordance to the instructions contained therein as soon as possible and in any event so as to arrive at the Company’s Registered Office at Unit 07-02, Level 7, Persoft Tower, 6B Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan not later than forty-eight (48) hours before the time fixed for convening the 19th AGM. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the meeting should you subsequently wish to do so.

Important Dates :

Last day, date and time for lodging the : Tuesday, 30 August 2016 at 10.00 a.m.

Form of Proxy

Day, date and time of the 19th AGM : Monday, 5 September 2016 at 10.00 a.m.

DEFINITIONS

Except where the context otherwise requires, the following definitions apply throughout this Circular:

Act	– The Companies Act, 1965
AGM	– Annual General Meeting
Annual Report 2016	– The Annual Report of LTKM for the financial year ending 31 March 2016
Board	– Board of Directors of LTKM
Bursa Securities	– Bursa Malaysia Securities Berhad
Circular	– This Circular is dated 29 July 2016
Code	– Malaysian Code on Take-Overs and Mergers, 2010 as amended from time to time.
EPS	– Earnings per share
Issued and Paid-Up Share Capital	– RM65,052,003 comprising 130,104,006 ordinary shares of RM0.50 each in LTKM
Listing Requirements	– Main Market Listing Requirements of Bursa Securities
LPD	– 8 July 2016, being the latest practicable date prior to the printing of this Circular/Statement
LTKM Group or the Group	– LTKM Berhad and its subsidiaries
LTKM or the Company	– LTKM Berhad (442942-H)
Market Day (s)	– A day on which the stock market of Bursa Securities is open for trading in securities
Substantial Shareholder(s)	– Has the meaning given in Section 69D of the Act
NA	– Net Assets
Person(s) Connected	– Shall have the same meaning given in Paragraph 1.01, Chapter 1 of the Listing Requirements
Proposed Share Buy-Back Authority	– Proposal of the Company to grant its Directors a general mandate to exercise the authority to carry out a share buy-back of its own Shares up to a maximum of 10% of its Issued and Paid-up Share Capital of the Company LTKM Shares to be purchased pursuant to the Proposed Share Buy-Back Authority
Purchased Shares	– LTKM Shares to be purchased pursuant to the Proposed Share Buy-Back Authority
RM and sen	– Ringgit Malaysia and sen respectively
Share(s) or LTKM Share(s)	– Ordinary shares of RM0.50 each in LTKM

DEFINITIONS

- Treasury Shares** – The Purchased LTKM Shares which are retained by the Company and shall have the meaning given under Section 67A of the Act

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Reference to person shall include corporation, unless otherwise specified.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or de-enacted.

Any reference to a time of day in this Circular shall be a reference to a Malaysian time, unless otherwise stated.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

TABLE OF CONTENTS

LETTER TO THE SHAREHOLDERS IN RELATION TO THE PROPOSED SHARE BUY-BACK AUTHORITY CONTAINING:-

SECTION	Page
1. INTRODUCTION	1
2. DETAILS OF THE PROPOSED SHARE BUY-BACK AUTHORITY	2-5
2.1 Quantum	
2.2 Funding	
2.3 Pricing	
2.4 Treatment of Shares Purchased	
2.5 Implications of the Code	
2.6 Public Shareholding Spread	
2.7 Potential Advantages and Disadvantages of The Proposed Share Buy-Back Authority	
3. RATIONALE OF THE PROPOSED SHARE BUY-BACK AUTHORITY	5
4. FINANCIAL EFFECTS OF THE PROPOSED SHARE BUY-BACK AUTHORITY	6-7
4.1 Share Capital	
4.2 NA and EPS	
4.3 Working Capital	
4.4 Dividend	
5. HISTORICAL SHARE PRICE MOVEMENT	7
6. INTEREST OF DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS'	8-9
6.1 Directors	
6.2 Substantial Shareholders	
7. APPROVAL REQUIRED	10
8. DIRECTORS' RECOMMENDATION	10
9. NINETEENTH AGM	10
10. FURTHER INFORMATION	10
APPENDICES	
Appendix I	11
Appendix II	13



LTKM BERHAD

(Company No. 442942-H)

