LTKM BERHAD
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LTKM BERHAD

ANNUAL REPORT 2021

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 an 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

Table of Content

Corporate Information

BOARD OF DIRECTORS

Datuk Tan Kok
Executive Chairman

Tan Chee Huey
Executive Director

Loh Wei Ling
Executive Director

Datin Lim Hooi Tin
Non-Independent Non-Executive Director

Kenny Tan Kah Poh
Independent Non-Executive Director

Mok Kam Loong
Independent Non-Executive Director

Choo Seng Choon
Independent Non-Executive Director

AUDIT COMMITTEE

Choo Seng Choon *(Chairman)*
Kenny Tan Kah Poh
Mok Kam Loong

REMUNERATION COMMITTEE

Datuk Tan Kok *(Chairman)*
Kenny Tan Kah Poh
Mok Kam Loong

NOMINATION COMMITTEE

Kenny Tan Kah Poh *(Chairman)*
Mok Kam Loong
Choo Seng Choon

COMPANY SECRETARY

Ng Yim Kong

REGISTERED OFFICE

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 & Issuing House 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 PLT
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

Profile of
Board of Directors

DATUK TAN KOK
Executive Chairman, Chairman of Remuneration Committee

A Malaysian, aged 70, Datuk Tan Kok 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.

He does not hold any directorship in other public listed companies.

TAN CHEE HUEY
Executive Director

A Malaysian, aged 41, Ms Tan Chee Huey was appointed to the Board on 24 February 2016. She graduated with a degree in Nutrition and Community Health (Hons.) from University 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 daughter-in-law of Datuk Tan Kok and Datin Lim Hooi Tin. She does not hold any directorship in other public listed companies.

LOH WEI LING
Executive Director

A Malaysian, aged 40 , Ms Loh Wei Ling was appointed to the Board on 19 November 2019. She graduated with a degree in Bachelor of Computer Science from the University of South Australia. Prior to joining LTKM Berhad, she was a Business Development Executive in The Star Publications Sdn. Bhd., for digital media in the areas of marketing and sales. She joined the Group in 2011 as the Administration Manager and is currently involved in the day-to-day administration of various subsidiaries of the Group.

She is the daughter-in-law of Datuk Tan Kok and Datin Lim Hooi Tin. She does not hold any directorship in other public listed companies.

DATIN LIM HOOI TIN
Non-Independent Non-Executive Director

A Malaysian, aged 69, Datin Lim 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.

She is the wife of Datuk Tan Kok. She does not hold any directorship in other public listed companies.

KENNY TAN KAH POH
Independent Non-Executive Director, Member of Audit Committee, Remuneration Committee and Chairman of Nomination Committee

A Malaysian aged 35, Kenny Tan was appointed to the Board on 25 May 2017. He holds a Bachelor of Laws (Honours) from Oxford Brookes University, U.K. and the Certificate of Legal Practice from the Legal Qualifying Board of Malaysia. He was admitted to the High Court of Malaya as an Advocate and Solicitor in 2011. In the same year, he commenced his earlier legal practice in a mid-sized law firm in Kuala Lumpur as a legal associate and was subsequently made a Partner in January 2015. In 2017, he founded Kenny Tan & Co and he is currently the managing partner of the said firm.

Kenny Tan has experience in diverge range of corporate and commercial transactions and his areas of practice include capital markets, mergers and acquisitions, corporate restructuring, listing, venture capital and security dealings. He also regularly advises companies of various industries on matters pertaining to directors' duties, corporate governance, shareholders' dispute, regulatory compliance and general litigation.

Kenny Tan has no family relationship with any director and/or major shareholder of the Company. He does not hold any directorship in other public listed companies.

Profile of
Board of Directors
cont'd

MOK KAM LOONG
Independent Non-Executive Director, Member of Audit Committee, Remuneration Committee and Nomination Committee

A Malaysian aged 57, Mr Mok was appointed to the Board on 19 November 2019. He holds a Degree in Surveying (Land) from the University Technology Malaysia. He is a member of the Malaysian Royal Institute of Surveyors and is in practice as a licensed land surveyor. He has over 20 years of experience in the areas of land surveying and land development consultancies.

Mr Mok has no family relationship with any director and/or major shareholder of the Company. He does not hold any directorship in other public listed companies.

CHOO SENG CHOON
Independent Non-Executive Director, Chairman of Audit Committee, Member of Nomination Committee

A Malaysian aged 45, Mr Choo was appointed to the Board on 25 February 2021. He is a member of the Malaysian Institute of Accountants and a fellow member of the Association of the Certified Chartered Accountants. Mr Choo has over 20 years of professional and commercial experience in multi-discipline that includes internal audit, risk and financial management, performance & business management, IPOs, taxation, due diligence, corporate finance, business process re-engineering, investigations, corporate governance and financial audits. He has previously served as an adviser in the office of a public listed company and is currently a director of two other public listed and private companies in executive and non-executive capacity. He currently owns and manages his own corporate advisory firm that specialises in the provision of business advisory, risk management and internal audit services to a wide range of public listed, multi-national and private companies operating in Malaysia and other Asia Pacific Regions.

Mr Choo has no family relationship with any director and/or major shareholder of the Company. He also serves as an independent non-executive director in two other public listed companies i.e. EA Holdings Bhd and Vivocom International Holdings Bhd.

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 and
b. any convictions for offences within the past 10 years other than traffic offences.

Summary of attendance of Board of Directors meetings for the financial year ended 31 March 2021.

Directors	No. of Meetings Attended
Datuk Tan Kok	5 / 5
Tan Chee Huey	5 / 5
Loh Wei Ling	5 / 5
Datin Lim Hooi Tin	5 / 5
Kenny Tan Kah Poh	5 / 5
Mok Kam Loong	5 / 5
Choo Seng Choon *(appointed on 25 February 2021)*	1 / 1

Profile of
Key Senior Management

KOK CHIEW HENG
Sales & Marketing Manager, Poultry Divison

Kok Chiew Heng, aged 61, is a pioneer staff of LTK (Melaka) Sdn Bhd ("LM") who joined in 1984 and is currently the Sales & Marketing Manager. He played a key role in establishing the operation's network of loyal customers and efficient distribution system. In his current capacity as Sales & Marketing Manager, he is principally responsible for all aspects of marketing including development of new markets and market survey for both local and overseas.

LOO ENG SENG
Operations & Development Manager, Poultry Division

Loo Eng Seng, aged 60, is the Operations and Development Manager and he joined LM in October 1986. He holds a Diploma in Civil Engineering from the Federal Institute of Technology. He is a qualified quantity surveyor and is currently responsible for various aspects of the farm's operations including workers' management, management of by-products, farm property maintenance and development. His prior experience as a quantity surveyor has benefited the operation with his implementation of effective management and control of overheads and construction costs of its expansion programme.

DR MAZILA BT MOKHTAR
Veterinarian, Poultry Division

Dr Mazila bt Mokhtar, aged 51, is the Veterinarian at LM. She holds a Doctorate of Veterinary Medicine and Animal Science from University Putra Malaysia (formerly known as Universiti Pertanian Malaysia). Prior to joining the Group in 1996, she worked for Broiler Farm Sdn Berhad, a company involved in broiler farming, as a Farm Veterinarian for two months and subsequently, as a Research Assistant in Veterinary Pathology and Microbioly, Faculty of Veterinary Medicine and Animal Science, University Putra Malaysia for a tenure of two years. With her experience in this field of poultry farming, she is currently responsible for the research and the management of the flock health and feed formulation programme.

JANCY OH SUAN TIN
Group Accountant

Jancy Oh aged 48, is LTKM's Group Accountant since December 2008. She graduated from the University of Malaya with a Bachelor of Accounting (Honours) in 1997. She is a member of the Malaysian Institute of Accountants and the Chartered Institute of Management Accountants. She started her career in Hong Leong Group and later joined DuPont Malaysia Sdn Bhd, a US multinational company that was based in Shah Alam and KLK Group under Palm Oleo Sdn Bhd before joining LTKM. Her areas of experience include accounting, financial reporting, management, internal audit and controls, taxation and corporate related areas. She is currently in charge of the financial reporting of LTKM Berhad.

LOO LENG FONG
Accounting Manager

Loo Leng Fong aged 49, is LTKM's Accounting Manager since 1998. She graduated from the University of Nebraska-Lincoln, U.S.A. in 1994 with a Bachelor of Science in Business Administration majoring in Finance. After her graduation, she started employment with Amsteel Mills Sdn Bhd before joining LTKM Berhad in 1998. She is in charge of the accounts department taking care of the day-to-day accounting and finance operations.

Letter to Shareholders

On behalf of the Board of Directors of LTKM Berhad, it is with great pleasure that I present to you the Annual Report and the Audited Financial Statements of the Group and the Company for the financial year ended 31 March 2021 ("FY2021").

The past financial year undoubtedly was one of the most turbulent for most businesses and particularly for LTKM as well. The industry we operate in has experienced significant increase in production capacity over the past years. This has resulted in a highly competitive business environment with depressed farm egg prices. Since third quarter of year 2020 we have also been grappling with the rising price of commodity as corn and soybean markets rallied to record highs. Whilst adding pressure on production cost, this may have caused producers to scale down and may rebalance the over-supply situation in the longer term.

The Covid-19 pandemic continued to grip the whole world including Malaysia through out the whole of FY2021. We recorded one of the lowest farm egg prices ever experienced due to the over supply and dampened economic activities as a result of the Covid-19 pandemic. It is without doubt one of the most difficult experiences for most of us as we come face to face with how fragile life and businesses can be. Its impacts are deep, lasting and still continue to have an effect on us. Nonetheless, we cautiously hope that businesses may see recovery in the later part of 2021 as more and more people and workers receive their full vaccination with the good roll-out of the national vaccination programme and the various economic expansionary fiscal and monetary policies by the government.

Details of the Group's FY2021 financial performance and prospects may be found in the Management Analysis and Discussion in the ensuing pages of this annual report.

On behalf of the Board, I would also like to convey our heartfelt appreciation to all management and staff, valued customers, bankers, suppliers, advisors, regulatory bodies and all shareholders for their ongoing support. The dedication and commitment of the employees and management team have been evident particularly under such difficult conditions and we recognize and thank them for that. In our combat against the Covid-19 pandemic, we also want to express our gratitude particularly for the National Vaccination Programme and the healthcare workers and the frontliners for their sacrificial services in keeping Malaysians save and healthy.

Thank you for your continuous support for LTKM.

Datuk Tan Kok
Chairman

Management Discussion and Analysis

The information in this management discussion and analysis should be read in conjunction with the Company's consolidated financial statements and the notes related thereto.

OVERVIEW

In FY2021, LTKM recorded a revenue of RM137.40 million which is a decline of 27% as compared to RM187.19 million in FY2020. Earnings dropped to a loss before tax of RM28.44 million in FY2021 as compared to a profit before tax of RM11.47 million in FY2020. Earnings per share ("EPS") was a negative of 21.05 sen as compared to a positive of 4.23 sen in FY2020.