(Incorporated in Malaysia under the Companies Act, 1965)

Registered Office:-

Unit 07-02, Level 7 Persoft Tower,
6B Persiaran Tropicana,
Tropicana Golf & Country Resort,
47410 Petaling Jaya
Selangor Darul Ehsan

29 July 2016

Directors:-

Ir. Kamarudin Bin Md Derom (*Chairman /Independent Non-Executive Director*)
Datuk Tan Kok (*Managing Director*)
Tan Chee Huey (*Executive Director*)
Datin Lim Hooi Tin (*Non-Independent Non-Executive Director*)
Ravindran A/L Markandu (*Independent Non-Executive Director*)
Ooi Hoy Bee @ Ooi Hooi Bee (*Non-Independent Non-Executive Director*)

To: The Shareholders of LTKM Berhad

Dear Sir/Madam,

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”)

1. INTRODUCTION

On 8 July 2016, the Board had announced that the Company proposes to seek the approval of the shareholders to purchase its Shares of up to ten percent (10%) of its issued and paid-up share capital at any point in time at the forthcoming 19th AGM.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH DETAILS OF THE PROPOSED SHARE BUY-BACK AUTHORITY AND TO SEEK THE APPROVAL FOR THE ORDINARY RESOLUTION PERTAINING THERETO TO BE TABLED AT THE FORTHCOMING AGM. THE NOTICE OF THE AGM TOGETHER WITH THE FORM OF PROXY ARE ENCLOSED IN THE ANNUAL REPORT 2016 OF THE COMPANY.

YOU ARE ADVISED TO READ THIS CIRCULAR TOGETHER WITH THE APPENDIX BEFORE VOTING ON THE ORDINARY RESOLUTION PERTAINING TO THE PROPOSED SHARE BUY-BACK AUTHORITY.

2. DETAILS OF THE PROPOSED SHARE BUY-BACK AUTHORITY

The Board proposes to seek your approval for the authority to purchase our Company's own Share of up to ten per cent (10%) of the issued and paid-up share capital of our Company as at the point of purchase.

The Proposed Share Buy-Back Authority is subject to Section 67A of the Act, (as may be amended, modified or re-enacted from time to time), the Listing Requirements and any prevailing laws, orders, guidelines and rules and regulations issued by the relevant authorities at the time of the purchase.

The Proposed Share Buy-Back Authority would be effective immediately upon the passing of the ordinary resolution relating to the Proposed Share Buy-Back Authority at our forthcoming AGM and shall be valid until:

- (a) the conclusion of the next AGM of our Company; or
- (b) the expiration of the period within which the next AGM of our Company is required by law to be held,

whichever is earlier, unless revoked or varied by you via an ordinary resolution in a general meeting, but shall not prejudice the completion of purchase(s) by our Company before the aforesaid expiry date and in any event in accordance with the provision of the Act, the Listing Requirements and other prevailing laws, orders, guidelines and rules and regulations issued by the relevant authorities.

2.1 Quantum

The maximum aggregate number of Shares, which may be purchased by our Company, shall not exceed ten percent (10%) of the issued and paid-up share capital at any point in time.

The actual number of Shares to be purchased will depend on, among others, market conditions and sentiments of Bursa Securities as well as the share premium, retained earnings and financial resources available to our Company as at the point of purchase.

If the Board decides to cancel the Purchased Shares, our Company's issued and paid-up share capital shall be diminished by the said cancellation, and the amount diminished shall be transferred to the capital redemption reserve.

2.2 Funding

The funding for the Proposed Share Buy-Back Authority will be from internally generated funds and/or external bank borrowings and the amount allocated for the Purchased Shares will not exceed the aggregate amount of our Company's share premium account and retained earnings. All Purchased Shares may be cancelled or retained as treasury shares or a combination of both. Treasury shares may be distributed as share dividends, resold on Bursa Securities and/or subsequently cancelled.

The actual amount of funds to be utilised for the Proposed Share Buy-Back Authority will only be determined later depending on the actual number of Shares to be purchased, the availability of funds as at the point of purchase and other relevant cost factors.