PERFORMANCE REVIEW

Revenue

	2021 RM'000	2020 RM'000	Change %
Revenue	137,402	187,188	-27%
Poultry	131,965	183,760	-28%
Sand mining	5,077	3,068	65%
Investment holdings	360	360	-

Poultry segment remained the main contributor of the Group's revenue at RM131.97 million (FY2020 : RM183.76 million) with the remaining revenue coming from the sale of sand at RM5.08 million (FY2020 : RM3.07 million) and rental from investment properties remained at RM0.36 million (FY2020 : RM0.36 million). Lower volume of eggs sold and lower average selling price of eggs contributed to the decrease in poultry revenue.

Sand mining segment recorded improvement in revenue by 65% due to increase in production. Other segments reported nil or insignificant contribution in revenue.

Profit before tax

	2021 RM'000	2021 RM'000	Change %
Profit before tax	(28,440)	11,472	-348%
Poultry	(17,751)	19,732	-190%
Sand mining	978	(3,036)	-132%
Investment holdings	(5,651)	(3,425)	-65%
Property development	(6,016)	(1,799)	-334%

Poultry segment earnings decreased by 190% to a loss of RM17.75 million in tandem with lower revenue.

Investment holding segment recorded higher loss due to recognition of fair value loss on investment properties of RM3.53 million whilst property development segment recorded a write-off of RM5.31 million as compared to previous financial year. As a result, the Group's PBT declined 348 % from RM11.47 million in FY2020 to a loss before tax of RM28.44 million in FY2021.

Significant movements of items in Consolidated Statement of Financial Position

	2020 RM'000	2020 RM'000	Change RM'000
Investment securities	22,644	15,893	6,751
Biological assets	7,424	12,810	(5,386)
Inventories	10,432	17,884	(7,452)
Trade receivables	9,544	7,601	1,943
Trade & other payable	12,554	12,306	238
Borrowings	79,547	74,816	4,731

As at 31 March 2021, the Group's investment in securities had a carrying value of RM22.64 million as compared with RM15.89 million as at 31 March 2020. The increase was due mainly to rise in fair value as at the end of the financial year.

As at 31 March 2021, the Group had biological assets of RM7.42 million as compared with RM12.81 million as at 31 March 2020. The decrease was due to lower fair value assessment arising from lower product margin.

As at 31 March 2021, the Group had trade receivables of RM9.54 million as compared with RM7.60 million as at 31 March 2020 due to increase in sales in the month of March 2021 as compared to March 2020. Average collection days for the financial year was 23 days (FY2020 : 22 days).

As at 31 March 2021, bank borrowings increased to RM79.55 million compared with RM74.82 million on the same date previous year. Out of the RM79.55 million, RM38.09 million (FY2020 : RM46.87 million) was long term borrowings which was mostly for the financing of investment properties whilst the balance was short term borrowings which has increased due to higher utilization for working capital purposes. Net debt to equity ratio increased to 18% (FY2020 : 10%).

Management Discussion
and Analysis
cont'd

DIVIDENDS

The Board did not propose any final dividend for the financial year ended 31 March 2021. There is no dividend payout for the financial year (FY2020 : RM0.65 million).

PROSPECTS

Poultry Operations

The industry has shown signs of market supply rebalancing which may lift off some pressure on the ex-farm egg prices. However, the volatility of commodities particularly corn and soybean which are the main raw materials used in making chicken feeds continue to be a major concern. The impact of the ongoing Covid-19 pandemic on market demand as well as risk of business operations disruption are challenges which also affect our business. At LTKM, we continue to focus on farm efficiencies, high standards of bio-security and increased workers safety and health measures to drive sustainability and business competitiveness.

Property Development

With the current overall economic uncertainty and the impact of the losses from poultry segment, our management has taken the steps to delay planned projects until a more certain time.

Net Tangible Assets (”NTA”)

The NTA per share of the company was RM1.69 as compared to RM1.85 at the end of last financial year.

Financial Highlights

Year ended 31 March		2021 RM000	2020 RM000	2019 RM000	2018 RM000	2017 RM000
Revenue		137,402	187,188	196,341	175,032	168,874
Operating (loss)/profits		(24,722)	15,906	35,982	11,630	22,523
Finance costs		(3,718)	(4,434)	(5,022)	(5,467)	(3,920)
(Loss)/Profit before tax		(28,440)	11,472	30,960	6,163	18,603
(Loss)/Profit attributable to equity holders		(27,392)	5,497	20,956	2,390	12,468
Share capital		65,052	65,052	65,052	65,052	65,052
Total equity		219,957	240,892	246,021	232,279	237,642
Net (loss)/earnings per share - basic	sen	(21.05)	4.23	16.11	1.84	9.58
Net dividend per share	sen	0.00#	0.50	2.00	2.00	3.00
Dividend yield	%	0.00#	0.46	1.69	2.00	2.34
Net tangible asset	RM per share	1.69	1.85	1.89	1.79	1.83
Price-earnings ratio *	times	(4.70)	25.85	7.33	54.35	13.36
Net debt/total equity **	%	17.59	10.19	15.62	25.94	24.39
Closing share price *	RM per share	0.99	1.09	1.18	1.00	1.28

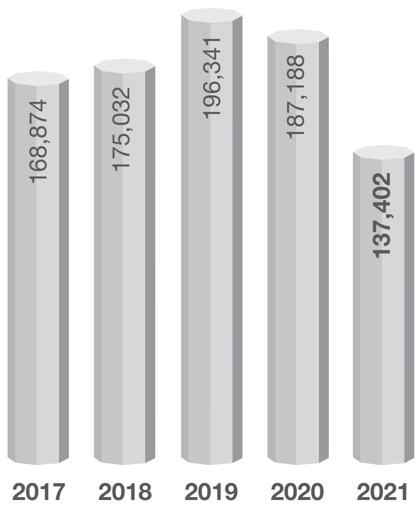
\# *The Company did not declare any dividend for the financial year.*

* *represents share price as at 31 March/net earnings per share*

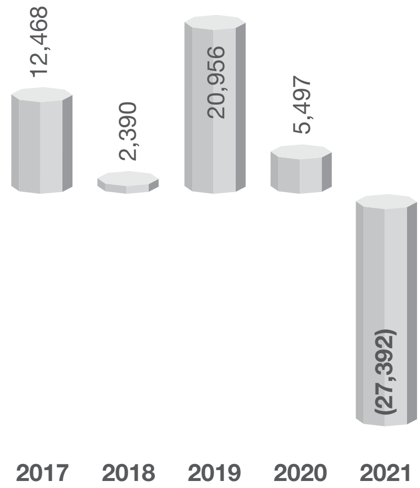
** *net debt represents total borrowings (incl. hire purchase payables) from financial institutions less cash and bank balances less short term deposits*

Financial
Highlights
cont'd

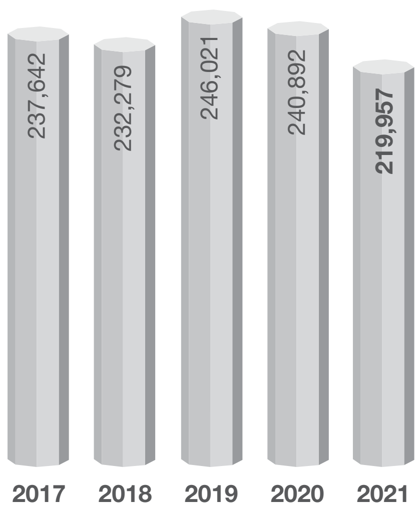
Revenue
RM' 000



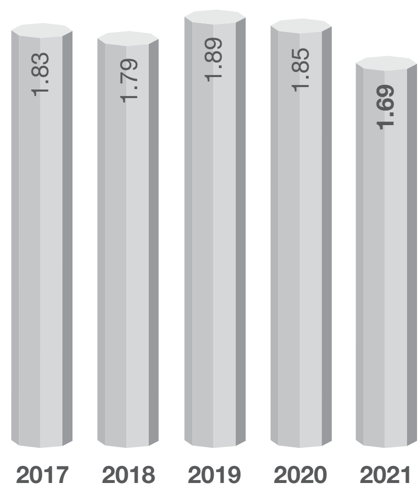
Profit/(loss) attributable to equity holders
RM' 000



Total Equity
RM' 000



Net Tangible Asset
RM Per Share



Audit Committee
Report

COMPOSITION

Members of the Committee	Designation in the Company
Choo Seng Choon *(Chairman)*	Independent Non-Executive Director
Kenny Tan Kah Poh *(Member)*	Independent Non-Executive Director
Mok Kam Loong *(Member)*	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 (3)members, of whom all shall be Non-Executive Directors, with a majority of them being Independent Directors.

b) At least one (1) 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 (3) 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 (1) 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. The Chairman of the Audit Committee shall not also be the Chairman of the Board.

e) The Nomination Committee shall review the term of office and performance of the Audit Committee and each of its members from time to time or as necessary annually(3) 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.

g) No former key audit partner shall be appointed as a member of the Audit Committee unless and until he has observed a cooling-off period of at least two years.

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;
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 and the adequacy of their areas of audit emphasis;
      - their evaluation of the system of internal controls;
      - their audit report;
      - the assistance given by the employees of the Group to the external auditors

   ii) the suitability, objectivity and independence of the external auditor and the competency of their service team;

   iii) 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 effectively and independently;

   iv) 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;

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

   vi) 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;

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

   viii) 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;

c) prepare an Audit Committee Report at the end of each financial year;

Audit Committee
Report
cont'd

TERMS OF REFERENCE *cont'd*

Functions *cont'd*

The Committee shall discharge the following functions: *cont'd*

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 at least 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 member's 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 Chairman, 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 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 to a professional services firm and reports to the Audit Committee. The primary objective of the internal audit function is to undertake independent, regular and systematic review of the risk management and internal control systems of 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 audit function is outsourced to Resolve IR Sdn Bhd ("Resolve"), a professional services firm that provides internal audit services. Resolve is a corporate member of the Institute of Internal Auditors Malaysia ("IIAM") and its personnel assigned to carry out the work as internal auditor in LTKM are experienced and qualified. The internal auditor is free from any relationship or conflict of interest which could impair its objectivity and independence. The outsourced internal audit function has unrestricted access to all functions, records, personnel and assistance in respect of the areas of audit.

The outsourced internal audit function carries out its review in accordance to the audit plan that is approved by the Audit Committee. The outsourced internal audit function may also carry out investigations and special review at the request of Audit Committee or Management.

Audit Committee
Report
cont'd

TERMS OF REFERENCE *cont'd*

Internal Audit Function *cont'd*

During the financial year under review, the internal audit function reviewed the following key business process in the Group:

- Credit Control and Collections
- Fixed Asset Management
- Human Resource Management
- Procurement

The outsourced internal audit function carried out the internal audit review to monitor compliance with the Group's procedures and the results of the review has been presented to the Audit Committee at their scheduled meeting.