The Proposed Share Buy-Back Authority, if funded via internally generated funds, is not expected to have a material impact on our Company's cash flow position. In the event the Proposed Share Buy-Back Authority is funded through external bank borrowings, your Board will ensure that our Company will have sufficient funds to repay such borrowings and that the repayment thereof would not have any material effect on our Company's cash flow position.

Our Company's share premium account and retained earnings, based on our Company's latest audited financial statements for the FYE 31 March 2016 at our Company level, are set out below:

LTKM Berhad (Company level)

Audited as at 31 March 2016

	RM
Share premium account	-
Retained earnings	<u>24,221,691</u>
	<u>24,221,691</u>

2.3 Pricing

Pursuant to Paragraph 12.17 of the Listing Requirements, our Company may only purchase our own Shares at a price which is not more than fifteen percent (15%) above its weighted average market price ("WAMP") of LTKM Shares on Bursa Securities for the past five (5) market days immediately preceding the date of the purchase(s).

Pursuant to Paragraph 12.18 of the Listing Requirements, the Company may only resell treasury share on Bursa Securities at:

- (a) a price which is not less than the WAMP of LTKM Shares for the five (5) market days immediately before the resale; or
- (b) a discounted price of not more than five percent (5%) to the WAMP of LTKM Shares for the five (5) market days immediately before the resale provided that:
 - (i) the resale takes place no earlier than thirty (30) days from the date of purchase; and
 - (ii) the resale price is not less than the cost of purchase of the LTKM Shares being resold.

2.4 Treatment of Shares Purchased

Section 67A of the Act, provides for shares purchased pursuant to share buy-back by a company to be cancelled upon purchase, held as treasury shares or a combination of both. Shares that are purchased pursuant to the Proposed Share Buy-Back Authority may be dealt with by the Directors in the following manner:-

- a) cancel the Shares so purchased; and/or
- b) retain the shares so purchased as Treasury Shares, to be distributed as dividend to the Shareholders and/or to be sold on Bursa Securities in accordance with the rules of Bursa Securities (if the opportunity arises for our Company to realise gains from such resale on the market) and/or to be subsequently cancelled; and/or
- c) retain part of the Shares so purchased as Treasury Shares and cancel the remainder;

or in any other manner as may be prescribed by the prevailing laws, orders, guidelines and rules and regulations issued by the relevant authorities at that time.

Where the Directors intend to retain the Purchased Shares as Treasury Shares, cancel the Purchased Shares, or both, an appropriate announcement will be made to Bursa Securities as and when the Proposed Share Buy-Back Authority is exercised.

If the Board decides to retain the Purchased Shares as Treasury Shares, it may distribute the Treasury Shares as dividend to the Shareholders and/or resell the Purchased Shares on Bursa Securities and utilise the proceeds for any feasible investment opportunity arising in the future, or distribution, or as working capital. The treatment of the Treasury Shares, whether treated as dividends, resold on Bursa Securities or cancelled by the Company, will be dependent on the Board's decision at that time.

In the event LTKM wishes to purchase its own Shares, LTKM is required to lodge a declaration of solvency to Bursa Securities and release an announcement on the day the purchase is made.

While, the Shares are held as Treasury Shares, the rights attached on them as to voting, dividends and participation in other distribution and otherwise are suspended and the Treasury Shares shall not be taken into account in calculating the number or percentage of Shares or of a class of Shares in the Company for any purposes including substantial shareholdings, takeovers, notices, the requisition of meetings, the quorum for a meeting and the result of a vote at a meeting.