The cost incurred for the internal audit function for the year ended 31 March 2021 was RM41,960.

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 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 internal and 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 of Audit Committee meetings for the financial year ended 31 March 2021.

Audit Committee Members	No. of Meetings Attended
Choo Seng Choon *(appointed on 25 February 2021)*	1/1
Kenny Tan Kah Poh	5/5
Mok Kam Loong	5/5
Ooi Hoy Bee @ Ooi Hooi Bee *(resigned on 25 February 2021)*	5/5
Goh Kean Hoe *(retired on 8 September 2021)*	3/3

Corporate Governance
Overview 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 2017 (“the Code” or “MCCG 2017”) aims to set out principles and best practices towards achieving excellent corporate governance framework. This statement sets out the manner in which the Group has applied the three (3) principles prescribed in the MCCG 2017 namely Principle A: Board Leadership and Effectiveness; Principle B: Effective Audit and Risk Management; and Principle C: Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders.

The Corporate Governance Report (“CG Report”) sets out in detail the manner in which the Board has applied each practice of the MCCG 2017 during the financial year. It is available in the Company’s website at www.ltkm.com.my.

PRINCIPAL A : BOARD LEADERSHIP & EFFECTIVENESS

A. BOARD OF DIRECTORS

(i) Board Composition

The Board consists of Directors 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 3 and 4 of this Annual Report.

The Board currently has seven Directors – an Executive Chairman, two Executive Directors, one Non-Independent Non-Executive Director and three 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.

(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, appointment and/or placement of 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 and is periodically reviewed by the Board.

(iv) Code of Conduct

The Board of Directors adheres to the Code of Ethics for Company Directors issued by the Companies Commission of Malaysia and together with Management implements its policies and procedures which includes managing conflicts of interest, preventing the abuse of power, corruption, insider trading and money laundering. 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
Overview Statement
cont'd

PRINCIPAL A : BOARD LEADERSHIP & EFFECTIVENESS *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 also established the Code of Conduct and Ethics applicable to all employees and directors. The Code of Conduct and Ethics sets out the expected standards of conduct and behavior and employees are required to acknowledge having read and understood the Code of Conduct and Ethics.

(v) 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").

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.

In accordance with the Company's Constitution, 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") 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 Director can continue to bring independent and objective judgment to the Board deliberations.

The Board Charter provides 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.

At the date of this report, the Company does not have any independent director that has exceeded a cumulative period of nine (9) years.

Corporate Governance
Overview Statement
cont'd

PRINCIPAL A : BOARD LEADERSHIP & EFFECTIVENESS *cont'd*

A. BOARD OF DIRECTORS *cont'd*

(vi) Board Meeting and Supply of Information

The Board held five meetings during the financial year ended 31 March 2021. The details of Directors' attendance are set out as follows:-

Name of Directors	No. of Meetings Attended
Datuk Tan Kok	5/5
Tan Chee Huey	5/5
Loh Wei Ling	5/5
Datin Lim Hooi Tin	5/5
Kenny Tan Kah Poh	5/5
Mok Kam Loong	5/5
Choo Seng Choon *(appointed on 25 February 2021)*	1/1
Ooi Hoy Bee @ Ooi Hooi Bee *(resigned on 25 February 2021)*	5/5
Goh Kean Hoe *(retired on 8 September 2021)*	3/3

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 and meeting materials for each Board meeting are 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 and information, 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.

(vii) Qualified and Competent Company Secretary

The Company Secretary has an important role in advising and assisting the Board and its Committees in achieving good corporate governance and ensuring compliance of statutory laws, rules and regulations of the Companies Act 2016, Bursa Securities Main Market Listing Requirements, the Securities Commission guidelines and other relevant legislation and regulatory authorities. In addition, the Company Secretary attends all Board meetings and properly maintain the Company's statutory records, register books and documents besides ensuring proper conduct at the Annual General Meetings, Extraordinary General Meetings, Board and Committees' Meeting and any other meetings and the preparation of minutes thereof.

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 on page 11 of the Annual Report. The AC meets at least four times a year.

Corporate Governance
Overview Statement
cont'd

PRINCIPAL A : BOARD LEADERSHIP & EFFECTIVENESS *cont'd*

B. BOARD COMMITTEES *cont'd*

(ii) Nomination Committee ("NC")

The members of the NC are:-

- Kenny Tan Kah Poh *(Independent Non-Executive Director)*
- Mok Kam Loong *(Independent Non-Executive Director)*
- Choo Seng Choon *(Independent Non-Executive Director)*

Terms of Reference for NC

1. Members

The Committee shall be appointed by the Board of Directors and shall consist of not less than three (3) members, all of whom shall be non-executive directors, a majority of whom shall be independent directors.

A quorum shall consist of at least two (2) members.

2. Chairman

The Chairman of the Committee shall be determined by the Committee members.

3. Secretary

The Secretary of the Committee shall be determined by the Committee members.

4. Meetings

Meetings shall be held whenever necessary.

5. Duties and Responsibilities

The Committee shall:-

i. recommend to the Board the new nominees for all directorships to be filled by the board or the shareholders.

   - in identifying candidates for appointment of directors, the Board does not rely solely on recommendations from existing board members, management or major shareholders for director's candidacy. The Board utilises independent sources to identify suitably qualified candidates if necessary

ii. consider, in making its recommendations, candidates for directorships by assessing the following factors and attributes of the candidate:-

   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 Non-Executive 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 including gender diversity.
   h) the Board discloses in its annual report the company's policies on gender diversity, its targets and measures to meet those targets.

PRINCIPAL A : BOARD LEADERSHIP & EFFECTIVENESS *cont'd*

B. BOARD COMMITTEES *cont'd*

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

Terms of Reference for NC *cont'd*

5. Duties and Responsibilities *cont'd*

The Committee shall:- *cont'd*

iii. develop, maintain and review the criteria to be used in the recruitment process and annual assessment of Directors.

iv. recommend to the Board, directors to fill the seats on board committees.

v. annually review the mix of skills, knowledge, experience and other qualities the Board requires for it to function completely and efficiently.

vi. annually carry out a process for assessing the effectiveness of the Board as a whole, the Committees of the Board and for assessing the contribution of each individual director including his time commitment, character, experience and integrity. All assessments and evaluations carried out by the Committee in the discharge of all its functions shall be properly documented.

vii. consider, in assessing the contribution of individual directors, each director's ability to contribute to the effective decision making of the Board.

viii. assess annually the independence of its independent directors and disclose details in the Annual Report as appropriate.

ix. facilitate Board induction programme for newly appointed Directors.

x. assess the training needs of each Director, review the fulfilment of such training, and disclose details in the Annual Report as appropriate.

xi. review the Board's succession plans.

xii. consider the size and balance of the Board with a view to determine the impact of the number upon the Board's effectiveness and recommend it to the Board.

xiii. recommend to the Board the Company's gender diversity policies, targets and discuss measures to be taken to meet those targets.

xiv. recommend to the Board protocol for accepting new directorships.

(iii) Remuneration Committee ("RC")

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

- Datuk Tan Kok *(Chairman)*
- Kenny Tan Kah Poh *(Independent Non-Executive Director)*
- Mok Kam Loong *(Independent Non-Executive Director)*

Corporate Governance
Overview Statement
cont'd

PRINCIPAL A : BOARD LEADERSHIP & EFFECTIVENESS *cont'd*

B. BOARD COMMITTEES *cont'd*

(iii) Remuneration Committee ("RC") *cont'd*

Terms of Reference for RC

1. Members

RC members shall be appointed by the Board of Directors and shall consist of not less than three members majority of whom shall be non-executive directors.

A quorum shall consist of two members.

2. Chairman

The Chairman of the Committee shall be determined by the Committee members.

3. Secretary

The Secretary of the Committee shall be determined by the Committee members.

4. Meetings

The meetings shall be held whenever necessary; at least once a year.

5. Duties and Responsibilities

i. recommend to the Board the remuneration of all directors and senior management in all its forms, drawing from external advice when it considers necessary.

ii. consider the corporate and individual performance, level of responsibility and experience in determining the remuneration package for each director and senior management and corporate needs in relation to objectives and core business of the Company.

iii. abstain from participating in decisions regarding his/her own remuneration package.

PRINCIPAL A : BOARD LEADERSHIP & EFFECTIVENESS *cont'd*

B. BOARD COMMITTEES *cont'd*

(iv) Remuneration

The details of the remuneration of Directors of the Company in respect of the financial year ended 31 March 2021 are set out as follows:

	Fees RM	Salary RM	Bonus RM	Benefits-in-kind RM	Total RM
Directos:					
Datuk Tan Kok	30,000	1,225,000	3,000,000	64,564	4,319,564
Tan Chee Huey	30,000	141,640	35,000	17,870	224,510
Loh Wei Ling	30,000	141,640	35,000	15,970	222,610
Datin Lim Hooi Tin	30,000	177,000	60,000	18,547	285,547
Kenny Tan Kah Poh	36,000	-	-	-	36,000
Mok Kam Loong	36,000	-	-	-	36,000
Choo Seng Choon *(appointed on 25 February 2021)*	3,000	-	-	-	3,000
Ooi Hoy Bee @ Ooi Hooi Bee *(resigned on 25 February 2021)*	33,000	-	-	-	33,000
Goh Kean Hoe *(retired on 8 Sept 2020)*	15,800	-	-	-	15,800
	243,800	1,685,280	3,130,000	116,951	5,176,031

(v) 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.

Mr. Choo Seng Choon attended the Mandatory Accreditation Programme organised by the Iclif Leadership & Governance Centre on 26 & 27 July 2021.

PRINCIPAL B : EFFECTIVE AUDIT & RISK MANAGEMENT

(i) Audit Committee ("AC")

The AC assists the Board of Directors in fulfilling its responsibilities relating to effective audit and risk management of the Company and the Group. It oversees and appraises the quality of the audits conducted both by the Company's internal and external auditors. It meets with the internal auditors on a quarterly basis and the external auditors at least twice a year in the absence of the management and Executive Directors.

Suitability and Independence of External Auditors

The Board has via the AC reviewed the annual external audit plan of the external auditors, the competency of the service team and areas of audit emphasis to assess the suitability, objectivity and independence of the external auditors. The AC has found the external auditors to be suitable, objective and independent in discharging their professional duties and recommends that the external auditors be re-appointed at the forthcoming Annual General Meeting.

The External Auditors have confirmed that they are, and have been, independent in accordance with the By-laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants throughout their audit engagement.

Corporate Governance
Overview Statement
cont'd

PRINCIPAL B : EFFECTIVE AUDIT & RISK MANAGEMENT *cont'd*

(ii) 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.

(iii) Risk Management and Internal Control

The Board regards risk management and internal control as integral to the overall management process. The Board therefore has an overall responsibility to ensure 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, is in place and practiced in the Group.

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 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.

Further information on the Group's risk management and internal control is presented in the Statement on Risk Management and Internal Control in pages 27 and 28 of the Annual Report.

(iv) Relationship with the External Auditors

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

PRINCIPAL C : INTEGRITY IN CORPORATE REPORTING & MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

(i) Communication with Stakeholders

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 is annually conducted. 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.

PRINCIPAL C : INTEGRITY IN CORPORATE REPORTING & MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS *cont'd*

(ii) Conduct of General Meetings

Shareholders are notified of the AGM well in advance with a copy of the Company's Annual Report sent to the shareholders at least 28 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 any relevant issues of concern that may be raised by the shareholders.

The Board encourages participation at general meetings and all resolutions set out in the Company's Notice of AGM and/or Notices of Resolutions received, and its related amendments are subject to poll voting. To promote fairness, transparency and in accordance with Bursa Malaysia Securities Berhad's Main Market Listing Requirements, a scrutineer is appointed to observe the poll voting process.

A summary of the key matters discussed at the Company's AGM is posted onto the Company's website after the general meeting.

(iii) Corporate Social Responsibility

The Board is committed in its social obligation towards its stakeholders in particular towards the environment, community and its employees.

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 practiced 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 500 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 to schools, homes for the underprivileged and charitable organizations on regular basis.

Corporate Governance
Overview Statement
cont'd

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 Depository 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

Other than the share options issued under the Employees' Share Option Scheme ("ESOS"), there was no other options or convertible securities issued during the financial year under review.

Details of the ESOS share options are disclosed in Directors' Report of the Audited Financial Statements on page 37 of this Annual Report.

(vi) Non-Audit Fees Paid To External Auditors

There was 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 100 of this Annual Report.

(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 2021 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.

Sustainability Statement

INTRODUCTION

This Sustainability Statement is prepared in accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The Statement sets out the sustainability issues that are material to the operations of the Group and how they are managed in terms of the economic, environmental, social and governance aspects of our operations.

GOVERNANCE

Sustainability management is an essential part of LTKM business practices. In line with good corporate governance, the Board ensures that the practice of sustainability is embedded in our business practices and are executed accountably and responsibly. The Board accepts its responsibility to present a balanced assessment of the LTKM's position with regards to non-financial matters of the Group in addition to the regular financial reporting.

ENGAGEMENT WITH STAKEHOLDERS

LTKM seeks to continuously engage with its key stakeholders to better understand and able to provide appropriate response in achieving the goals of sustainability. Engagement with key stakeholders is performed through a number of formal and informal channels.

The Group is committed to engage with stakeholders regularly to mitigate threats and risks that hinder sustainability, growth or efficient running of our operations. Engagement with stakeholders is also to ensure necessary requirements and expectations are adequately, timely and exceedingly met.

MATERIAL ISSUES

A. ECONOMIC

Bio-security

In our line of industry which deals directly with livestock, disease is a main threat and risk to sustainability. Malaysia has not been spared of disease outbreak previously the worst of which was the Avian Influenza (H5N1) outbreak in 2004. Therefore, LTKM has given this matter its utmost attention and has put in place very stringent bio-security policies to prevent a disease outbreak in our farm.

Product and Consumers

LTKM strives to deliver quality products to our customers and consumers by focusing on quality across all parts of the value chain from feed quality to bird husbandry, processing and the sourcing of high quality raw materials. Sourcing of main feed ingredients are strictly controlled to ensure quality. LTKM only uses 100% natural feeds such as corn, soybean and flaxseed. These feeds are mixed internally at our own feed meal plant to ensure purity and freshness. Omega eggs are produced by adding high quality omega-3 rich ingredients such as fish oil and linseed oil to the diet of the layers. Ultimately, LTKM continuously assures customers of high quality and farm fresh eggs at affordable prices.

Labour

LTKM has automated certain processes and tasks to reduce dependency on labour and also to drive efficiency. This step is important to ensure operations are uninterrupted whilst the government's policy on foreign labour has become increasingly stringent. Without automation, LTKM's operations will be too labour dependent which can be a risk to operational sustainability.

Sustainability
Statement
cont'd

MATERIAL ISSUES *cont'd*

B. ENVIRONMENT

For LTKM, environment encompassed not only the impact of the Group's operation to nature but also to the surrounding community. Our aim is to reduce carbon footprints through areas of waste management which also impacts air pollution management; water and energy and pest control. We also utilize unutilized lands for planting in effort to leave positive environmental impact.

C. SOCIAL AND WORKPLACE

At LTKM we understand that interests and welfare of stakeholders such as employees and community particularly those living around the farm, are important to ensure that the Group's vision and mission of are carried out sustainably. Our social and workplace responsibility encompasses:

i. Occupational Safety and Health
ii. Employee Welfare
iii. Corporate Social Responsibility
iv. Regulations and Compliance

D. COVID-19 SAFETY MEASURES

The ongoing Covid-19 pandemic has greatly affected all our lives and business operations. Covid-19 is highly contagious through human contact as well as airborne. LTKM has incorporated measures issued by the authorities and other enhanced safety and hygiene measures at the farm and premises.

CONCLUSION

The Group looks forward to further enhance its sustainability practices to deliver higher and sustainable value to our stakeholders in all its business operations. It is our long term commitment in recognizing the importance of having right practices and corporate culture for a sustainable future.

Details of our sustainability efforts can be found in LTKM Sustainability Report 2021.

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:

    - o Review of business risk during operational meetings with the senior management team to identify, assess and manage risk in an efficient and effective manner
    - o Monitor results of key performance indicators
    - o Monitor exposure to credit risk to keep at acceptable level and financial capacity to withstand potential losses
    - o 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.

Statement On Risk Management
And Internal Control
cont'd

KEY INTERNAL CONTROL PROCESSES *cont'd*

- 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.

INTERNAL AUDIT FUNCTION

The internal audit function assists the Board and the Audit Committee by providing an independent assessment of the adequacy and effectiveness of the Group's internal control system.

The scope of works of the internal audit function includes but not limited to the following: -

- Review and assess the adequacy and effectiveness of the Group's internal control system.
- Review the extent of compliance of the Group with the policies, standard operating procedures and other laws and regulations which may have significant impact to the business operations of the Group.
- Report significant issues in relation to the business operations and activities of the Group and make recommendations for improvements in the reporting to Audit Committee.
- Highlight any irregularities to the Audit Committee.

During the financial year under review, there were no major/material internal control deficiency that would require further attention.

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 Audit and Assurance Practice Guide 3 (AAPG 3): 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 2021, 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.

AAPG 3 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 systems of risk management and internal control are adequate and effective to enable the Group to achieve its business objectives and nothing has to come to the attention of the Board which would result in any material losses, contingencies or uncertainties that would require separate disclose in this annual report.

Financial Statements

Directors' Report

The directors hereby present their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 March 2021.

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 17 to the financial statements.

RESULTS

	Group RM	Company RM
(Loss)/profit net of tax, attributable to owners of the parent	(27,392,409)	982,956

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 2020 were as follows:

	RM
In respect of the financial year ended 31 March 2020:	
Interim dividend of 0.5 sen, single-tier, on 130,104,006 ordinary shares, declared on 25 February 2020 and paid on 3 April 2020	650,520

The directors do not recommend the payment of any dividend in respect of the financial year ended 31 March 2021.

DIRECTORS

The names of the directors of the Company since the beginning of the financial year to date of this report are:

Datuk Tan Kok*	
Tan Chee Huey*	
Datin Lim Hooi Tin*	
Tan Kah Poh	
Mok Kam Loong	
Loh Wei Ling*	
Choo Seng Choon	*(appointed on 25.2.2021)*
Ooi Hoy Bee @ Ooi Hooi Bee	*(resigned on 25.2.2021)*
Goh Kean Hoe	*(retired on 8.9.2020)*

* *These directors are also directors of the Company's subsidiaries.*

DIRECTORS *cont'd*

The names of directors of the subsidiaries of the Company since the beginning of the financial year to date of this report, not including those directors listed above are:

Kok Chiew Heng
Loo Eng Seng
Dr. Mazila bt Mokhtar
Tan Yee Boon
Tan Yee Siong
Tan Yee Hou

DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during that financial 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, other than those arising from share options granted to Directors under the Employees' Share Option Scheme ("ESOS").

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(b) 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.

During the current financial year, the total amount of indemnity coverage and insurance premium paid for directors and officers of the Company are RM10,000,000 and RM14,310 respectively.

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 issued			
	1.4.2020	**Bought**	**Sold**	**31.3.2021**
The Company				
Direct interests:				
Datuk Tan Kok	3,458,116	-	-	3,458,116
Datin Lim Hooi Tin	600,000	-	-	600,000
Tan Chee Huey	312,000	-	-	312,000
Ooi Hoy Bee @ Ooi Hooi Bee *(resigned on 25.2.2021)*	150,000	-	-	150,000
Loh Wei Ling	12,000	-	-	12,000
Indirect interests:				
Datuk Tan Kok (1)	107,104,006	34,700	-	107,138,706
Datin Lim Hooi Tin (2)	107,104,006	34,700	-	107,138,706
Tan Chee Huey (3)	4,210,900	34,700	-	4,245,600
Loh Wei Ling (4)	492,000	-	-	492,000

Directors' Report
cont'd

DIRECTORS' INTERESTS *cont'd*

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: *cont'd*

	Number of ordinary shares issued			
	1.4.2020	Bought	Sold	31.3.2021
Holding company - Ladang Ternakan Kelang Sdn. Bhd.				
Direct interests:				
Datuk Tan Kok	12,117,600	-	-	12,117,600
Datin Lim Hooi Tin	4,039,200	-	-	4,039,200

(1) *Deemed interest by virtue of his controlling interest in Ladang Ternakan Kelang Sdn. Bhd. pursuant to Section 8(4) and Section 59(11)(c) of the Companies Act 2016.*

(2) *Deemed interest by virtue of her controlling interest in Ladang Ternakan Kelang Sdn. Bhd. pursuant to Section 8(4) and Section 59(11)(c) of the Companies Act 2016.*

(3) *Deemed interest pursuant to Section 8(4) and Section 59(11)(c) of the Companies Act 2016.*

(4) *Deemed interest pursuant to Section 59(11)(c) of the Companies Act 2016.*

Datuk Tan Kok and Datin Lim Hooi Tin, by virtue of their interests in shares in Ladang Ternakan Kelang Sdn. Bhd., are also deemed interested in shares of all the subsidiaries of the Company to the extent the Company has an interest.

	Number of options over ordinary shares pursuant to ESOS			
	As at 1.4.2020	Granted	Expired	As at 31.3.2021
Direct interests:				
Datuk Tan Kok	60,000	-	(60,000)	-
Datin Lim Hooi Tin	60,000	-	(60,000)	-
Tan Chee Huey	40,000	-	(40,000)	-
Ooi Hoy Bee @ Ooi Hooi Bee	40,000	-	(40,000)	-
Loh Wei Ling	40,000	-	(40,000)	-

Other than as disclosed above, 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.