2.5 Implications of the Code

The Substantial Shareholders of LTKM and person(s) connected to them are deemed to be person(s) acting in concert pursuant to the Code. The percentage of their shareholdings based on the Register of Substantial Shareholders as at 8 July 2016 individually and collectively before and after the Proposed Share Buy-Back Authority (assuming full 10% share buy-back in a period of six (6) months) are as disclosed below:-

Name	No. of LTKM Shares held							
	Before the Proposed Buy-Back Authority				After the Proposed Share Buy-Back Authority			
	Direct Shareholding		Indirect Shareholding		Direct Shareholding		Indirect Shareholding	
<u>Substantial Shareholders</u>	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Ladang Ternakan Kelang Sdn Bhd	79,785,006	61.32	-	-	79,785,006	68.14	-	-
Datuk Tan Kok	3,458,116	2.66	84,285,906 (a)	64.78	3,458,116	2.95	84,285,906 (a)	71.98
Datin Lim Hooi Tin	600,000	0.46	84,285,906 (b)	64.78	600,000	0.51	84,285,906 (b)	71.98

Notes:

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

Pursuant to Part II of the Code, if a person or a group of persons acting in concert holds more than 33% but less than 50% of the voting shares of a company and such person or group of persons acting in concert acquires or intends to acquire in any period of six (6) months more than 2% of the voting shares of the company, there is an obligation to undertake a mandatory general offer for the remaining ordinary shares of the company not already owned by the said person or persons acting in concert.

In addition, pursuant to Practice Note 2.3 of the Code, where a group of persons acting in concert hold more than 50% of the voting shares of the Company, no obligation under Part II of the Code will arise from any further acquisition by such persons acting in concert unless a single member in the group of persons acting in concert acquires voting shares sufficient to increase his holding to more than 33% of the Company or, if he holds more than 33% and less than 50%, acquires more than 2% of the voting shares of the Company in any six (6) months period.

As at the date of this Circular, our Company has yet to decide on the percentage of our own Shares to be purchased under the Proposed Share Buy-Back Authority. However, should our Company decide to purchase our own Shares which will result in the substantial shareholders namely Ladang Ternakan Kelang Sdn Bhd, Datuk Tan Kok and Datin Lim Hooi Tin's shareholding in LTKM in any period of six (6) months increase by more than 2% of the voting shares of our Company, it will seek a waiver from the Securities Commission under Practice Note 2.9.10 of the Code before our Company purchases our own Shares resulting in the trigger point being breached.

2.6 Public Shareholding Spread

As at LPD, the public shareholding spread of our Company based on the Issued and Paid-up Share Capital was 30.39%. Assuming the Proposed Share Buy-Back Authority of 10% of the total issued and paid-up share capital of our Company is carried out in full, and the number of LTKM Shares held by the Substantial Shareholders, Directors and persons connected to the Substantial Shareholders and/or Directors remain unchanged, the public shareholding spread of the Company would reduce to approximately 27.35%. However, our Company will ensure that it will not purchase our own Shares which will result in LTKM's public shareholding spread falling below the minimum requirement of 25%.

2.7 Potential Advantages and Disadvantages of the Proposed Share Buy-Back Authority

The Proposed Share Buy-Back Authority, if exercised, is expected to potentially benefit LTKM Group and its Shareholders as follows:-

- (a) The EPS of LTKM Group would be enhanced (all things being equal). This is expected to have a positive impact on the market price of LTKM Shares, which will benefit shareholders of LTKM.
- (b) If the Shares are bought back as Treasury Shares, it will provide the Directors an option to sell the Purchased Shares at a higher price and therefore, make an exceptional gain for our Company. Alternatively, the Purchased Shares can be distributed as share dividend to shareholders.

The potential disadvantages of the Proposed Share Buy-Back Authority to our Company and our shareholders are as follows:

- (i) As the Proposed Share Buy-Back Authority can only be made out of retained profits and the share premium reserves, it may reduce the distributable reserves available for dividends to be declared to the shareholders of our Company in the immediate future.
- (ii) It may result in our Company foregoing other investment opportunities that may emerge in the future due to the reduction in financial resources of the LTKM Group after financing the Purchased Shares.

In any event, the Directors will be mindful of the interest of the LTKM Group and the shareholders in implementing the Proposed Share Buy-Back Authority.

3. RATIONALE FOR THE PROPOSED SHARE BUY-BACK AUTHORITY

The Proposed Share Buy-Back Authority will enable the LTKM Group to utilise its surplus financial resources to purchase the Shares of our Company to stabilise the supply and demand of its Shares in the open market and thereby support its fundamental value. Should LTKM Shares be cancelled, either immediately or subsequently after being held as Treasury Shares, the Proposed Share Buy-Back Authority is expected to improve the EPS of LTKM in the Group and benefit the shareholders of our Company.