EMPLOYEES' SHARE OPTION SCHEME ("ESOS")

At an Extraordinary General Meeting held on 12 June 2015, the Company's shareholders approved an Employees' Share Option Scheme ("ESOS") of up to 10% of the issued and paid up ordinary share capital of the Company (excluding treasury shares, if any) at any point in time during the existence of the ESOS.

The details of the ESOS are disclosed in Note 27 to the financial statements.

The Company had granted 1,160,000 share options under the ESOS scheme, where 60,000 share options has lapsed in prior year. These options was exercisable within three (3) years from 25 September 2017 and expired on 20 October 2020.

EMPLOYEES' SHARE OPTION SCHEME ("ESOS") *cont'd*

Details of options granted to directors are disclosed in the section on directors' interests in this report.

The ESOS expired on 20 October 2020 without any extension.

HOLDING COMPANY

The immediate and ultimate holding company is Ladang Ternakan Kelang Sdn. Bhd., which is incorporated in Malaysia.

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.

(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 in the financial statements of the Group and of the Company 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.

Directors' Report
cont'd

SIGNIFICANT EVENTS

Significant events during the financial year are disclosed in Note 39 to the financial statements.

AUDITORS

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

Auditors' remuneration is disclosed in Note 8 to the financial statements.

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young PLT, as part of the terms of its audit engagement against claims by third parties arising from the audit. No payment has been made to indemnify Ernst & Young PLT during or since the financial year.

Signed on behalf of the Board in accordance with a resolution of the directors dated 5 August 2021.

Datuk Tan Kok **Tan Chee Huey**

Statement by Directors

Pursuant to Section 251(2) of the Companies Act 2016

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 41 to 114 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 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 2021 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors dated 5 August 2021.

Datuk Tan Kok **Tan Chee Huey**

Statutory Declaration

Pursuant to Section 251(1)(b) of the Companies Act 2016

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 41 to 114 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 5 August 2021

Jancy Oh Suan Tin

Before me,

Tee Hsiao Mei
B272

Commissioner for Oaths
Klang, Selangor Darul Ehsan

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

REPORT ON THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of LTKM Berhad, which comprise the statements of financial position as at 31 March 2021 of the Group and of the Company, and statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and other explanatory information, as set out on pages 41 to 114.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 March 2021 and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis of opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the financial statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence and other ethical responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. We have determined that there are no key audit matters to communicate in our report on the financial statements of the Company. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditors' responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis of our audit opinion on the accompanying financial statements.

(a) *Valuation of biological assets*

We draw your attention to Note 2.14, Note 3(b)(i), Note 19 and Note 34 to the financial statements.

The Group's biological assets are measured at fair value. At 31 March 2021, the Group's biological assets were approximately RM7.4 million, of which RM4.9 million were chickens at egg laying stage. In deriving at the fair value of the layers, the Group uses the income approach. This method involves the projection of a series of cashflow to be generated by the layers.

The process of determining the fair value of these layers is complex and requires significant degree of judgement in determining the assumptions used, in particular, the estimated productivity of the layers, the estimated selling price of the eggs, the cost of feeds for the remaining life of the layers and the residual value of the layers as old hens.

Due to the complexity in the valuation process and the significant degree of judgement involved in deriving at the fair value of these layers, we consider this to be an area of our audit focus.

REPORT ON THE FINANCIAL STATEMENTS *cont'd*

Key audit matters *cont'd*

(a) Valuation of biological assets cont'd

Our audit procedures include amongst others:

(i) we obtained an understanding of the methodology adopted by management in estimating the fair value of the layers;

(ii) we evaluated the estimated selling prices of the eggs against historical prices;

(iii) we evaluated the estimated productivity of the layers against historical data and assessed the reasonableness of the estimate through comparison with productivity after the reporting date;

(iv) we assessed the expected feed cost for the remaining life of the layers against historical data;

(v) we agreed the residual price of the layers against the current market price; and

(vi) we evaluated the disclosure in Note 19 and Note 34 to the financial statements.

(b) Valuation of investment properties

We draw your attention to Note 2.9, Note 3(b)(ii), Note 14 and Note 34 to the financial statements.

At 31 March 2021, the carrying amount of investment properties of the Group was approximately RM101 million. The Group adopts fair value model for its investment properties. In the current financial year, the Group has either engaged firms of independent valuers or performed internal assessment to determine the fair value for investment properties held at the reporting date.

When estimating the fair value of a property, the objective is to estimate the price that would be received from the sale of the property in an orderly transaction between market participants at the reporting date under current market conditions which are highly judgemental. Accordingly, we consider this to be an area of audit focus. Our audit procedures focused on the evaluation performed by independent valuers and management with regards to the fair value of investment properties.

Our audit procedures include amongst others:

(i) we considered the competence, capabilities and objectivity of the independent valuers engaged by management and management personnel involved in the internal fair value assessment;

(ii) we obtained an understanding of the methodology adopted by the independent valuers and management in estimating the fair value of the properties;

(iii) we discussed with the independent valuers and management to obtain an understanding of the property related data used as input to the valuation model; and

(iv) we evaluated the disclosures in the Note 14 and Note 34 to the financial statements.

(c) Impairment assessment of property, plant and equipment and right-of-use assets – Poultry segment

We draw your attention to Note 3(b)(iii), Note 13 and Note 16(a) to the financial statements.

The Group is required to assess at each reporting period whether there is any indication that a cash generating units ("CGU") or groups of CGUs may be impaired. If any such indication exists, the Group shall estimate the recoverable amount of the CGU(s).

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

REPORT ON THE FINANCIAL STATEMENTS *cont'd*

Key audit matters *cont'd*

(c) Impairment assessment of property, plant and equipment and right-of-use assets – Poultry segment cont'd

Due to the deterioration in the financial performance and results of the poultry segment for the reporting year, the Group has determined that there is an indication of impairment relating to this CGU with the carrying amount of RM70 million. Accordingly, the Group has performed an impairment assessment on the CGU by estimating the recoverable amount using value-in-use ("VIU").

We have identified this as an important area of our audit given the significance of property, plant and equipment and right-of-use assets included in this CGU to the Group and the assessment of the recoverable amount is complex, which involves significant judgement and estimates.

Our audit procedures include amongst others:

(i) we cobtained an understanding of the relevant processes and internal controls over estimating the recoverable amount of the CGUs or groups of CGUs;

(ii) we assessed the discount rates and the methodology used in deriving the present value of the cash flows;

(iii) we assessed whether the assumptions used in the cash flow projections are consistent with past actual outcomes, in particular the assumptions about the estimated selling prices of the eggs, the estimated productivity of the layers; the expected feed cost; the estimated remaining useful lives of the assets, and the estimated terminal value of the assets in the final year of the cashflow projections; and

(iv) we evaluated the disclosures in Note 3(b)(iii), Note 13 and Note 16(a) to the financial statements.

Information other than the financial statements and auditors' report thereon

The directors of the Company are responsible for the other information. The other information comprises Directors' Report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon, which we obtained prior to the date of this auditors' report, and the annual report,which is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors of the Company and take appropriate action.

Responsibilities of the directors for the financial statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

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

REPORT ON THE FINANCIAL STATEMENTS *cont'd*

Responsibilities of the directors for the financial statements *cont'd*

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Group's and of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Independent
Auditors' Report
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cont'd

REPORT ON THE FINANCIAL STATEMENTS *cont'd*

Auditors' responsibilities for the audit of the financial statements *cont'd*

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young PLT
202006000003 (LLP0022760-LCA) & AF 0039
Chartered Accountants

Ng Kim Ling
No. 03236/04/2022 J
Chartered Accountant

Kuala Lumpur, Malaysia
5 August 2021

Statements of Comprehensive Income

for the Financial Year Ended 31 March 2021

		Group		Company	
		2021	**2020**	**2021**	**2020**
	Note	**RM**	**RM**	**RM**	**RM**
Revenue	4(a)	137,402,172	187,188,062	394,800	3,528,000
Cost of sales	4(b)	(138,159,253)	(152,222,036)	-	-
Gross (loss)/profit		(757,081)	34,966,026	394,800	3,528,000
Other income	5	1,794,848	2,273,955	2,088,598	2,636,696
Other items of expense					
Distribution expenses		(3,234,358)	(2,713,186)	-	-
Administrative expenses		(7,514,288)	(8,307,862)	(1,170,083)	(1,951,942)
Other expenses	6	(15,011,068)	(10,313,526)	-	-
Finance costs	7	(3,717,964)	(4,433,636)	(1,163)	(3,605)
(Loss)/profit before tax	8	(28,439,911)	11,471,771	1,312,152	4,209,149
Income tax benefit/(expense)	10	1,047,502	(5,974,240)	(329,196)	(600,774)
(Loss)/profit net of tax		(27,392,409)	5,497,531	982,956	3,608,375
Other comprehensive income/(loss)					
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:					
Net change in fair value through other comprehensive income (“FVOCI”) reserves:					
- Changes in fair value		6,842,911	(8,661,321)	-	-
Other comprehensive income/(loss) for the year, net of tax		6,842,911	(8,661,321)	-	-
Total comprehensive (loss)/income for the year		(20,549,498)	(3,163,790)	982,956	3,608,375
(Loss)/profit net of tax, attributable to:					
Owners of the parent		(27,392,409)	5,497,531	982,956	3,608,375
Total comprehensive (loss)/income attributable to:					
Owners of the parent		(20,549,498)	(3,163,790)	982,956	3,608,375
(Loss)/earnings per share attributable to owners the parent (sen per share):					
Basic/diluted	11	(21.05)	4.23		

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

Statements of Financial Position

as at 31 March 2021

		Group	
		2021	2020
	Note	RM	RM
Assets			
Non-current assets			
Property, plant and equipment	13	79,337,811	83,009,759
Investment properties	14	100,865,000	104,395,000
Land held for property development	15	37,582,033	39,353,542
Right-of-use assets	16(a)	1,643,623	2,665,288
Deferred tax assets	26	-	1,948
Investment securities	18(a)	22,644,490	15,893,428
Other investment	18(b)	1,012,000	-
		243,084,957	245,318,965
Current assets			
Biological assets	19	7,424,261	12,809,880
Inventories	20	10,432,398	17,884,084
Tax recoverable		5,326,957	1,400,719
Trade and other receivables	21	10,575,497	9,611,905
Prepayments	22	424,880	1,158,485
Cash and bank balances	23	40,867,029	50,260,825
		75,051,022	93,125,898
Total assets		318,135,979	338,444,863
Equity and liabilities			
Current liabilities			
Trade and other payables	24	12,553,697	12,305,584
Loans and borrowings	25	41,460,303	27,941,681
Lease liabilities	16(b)	1,304,621	1,239,881
Dividend payable		-	650,520
Tax payable		217,307	713,407
		55,535,928	42,851,073
Net current assets		19,515,094	50,274,825

Statements of Financial Position

as at 31 March 2021
cont'd

	Note	Group 2021 RM	2020 RM
Non-current liabilities			
Loans and borrowings	25	38,086,326	46,874,158
Lease liabilities	16(b)	416,992	1,491,176
Deferred tax liabilities	26	4,139,411	6,336,636
		42,642,729	54,701,970
Total liabilities		98,178,657	97,553,043
Net assets		219,957,322	240,891,820
Equity attributable to owners of the parent			
Share capital	27	65,052,003	65,052,003
Fair value through other comprehensive income reserve	28(a)	(6,203,307)	(13,109,226)
ESOS reserve	28(b)	-	385,000
Retained earnings	29	161,108,626	188,564,043
Total equity		219,957,322	240,891,820
Total equity and liabilities		318,135,979	338,444,863

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

Statements of Financial Position

as at 31 March 2021
cont'd

		Company	
		2021	2020
	Note	RM	RM
Assets			
Non-current assets			
Property, plant and equipment	13	858,208	926,419
Right-of-use assets	16(a)	230,437	40,810
Investment in subsidiaries	17	47,427,440	47,756,440
Other receivables	21	49,278,199	45,090,106
		97,794,284	93,813,775
Current assets			
Trade and other receivables	21	404,991	566,901
Prepayment	22	-	650,520
Tax receivables		130,216	-
Cash and bank balances	23	4,332,352	7,965,040
		4,867,559	9,182,461
Total assets		102,661,843	102,996,236
Equity and liabilities			
Current liabilities			
Trade and other payables	24	168,324	556,546
Lease liabilities	16(b)	32,897	42,037
Dividend payable		-	650,520
Tax payable		-	75,893
		201,221	1,324,996
Net current assets		4,666,338	7,857,465
Non-current liabilities			
Deferred tax liability	26	20,733	26,847
Lease liabilities	16(b)	197,540	-
		218,273	26,847
Total liabilities		419,494	1,351,843
Net assets		102,242,349	101,644,393
Equity attributable to owners of the Company			
Share capital	27	65,052,003	65,052,003
ESOS reserve	28(b)	-	385,000
Retained earnings	29	37,190,346	36,207,390
Total equity		102,242,349	101,644,393
Total equity and liabilities		102,661,843	102,996,236

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 2021

Group	Note	Share capital RM	Fair value through other comprehensive income reserve RM	ESOS reserve RM	Distributable retained earnings RM	Total equity RM
		Attributable to owners of the parent				
			(Non-distributable)			
2021						
At 1 April 2020		65,052,003	(13,109,226)	385,000	188,564,043	240,891,820
Total comprehensive income/ (loss)		-	6,842,911	-	(27,392,409)	(20,549,498)
Loss net of tax		-	-	-	(27,392,409)	(27,392,409)
Other comprehensive income, net of tax		-	6,842,911	-	-	6,842,911
Transfer of fair value reserve of equity instruments designated at FVOCI upon disposal	18	-	63,008	-	(63,008)	-
Transaction with owners:						
Share options lapsed under ESOS		-	-	(385,000)	-	(385,000)
At 31 March 2021		65,052,003	(6,203,307)	-	161,108,626	219,957,322
2020						
At 1 April 2019		65,052,003	(4,430,642)	399,000	185,000,809	246,021,170
Total comprehensive (loss)/ income		-	(8,661,321)	-	5,497,531	(3,163,790)
Profit net of tax		-	-	-	5,497,531	5,497,531
Other comprehensive loss, net of tax		-	(8,661,321)	-	-	(8,661,321)
Transfer of fair value reserve of equity instruments designated at FVOCI upon disposal	18	-	(17,263)	-	17,263	-
Transaction with owners:						
Dividends on ordinary shares	12	-	-	-	(1,951,560)	(1,951,560)
Share options lapsed under ESOS		-	-	(14,000)	-	(14,000)
At 31 March 2020		65,052,003	(13,109,226)	385,000	188,564,043	240,891,820

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 2021
cont'd

Company	Note	Share capital RM	Non-distributable ESOS reserve RM	Distributable retained earnings RM	Total equity RM
2021					
At 1 April 2020		65,052,003	385,000	36,207,390	101,644,393
Profit net of tax, representing total comprehensive income		-	-	982,956	982,956
Transaction with owners:					
Share options lapsed under ESOS		-	(385,000)	-	(385,000)
At 31 March 2021		65,052,003	-	37,190,346	102,242,349
2020					
At 1 April 2019		65,052,003	399,000	34,550,575	100,001,578
Profit net of tax, representing total comprehensive income		-	-	3,608,375	3,608,375
Dividends on ordinary shares				(1,951,560)	(1,951,560)
Share options lapsed under ESOS	12	-	(14,000)	-	(14,000)
At 31 March 2020		65,052,003	385,000	36,207,390	101,644,393

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

Statements of Cash Flows

for the Financial Year Ended 31 March 2021

	Note	Group 2021 RM	Group 2020 RM	Company 2021 RM	Company 2020 RM
Cash flows from operating activities					
(Loss)/profit before tax		(28,439,911)	11,471,771	1,312,152	4,209,149
Adjustments for:					
Depreciation of property plant and equipment	8	4,875,700	7,077,481	68,611	69,057
Property, plant and equipment written off	8	15	43,591	-	-
Depreciation of right-of-use assets	16(a)	1,252,102	1,167,694	40,810	40,822
Gain on disposal of property, plant and equipment	5	(86,997)	(218,861)	-	-
Impairment of property, plant and equipment	6	-	3,400,000	-	-
Fair value loss on investment properties	6	3,530,000	-	-	-
Impairment loss on land held for development	6	-	930,000	-	-
Property development cost written off	6	5,306,962	-	-	-
Changes in fair value of:					
Livestock	6	6,174,106	5,698,127	-	-
Produce inventories	5/6	(49,228)	266,164	-	-
Share options lapsed under ESOS	9(a)	(385,000)	(14,000)	(56,000)	(14,000)
Allowance for expected credit losses	8	236,433	103,854	-	-
Reversal of trade receivables impairment	8	(142,390)	-	-	-
Short term accumulating compensated absences	9(a)	(38,680)	41,279	1,928	2,795
Unrealised (gain)/loss on foreign exchange	5/6	(20,113)	17,136	-	-
Dividend income from:					
Investment securities	5	(519,833)	(675,293)	-	-
A subsidiary company	4(a)	-	-	-	(3,000,000)
Interest expense	7	3,594,645	4,264,361	-	-
Lease interest expense	7	123,319	169,275	1,163	3,605
Interest income	5	(614,308)	(1,007,140)	(2,076,598)	(2,624,696)
Operating (loss)/profit before working capital changes		(5,203,178)	32,735,439	(707,934)	(1,313,268)
Working capital changes in:					
Land held for development		(3,421,010)	-	-	-
Property development costs		(114,443)	(961,387)	-	-
Biological assets		(788,487)	651,855	-	-
Inventories		7,500,914	(1,558,554)	-	-
Receivables		(303,917)	5,312,971	650,520	(650,520)
Payables		286,793	(2,334,043)	(29,417)	(6,598)
Cash (used in)/generated from operations		(2,043,328)	33,846,281	(86,831)	(1,970,386)
Net taxes paid		(5,570,113)	(10,831,818)	(541,419)	(734,372)
Interest paid		(3,717,964)	(4,231,298)	(1,163)	(3,605)
Net cash (used in)/generated from operating activities		(11,331,405)	18,783,165	(629,413)	(2,708,363)

Statements of Cash Flows

for the Financial Year Ended 31 March 2021
cont'd

		Group		Company	
		2021	2020	2021	2020
	Note	RM	RM	RM	RM
Cash flows from investing activities					
Purchase of:					
Property, plant and equipment	13(b)	(1,123,770)	(2,785,407)	(400)	(6,633)
Investment securities		(651,478)	(586,060)	-	-
Other investment		(1,012,000)	-	-	-
Proceeds from disposal of:					
Property, plant and equipment		87,000	223,000	-	-
Investment securities		743,327	268,899	-	-
Net change in investment in subsidiaries		-	-	-	(100,000)
Interest received		614,308	1,007,140	2,076,598	2,624,696
Dividend received from:					
A subsidiary		-	-	-	3,000,000
Investment securities		519,833	656,593	-	-
Net cash (used in)/generated from investing activities		(822,780)	(1,215,835)	2,076,198	5,518,063
Cash flows from financing activities					
Net repayments from subsidiaries		-	-	(4,386,916)	(2,348,814)
Dividends paid		(650,520)	(2,602,080)	(650,520)	(2,602,080)
Repayment of term loans		(8,346,297)	(7,523,785)	-	-
Payment of lease liabilities	16(b)	(1,239,881)	(1,098,879)	(42,037)	(39,595)
Drawdown of other bank borrowings		12,997,087	6,463,465	-	-
Net cash generated from/(used in) financing activities		2,760,389	(4,761,279)	(5,079,473)	(4,990,489)
Net (decrease)/increase in cash and cash equivalents		(9,393,796)	12,806,051	(3,632,688)	(2,180,789)
Cash and cash equivalents at beginning of year		50,260,825	37,454,774	7,965,040	10,145,829
Cash and cash equivalents at end of year (Note 23)		40,867,029	50,260,825	4,332,352	7,965,040

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 2021

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 17.

There have been no significant changes in the nature of these 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 5 August 2021.

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 Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act 2016 ("the Act") in Malaysia.

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

The financial statements are presented in Ringgit Malaysia ("RM").

2.2 Changes in accounting policies

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

On 1 April 2020, the Group and the Company adopted the following new and amended MFRSs mandatory for annual financial periods beginning on or after 1 April 2020.

Descriptions	Effective for annual periods beginning on or after
Amendments to MFRS 3: *Definition of Business*	1 January 2020
Amendments to MFRS 9, MFRS 139 and MFRS 7: *Interest Rate Benchmark Reform*	1 January 2020
Revised Conceptual Framework for Financial Reporting *(The Conceptual Framework)*	1 January 2020
Amendments to MFRS 101: *Definition of Material*	1 January 2020
Amendments to MFRS 108: *Definition of Material*	1 January 2020

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

Notes to the Financial Statements

for the Financial Year Ended 31 March 2021
cont'd

2. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.3 Standards issued but not yet effective

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

Descriptions	Effective for annual periods beginning on or after
Amendments to MFRS 16: *Covid-19-Related Rent Concessions*	1 June 2020
MFRS 17: *Insurance Contracts*	1 January 2021
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: *Interest Rate Benchmark Reform - Phase 2*	1 January 2021
Amendment to MFRS 16: *Covid-19-Related Rent Concessions beyond 30 June 2021*	1 April 2021
Annual Improvements to MFRS Standards 2018-2020	
• Amendments to MFRS 1: *First time Adoption of Malaysian Financial Reporting Standards*	1 January 2022
• Amendments to MFRS 9: *Financial Instruments*	1 January 2022
• Amendments to MFRS 141: *Agriculture*	1 January 2022
Amendments to MFRS 3: *Reference to the Conceptual Framework*	1 January 2022
Amendments to MFRS 101: *Property, Plant and Equipment - Proceeds before intended use*	1 January 2022
Amendments to MFRS 116: *Property, Plant and Equipment - Proceeds before Intended Use*	1 January 2022
Amendments to MFRS 137: *Onerous Contracts - Cost of Fulfilling a Contract*	1 January 2022
Amendments to MFRS 101: *Disclosure of Accounting Policies*	1 January 2023
Amendments to MFRS 108: *Definition of Accounting Estimates*	1 January 2023
Amendments to MFRS 17: *Insurance Contract*	1 January 2023
Amendments to MFRS 10 and MFRS 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 will have no material impact on the financial statements in the period of initial application.