The Purchased Shares, which are held as Treasury Shares may be realised with potential gain without affecting the total issued and paid-up capital of our Company. In the event that the Treasury Shares are distributed as share dividends, it serves as a reward to the shareholders of the Company.

The Proposed Share Buy-Back Authority is not expected to have any potential material disadvantage to our Company and our shareholders, as it will be exercised only after in depth consideration of the financial resources of the LTKM Group and of the resultant impact on our shareholders. The Directors in exercising any decision on the Proposed Share Buy-Back Authority will be mindful of the interest of our Company and our shareholders.

4. FINANCIAL EFFECTS OF THE PROPOSED SHARE BUY-BACK AUTHORITY

On the assumption that the Proposed Share Buy-Back Authority is carried out in full, the effects of the Proposed Share Buy-Back Authority on the share capital, NA, EPS, working capital, and shareholdings of Directors and Substantial Shareholders of LTKM are set out below:-

4.1 Share Capital

Assuming the Proposed Share Buy-Back Authority is carried out in full by our Company, the maximum number of shares that our Company can cancel is limited to 13,010,400 shares. The proforma effect on the issued and paid-up share capital of LTKM of such a cancellation of shares is summarised below:-

	No. of Shares
Issued and Paid-Up Share Capital as at the LDP	130,104,006
Less: Maximum number of Shares that may be cancelled	(13,010,400)
Reduced Issued and Paid-Up Share Capital in the event that the Purchased Shares are cancelled	<u>117,093,606</u>

However, the Proposed Share Buy-Back Authority will have no effect on the issued and paid-up share capital of LTKM if all the Shares are to be retained as Treasury Shares, resold or distributed to the Shareholders.

4.2 NA and EPS

The Proposed Share Buy-Back Authority may increase or decrease the NA per Share of LTKM depending on the purchase price in comparison to the NA per Share of LTKM at the time that the purchase is made. Assuming LTKM Shares purchased are cancelled, the Proposed Share Buy-Back Authority will reduce the consolidated NA per Share if the purchase price exceeds the audited consolidated NA per Share at the time of purchase and conversely would increase the consolidated NA per Share if the purchase price is less than the audited consolidated NA per Share at the time of purchase.

If the Purchased Shares are kept as Treasury Shares, the NA per LTKM Share would decrease unless the cost per share of the Treasury Shares purchased is below the NA per Share at the relevant point in time. This is due to the requirement for Treasury Shares to be carried at cost and be offset against equity, resulting in a decrease in the NA of our Company.

The effect on the EPS of LTKM Group will depend on the purchase prices of the Shares, the opportunity cost and the number of Shares purchased.

4.3 Working Capital

The Working Capital of LTKM Group will be reduced to the extent of the amount of funds utilised for the purchases of the Shares but is not expected to have a material adverse effect on the Working Capital of LTKM Group.

Similarly, the Working Capital of LTKM Group will increase to the extent of the amount of funds obtained from the resale of the Treasury Shares.

4.4 Dividend

The Proposed Share Buy-Back Authority is not expected to adversely affect the payment of dividends to shareholders. If the amount of dividends to be paid remain in the same in Ringgit term as in the previous year and as there will be less Shares qualifying for dividends, the remaining shareholders would potentially receive a higher dividend payment. On the other hand, if the percentage of dividend payable remains the same as before the Share Buy-Back, the Proposed Share Buy-Back Authority, the amount of dividend per share received by the shareholders will remain the same. However, if the Shares so purchased are retained as Treasury Shares, they can be used for subsequent payment of dividends in the form of share dividends.

5. HISTORICAL SHARE PRICE MOVEMENT

The following table sets out the monthly highest and lowest transacted prices of our Company's shares traded on the Bursa Securities for the preceding twelve (12) months from 1 July 2015 to 30 June 2016:

Period	Highest (RM)	Lowest (RM)
2015		
July	1.42	1.36
August	1.42	1.37
September	1.56	1.53
October	1.85	1.75
November	1.60	1.51
December	1.55	1.53

Period	Highest (RM)	Lowest (RM)
2016		
January	1.56	1.53
February	1.48	1.46
March	1.55	1.54
April	1.59	1.58
May	1.52	1.52
June	1.48	1.46

(Source: Yahoo Finance)

The last transacted market price of LTKM Shares on 8 July 2016, being the latest practicable date prior to the printing of this Circular, was RM1.36

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

6. INTEREST OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors, Substantial Shareholders and persons connected to the Directors and /or Substantial Shareholders (as defined in the Listing requirements of Bursa Securities) have any direct or deemed interest in the Proposed Share Buy-Back Authority and resale of Treasury Shares (if any).

6.1 Directors

The table below shows the direct and indirect equity interests held by the Directors as at 8 July 2016 and their pro-forma percentage shareholdings in LTKM assuming that the Proposed Share Buy-Back Authority is carried out in full.

Name	No. of LTKM Shares held							
	←			→				
	Before the Proposed Share Buy-Back Authority			After the Proposed Share Buy-Back Authority				
<u>Directors</u>	Direct Shareholding		Indirect Shareholding		Direct Shareholding		Indirect Shareholding	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Ir. Kamarudin Bin Md Derom	-	-	-	-	-	-	-	-
Datuk Tan Kok	3,458,116	2.66	84,285,906 (a)	64.78	3,458,116	2.95	84,285,906 (a)	71.98
Tan Chee Huey	312,000	4.53	2,634,000 (c)	2.02	312,000	0.27	2,634,000 (c)	2.25
Lim Hooi Tin	600,000	0.46	84,285,906 (b)	64.78	600,000	0.51	84,285,906 (b)	71.98
Ravindran Markandu	15,000	0.11	-	-	15,000	0.01	-	-
Ooi Hoy Bee @ Ooi Hooi Bee	150,000	0.23	-	-	150,000	0.13	-	-

Note :

- 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.
- Deemed interest by virtue of being spouse of Datuk Tan Kok, a substantial shareholder of Ladang Ternakan Kelang Sdn. Bhd, which is a substantial shareholders of LTKM Berhad and pursuant to Section 134(12)(c) of the Companies (Amendment) Act, 2007.
- Deemed interest pursuant to Section 6A(4) of the Companies Act, 1965 and Section 134(12)(c) of the Companies (Amendment) Act, 2007.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

6.2 Substantial Shareholders

The table below shows the direct and indirect equity interests held by the Substantial Shareholders as at 8 July 2016 and their pro-forma percentage shareholdings in LTKM, assuming that the Proposed Share Buy-Back Authority is carried out in full.

Name	No. of LTKM Shares held					
	←			→		
	Before the Proposed Share Buy-Back Authority			After the Proposed Share Buy-Back Authority		
Substantial Shareholders	Direct Shareholding		Indirect Shareholding	Direct Shareholding		Indirect Shareholding
	No. of Shares	%		No. of Shares	%	
Ladang Ternakan Kelang Sdn Bhd	79,785,006	61.32	-	-	79,785,006	68.14
Tan Kok	3,458,116	2.66	84,285,906	64.78	3,458,116	2.95
Lim Hooi Tin	600,000	0.46	84,285,906	64.78	600,000	0.51
					84,285,906 (a)	71.98
					84,285,906 (b)	71.98

Notes:

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

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

7. APPROVAL REQUIRED IN RELATION TO THE PROPOSED SHARE BUY-BACK AUTHORITY

The Proposed Share Buy-Back Authority is conditional upon approval being obtained from the shareholders of LTKM at the forthcoming 19th AGM. The Proposed Share Buy-Back Authority being procured from the shareholders of our Company at the forthcoming AGM is subject to annual renewal.

8. DIRECTORS' RECOMMENDATION

The Board, having considered all aspects of the Proposed Share Buy-Back Authority, is of the opinion that the Proposed Share Buy-Back Authority is in the best interest of our Company. Accordingly, they recommend that you vote in favour of the Proposed Share Buy-Back Authority at the forthcoming 19th AGM of the Company.