2.4 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.

2. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.4 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 MFRS 9 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 MFRS 9, it is measured in accordance with the appropriate MFRS.

Notes to the Financial Statements

for the Financial Year Ended 31 March 2021
cont'd

2. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.4 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.

2.5 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.

2.6 Revenue recognition

(a) Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods, net of indirect taxes.

The Group recognises revenue from contracts with customers for the sale of goods based on the five-step model as set out below:

(i) Identify contract with a customer

A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria that must be met.

(ii) Identify performance obligations in the contract

A performance obligation is a promise in a contract with a customer to transfer a good to the customer.

(iii) Determine the transaction price

The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods to a customer, excluding amounts collected on behalf of third parties.

In determining the transaction price, the Group considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer.

(iv) Allocate the transaction price to the performance obligation(s) in the contract

For a contract that has more than one performance obligation, the Group allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

2. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.6 Revenue recognition *cont'd*

(a) Revenue from contracts with customers *cont'd*

(v) Determine the timing of revenue recognition

The Group satisfies a performance obligation and recognise revenue over time if the Group's performance:

(i) Do not create an asset with an alternative use to the Group and have an enforceable right to payment for performance obligation completed to-date; or

(ii) Create or enhance an asset that the customer controls as the asset is created or enhanced; or

(iii) Provide benefits that the customer simultaneously receives and consumes as the Group perform.

For performance obligations where any one of the above conditions are met, revenue is recognised at the point in time at which the performance obligation is satisfied.

For performance obligations that are satisfied over time, the Group determined that the input method is the best method in measuring progress of the services because there is direct relationship between the Group's effort and the transfer of service to the customer.

The following describes the performance obligation in contracts with customers:

(i) Revenue from sales of produce inventories, livestock and feeds

Revenue is recognised at the point in time when the control of produce inventories and livestock are transferred 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) Revenue from sales of sand

Revenue is recognised at the point in time when the control of sand is transferred 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.

(b) Other revenue

(i) Dividend income

Dividend income is recognised at point of time when the Group's and the Company's right to receive payment is established which is the date that the dividend is declared.

(ii) Interest income

Interest income is recognised on the accrual basis, using the effective interest method, unless recoverability is in doubt, in which case, it is recognised on receipt basis.

(iii) Management fee income

Management service fees are recognised at point of time as at when services are rendered.

Notes to the Financial Statements

for the Financial Year Ended 31 March 2021
cont'd

2. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.6 Revenue recognition *cont'd*

(b) Other revenue *cont'd*

(iv) Rental income

Rental income from investment properties is recognised 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. The income recognition is not within the scope of MFRS 15.

2.7 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 at 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 taxable 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.

2. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.7 Income taxes *cont'd*

(ii) Deferred tax *cont'd*

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.

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.

2.8 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 Company and the cost of the item can be measured reliably.

Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group and the Company recognise 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 is measured at cost less any accumulated impairment losses.

Freehold land has an unlimited useful life and therefore is not depreciated. Leasehold land are depreciated over the period of their respective lease term. 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%

Capital-in-progress included in property, plant and equipment are not depreciated as these assets are not yet available for use.

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. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.8 Property, plant and equipment, and depreciation *cont'd*

Bearer plant comprise pre-cropping expenditure incurred from land clearing to the point of maturity. Such expenditure is capitalised and is amortised at maturity of the crop at the following rates which are deemed as the useful economic lives of the crop:

Pre-cropping expenditure - oil palm	over 20 years or 5%

2.9 Investment properties

Investment properties are properties which are owned or held to earn rental income or capital appreciation or for both; but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. These include freehold land and leasehold land which in substance is a finance lease held for a currently undetermined future use.

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.

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 2.8 up to the date of change in use.

2.10 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 lower of cost and net realisable value.

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) Completed inventory property and inventory property under development

Property acquired or being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, is held as inventory property and is measured at the lower of cost and net realisable value ("NRV"). NRV is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

2. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.10 Land held for property development and property development costs *cont'd*

(ii) Completed inventory property and inventory property under development *cont'd*

Principally, this is property that the Group develops and intends to sell before, or on completion of, development.

Cost incurred in bringing each property to its present location and condition includes:

- Freehold and leasehold rights for land
- Amounts paid to contractors for development
- Borrowing costs, planning and design costs, costs of site preparation, professional fees for legal services, property transfer taxes, development overheads and other related costs.

NRV is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date, less estimated costs of completion and the estimated costs necessary to make the sale.

When an inventory property is sold, the carrying amount of the property is recognised as an expense in the period in which the related revenue is recognised. The carrying amount of inventory property recognised in profit or loss is determined with reference to the directly attributable costs incurred on the property sold and an allocation of any other related costs based on the relative size of the property sold.

2.11 Leases

The Group and the Company assess at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(a) As a lessee

The Group and the Company apply a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group and the Company recognise lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-use assets

The Group and the Company recognise right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

2. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.11 Leases *cont'd*

(a) As a lessee *cont'd*

(ii) Lease liabilities

At the commencement date of the lease, the Group and the Company recognise lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and the Company and payments of penalties for terminating the lease, if the lease term reflects the Group and the Company exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group and the Company use their incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

(iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to their short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

(b) As a lessor

The Group and the Company classified their leases as either operating leases or finance leases. Leases where the Group and the Company retain substantially all the risks and rewards of ownership of the leased assets 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 basis as rental income.

If the Group and the Company transfer substantially all the risks and rewards incidental to ownership of the leased assets, leases are classified as finance leases and are capitalised at an amount equal to the net investment in the lease.

2. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.12 Financial assets

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI"), and fair value through profit or loss ("FVTPL").

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient, the Group and the Company initially measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or FVOCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's and the Company's business model for managing financial assets refers to how they manage their financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group and the Company commit to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments);
- Financial assets at FVOCI with recycling of cumulative gains and losses (debt instruments);
- Financial assets designated at FVOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments); and
- Financial assets at FVTPL.

The Group and the Company have no financial assets carried at FVOCI for debt instruments or financial assets carried at FVTPL.

Financial assets at amortised cost (debt instruments)

The Group and the Company measure financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's and the Company's financial assets at amortised cost include other investment, trade and other receivables and cash and bank balances.

2. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.12 Financial assets *cont'd*

Financial assets designated at FVOCI (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably their equity investments as equity instruments designated at FVOCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity instruments designated at FVOCI are not subject to impairment assessment.

The Group elected to classify irrevocably its equity investments under this category.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired; or

- The Group and the Company have transferred their rights to receive cash flows from the asset or have assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group and the Company have transferred substantially all the risks and rewards of the asset, or (b) the Group and the Company have neither transferred nor retained substantially all the risks and rewards of the asset, but have transferred control of the asset.

When the Group and the Company have transferred their rights to receive cash flows from an asset or have entered into a pass-through arrangement, they evaluate if, and to what extent, they have retained the risks and rewards of ownership. When they have neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group and the Company continue to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group and the Company also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group and the Company have retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group and the Company could be required to repay.

Impairment of financial assets

The Group and the Company recognise an allowance for Expected Credit Losses ("ECLs") for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

2. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.12 Financial assets *cont'd*

Impairment of financial assets *cont'd*

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group and the Company apply a simplified approach in calculating ECLs. Therefore, the Group and the Company do not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group and the Company have established a provision matrix for trade receivables that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group and the Company consider a financial asset in default when internal or external information indicates that the Group and the Company are unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group and the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.13 Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's and the Company's financial liabilities include trade and other payables, amounts due to related parties and loans and borrowings.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Trade and other payables, amounts due to related parties

These are subsequently measured at amortised cost using the EIR method.

Loan and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

Notes to the Financial Statements

for the Financial Year Ended 31 March 2021
cont'd

2. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.13 Financial liabilities *cont'd*

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. 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 the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statements of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.14 Biological assets

Livestock

The Group's livestock consists of chickens reared for laying eggs at each stage of growth from starter, grower, layer to old hens. Livestock is measured at fair value less estimated cost to sell with change in fair value less costs to sell recognised in profit or loss for the period in which it arises. The fair value of the starters, growers and old hens are stated at its market value and the fair value of the layers are using the income approach method.

The fair value using the income approach is based on the expected number of eggs produced by each batch, estimated selling prices of eggs, estimated cost of feeds, residual value of old hens and other related costs, taking into account the time value of money over the life of the layers.

2.15 Inventories

The Group's inventories consist of raw materials, consumable goods and produce inventories.

(i) Raw materials and consumable goods - livestock feed, fuel and other materials

Raw materials and consumable goods are stated at the lower of costs and net realisable value. The cost of raw materials and consumable goods are costs incurred in bringing them to their present location and condition stated 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.

(ii) Produce inventories

(a) Eggs

Eggs are agricultural produce and are stated at the lower of costs and net realisable value. The cost of eggs are initially recognised as inventory at its fair value less costs to sell.

(b) Organic fertilisers

Organic fertilisers are stated at the lower of costs and net realisable value. The cost of 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 first-in-first-out basis.

2. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.15 Inventories *cont'd*

(ii) Produce inventories *cont'd*

(b) Organic fertilisers *cont'd*

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.

2.16 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.

2.17 Provisions

Provisions are recognised when the Group and the Company have 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. When the Group and the Company expect some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statements of comprehensive income net of any reimbursement.

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.

2.18 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 and the Company participate in the national pension scheme as defined by the laws of the country in which they operates. The Group and the Company make contributions to the Employees 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.

(iii) Employees' Share Option Scheme (ESOS)

Executives of the Group and of the Company receive remuneration in the form of share options as consideration for services rendered. The cost of these equity-settled transactions with executives is measured by reference to the fair value of the options at the date on which the options are granted. This cost is recognised in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.18 Employee benefits *cont'd*

(iii) Employees' Share Option Scheme (ESOS) *cont'd*

The share option reserve is transferred to retained earnings upon expiry of the share options. When the options are exercised, the share option reserve is transferred to share capital if new shares are issued.