9. NINETEENTH AGM ("19th AGM")

The ordinary resolution in relation to the Proposed Share Buy-Back Authority has been extracted and included in this Circular. The 19th AGM of the Company will be held on 5 September 2016 for the purpose of considering and if thought fit, passing the ordinary resolution to give effect to the Proposed Share Buy-Back Authority.

If you are unable to attend and vote in person at the forthcoming 19th AGM, you are requested to complete, sign and deposit the Form of Proxy which is enclosed in the Company's Annual Report 2016 in accordance with the instructions printed thereon, 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 later than forty-nineteenth (48) hours before the time fixed for the forthcoming 19th AGM. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the forthcoming 19th AGM should you subsequently wish to do so.

10. FURTHER INFORMATION

Shareholders are requested to refer to the attached Appendix I & II for further information.

Yours faithfully,
For and on behalf of the Board of Directors of
LTKM BERHAD

Datuk Tan Kok
Managing Director

FURTHER INFORMATION

1. RESPONSIBILITY STATEMENT

This Circular has been seen and approved by the Board of Directors of the Company and they collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm that after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

2. MATERIAL LITIGATION

The Board of Directors of the Company has confirmed that the Company and/or its subsidiaries are not presently engaged in any material litigation, material claim and arbitration either as plaintiff or defendant and the Directors do not have any knowledge of any proceedings pending or threatened against the Company and/or its subsidiaries or of any facts likely to give rise to any proceedings which may materially affect the financial position or business of the Company and/or its subsidiaries.

3. MATERIAL CONTRACTS

Save as disclosed below, neither LTKM nor its subsidiaries have entered into any contracts (*not being contracts entered into in the ordinary course of business*) within the two (2) years immediately preceding the date of this Circular:-

- (i) Sales and purchase agreement dated 21 January 2016 in relation to the acquisition of a parcel of freehold land held under GM 62 Lot 1402, Mukim Petaling, Kuala Lumpur measuring 7,841 square metres by LTK (Melaka) Sdn Bhd, a wholly-owned subsidiary of LTKM for a purchase consideration of RM27,436,700.
- (ii) Sales and purchase agreement dated 5 February 2016 in relation to the disposal of a piece of freehold industrial land held under HS(M) 43458 Lot 71510, Mukim Kapar, District of Klang, Selangor Darul Ehsan measuring approximately 21,284 square metres together with a factory building erected thereon for a cash consideration of RM26,000,000.
- (iii) Sales and purchase agreement dated 13 June 2016 in relation to the acquisitions by LTK Properties Sdn Bhd and LTK Development Sdn Bhd, both wholly-owned subsidiaries of LTKM, of four (4) adjoining parcels of leasehold lands measuring in aggregate approximately 25,837 square metres together with buildings and amenities erected thereon for a total cash consideration of RM58,403,100.
- (iv) Sales and purchase agreement dated 4 July 2016 in relation to the acquisition of a parcel of freehold land held under GM 1603 Lot 1401, Mukim Petaling, Kuala Lumpur measuring 4,047 square metres which is adjoined to the parcel of freehold land as contained in paragraph 3(i) above; by LTK (Melaka) Sdn Bhd, a wholly-owned subsidiary of LTKM for a purchase consideration of RM12,563,300.

4. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection 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, during normal business hours from the date of this Circular up to and including the date of the forthcoming 19th AGM:-

- a) the Memorandum and Articles of Association of the Company;
- b) the audited financial statements of LTKM Group for the past two (2) years ended 31 March 2015 and 31 March 2016; and
- c) material contracts referred to in paragraph 3 above.

EXTRACT OF THE NOTICE OF THE NINETEENTH ANNUAL GENERAL MEETING OF THE COMPANY TO 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.

As special business

To consider and if thought fit, pass the following Ordinary Resolution:-

Ordinary Resolution

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”)

“**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 terms and conditions as the Directors in their absolute discretion deem fit and expedient in the best interest of the Company (“**Proposed Share Buy-Back Authority**”) 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;
- (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 shares by the Company, the shares shall be dealt with in 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 of the Company 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 Authority 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 Authority in the interest of the Company.”

(Resolution 8)