2.19 Impairment of non-financial assets

The Group and the Company assess 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 and the Company make 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.

2.20 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. 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.

2.21 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.

2. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.21 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.

2.22 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.

2.23 Share capital and share issuance expenses

An equity instrument is any contract that evidences a residual interest in the assets of the Group and of 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.

2.24 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 36, including the factors used to identify the reportable segments and the measurement basis of segment information.

Notes to the Financial Statements

for the Financial Year Ended 31 March 2021
cont'd

2. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.25 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.

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 and the Company, as the issuers, are 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.

2.26 Current versus non-current classification

The Group and the Company present 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 and the Company classify all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

2.27 Fair value measurement

The Group and the Company measure 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 33.

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 and the Company.

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.

2. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.27 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 and the Company use 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 and the Company determine 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.

The Group management determines the policies and procedures for both recurring fair value measurement, such as investment properties and investment securities.

External valuers are involved for valuation of significant assets, such as properties and significant liabilities, such as contingent consideration. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Group management decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management, in conjunction with the Group's external valuers, also compares each of the changes in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's and of the Company'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.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES *cont'd*

(a) Judgements made in applying accounting policies

In the process of applying the Group's and the Company'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 other comprehensive income. 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.

(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) Biological assets

The fair value of biological assets is determined using the income approach model which considers the expected quantity and price of the eggs to be produced over the life of the layers, taking into account the layers' mortality rate.

In measuring the fair value of biological assets, management estimates and judgements are required which include the estimated selling price of the eggs, estimated feed costs over the remaining life of the layers, as well as residual value of layers upon maturity age. Changes to any of these assumptions would affect the fair value of the biological assets.

The fair value of biological assets as at 31 March 2021 is RM7,424,261 (2020: RM12,809,880).

(ii) Fair value of investment properties

The Group carries its investment properties at fair value, with changes in fair value being recognised in profit or loss. The Group engaged independent valuation specialists to assess fair value at each reporting date. Fair value is determined based on comparison method. Comparison method makes reference to market-based evidence, using comparable prices adjusted for specific market factors such as nature, location and condition of the property. The key assumptions used to determine the fair value of these assets and sensitivity analyses are provided in Notes 14 and 34.

(iii) Impairment of property, plant and equipment and right-of-use assets – Poultry segment

The Group and the Company review the carrying amounts of the property, plant and equipment, right-of-use assets and intangible asset at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the Group and the Company shall estimate the recoverable amount of CGU or groups of CGU. The recoverable amounts are measured using higher of value-in-use ("VIU") or fair value less cost of disposal ("FVLCD").

Due to the deterioration in the financial performance and results of the poultry segment for the reporting year, the Group has determined that there is an indication of impairment relating to this CGU with the carrying amount of RM70 million. Accordingly, the Group has performed an impairment assessment on the CGU by estimating the recoverable amounts using VIU. Based on the recoverable amount there were no impairment noted during the year.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES *cont'd*

(b) Key sources of estimation uncertainty *cont'd*

(iii) Impairment of property, plant and equipment and right-of-use assets – Poultry segment *cont'd*

The VIU of the poultry segment are based on the future cash flows that are expected to be derived from continuing use of the assets and from the ultimate disposal of such assets. The VIU are derived using cashflow generated by the layers which considers the expected quantity and price of eggs to be produced and sold over the life of the layers, taking into consideration the layers mortality rate. Management's judgements are required which includes the estimated selling price of the eggs, estimated feed costs over the remaining life of the layers, as well as the residual value of the layers upon maturity. Changes to any of these assumptions would affect the amount of the VIU.

The estimation of the recoverable amount involves significant judgement and estimations. While the Group and the Company believe that the assumptions are appropriate and reasonable, changes in the assumptions may materially affect the assessment of recoverable amounts.

4. REVENUE AND COST OF SALES

(a) Revenue

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Revenue from contracts with customers (Note (i))	137,042,172	186,828,062	-	-
Dividend income from a subsidiary	-	-	-	3,000,000
Rental income from investment properties	360,000	360,000	-	-
Management fee from subsidiaries	-	-	394,800	528,000
	137,402,172	187,188,062	394,800	3,528,000

(i) Revenue from contracts with customers

Disaggregated revenue information

Set out below is the disaggregation of the Group's revenue from contracts with customers:

	Group	
	2021	2020
	RM	RM
Revenue from:		
- Sales of produce inventories, feeds and livestock, less return and discounts allowed	131,964,779	183,760,187
- Sales of sand	5,077,393	3,067,875
Total revenue from contracts with customers	137,042,172	186,828,062

Notes to the Financial Statements
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cont'd

4. REVENUE AND COST OF SALES *cont'd*

(a) Revenue *cont'd*

(i) Revenue from contracts with customers *cont'd*

Timing of revenue recognition

	Group	
	2021	2020
	RM	RM
At a point in time, representing total revenue from contracts with customers	137,042,172	186,828,062

Information on the Group's identification of performance obligations, determination of the timing of revenue recognition and measurement are disclosed in Note 2.6.

(b) Cost of sales

	Group	
	2021	2020
	RM	RM
Produce inventories and livestock	134,397,625	149,802,562
Sand	3,761,628	2,419,474
	138,159,253	152,222,036

5. OTHER INCOME

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Interest income on:				
- Fixed deposits	614,308	1,007,140	124,118	263,472
- Subsidiary loans	-	-	1,952,480	2,361,224
Dividend income from investment securities	519,833	675,293	-	-
Gain on disposal of property, plant and equipment	86,997	218,861	-	-
Rental income from premises	48,000	48,000	12,000	12,000
Gain on foreign exchange:				
- Realised	14,026	95,821	-	-
- Unrealised	20,113	-	-	-
Changes in fair value of produce inventories	49,228	-	-	-
Insurance compensation	397,858	-	-	-
Miscellaneous	44,485	228,840	-	-
	1,794,848	2,273,955	2,088,598	2,636,696

6. OTHER EXPENSES

	Group	
	2021	2020
	RM	RM
Changes in fair value of:		
- Livestock (Note 19)	6,174,106	5,698,127
- Produce inventories	-	266,164
Impairment loss on:		
- Property, plant and equipment	-	3,400,000
- Land held for development	-	930,000
Fair value loss on investment properties	3,530,000	-
Property development cost written off	5,306,962	-
Unrealised loss on foreign exchange	-	17,136
Miscellaneous	-	2,099
	15,011,068	10,313,526

7. FINANCE COSTS

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Interest expense on:				
- Bank overdrafts	1,447	120	-	-
- Bankers' acceptances	316,036	94,967	-	-
- Revolving credits	782,971	538,103	-	-
- Term loans	2,494,035	3,631,171	-	-
- Leases	123,319	169,275	1,163	3,605
- Hire purchase	156	-	-	-
Total finance cost	3,717,964	4,433,636	1,163	3,605

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8. (LOSS)/PROFIT BEFORE TAX

(Loss)/profit before tax is stated after charging/(crediting):

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Staff costs (excluding directors) (Note 9(a))	18,713,041	18,587,594	288,703	560,361
Directors' remuneration (Note 9(b))	8,818,131	8,661,515	390,149	409,091
Auditors' remuneration				
- statutory	207,500	203,500	70,000	66,000
- others	6,500	6,500	6,500	6,500
Depreciation of property, plant and equipment (Note 13)	4,875,700	7,077,481	68,611	69,057
Property, plant and equipment written off	15	43,591	-	-
Depreciation of right-of-use assets (Note 16(a))	1,252,102	1,167,694	40,810	40,822
Allowance for expected credit losses (Note 21(a))	236,433	103,854	-	-
Reversal of trade receivables impairment (Note 21(a))	(142,390)	-	-	-
Direct expenses arising from investment properties that:				
- Generate rental income	108,859	107,575	-	-
- Do not generate rental income	101,392	101,087	-	-

9. EMPLOYEE BENEFIT EXPENSE AND DIRECTORS' REMUNERATION

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
(a) Staff costs				
Wages and salaries	17,625,382	16,575,658	282,462	432,638
Defined contribution plans	823,053	1,181,402	51,689	117,650
Social security costs	179,832	173,377	1,657	2,485
Short term accumulating compensated absences	(38,680)	41,279	1,928	2,795
ESOS lapsed/expired	(385,000)	(14,000)	(56,000)	(14,000)
Employee insurance scheme	10,871	10,708	189	285
Other staff related expenses	497,583	619,170	6,778	18,508
	18,713,041	18,587,594	288,703	560,361

9. EMPLOYEE BENEFIT EXPENSE AND DIRECTORS' REMUNERATION *cont'd*

	Group		Company	
	2021	**2020**	**2021**	**2020**
	RM	**RM**	**RM**	**RM**
(b) Directors' remuneration				
Executive directors' remuneration:				
- Fees	90,000	75,000	60,000	45,000
- Other emoluments	6,107,292	4,973,083	206,349	207,091
Non-executive directors' remuneration:				
- Fees	153,800	187,000	123,800	157,000
- Other emoluments	282,030	329,511	-	-
Other directors of the Group				
- Fees	475,000	415,833	-	-
- Other emoluments	1,585,009	2,681,088	-	-
Total directors' remuneration	8,693,932	8,661,515	390,149	409,091
Estimated money value of benefits-in-kind	218,057	240,499	17,870	17,870
Total directors' remuneration including benefits-in-kind	8,911,989	8,902,014	408,019	426,961

The details of remuneration receivable by directors of the Group and Company during the financial year are as follows:

	Group		Company	
	2021	**2020**	**2021**	**2020**
	RM	**RM**	**RM**	**RM**
Executive directors of the Company				
- Fees	90,000	75,000	60,000	45,000
- Salaries and other emoluments	5,123,280	4,072,140	176,640	173,240
- Defined contribution plans	982,165	899,095	28,785	32,927
- Social security costs	1,657	1,658	829	829
- Employee insurance scheme	190	190	95	95
- Benefits-in-kind	98,404	123,971	17,870	17,870
	6,295,696	5,172,054	284,219	269,961
Non-executive directors of the Company				
- Fees	153,800	187,000	123,800	157,000
- Salaries and other emoluments	237,000	276,900	-	-
- Defined contribution plans	45,030	52,611	-	-
- Benefits-in-kind	18,547	18,547	-	-
	454,377	535,058	123,800	157,000

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9. EMPLOYEE BENEFIT EXPENSE AND DIRECTORS' REMUNERATION *cont'd*

(b) Directors' remuneration *cont'd*

The details of remuneration receivable by directors of the Group and Company during the financial year are as follows: *cont'd*

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Other directors of the Group				
- Fees	475,000	415,833	-	-
- Salaries and other emoluments	1,344,188	2,305,101	-	-
- Defined contribution plans	236,680	370,545	-	-
- Social security costs	4,539	4,943	-	-
- Employee insurance scheme	403	499	-	-
- Benefits-in-kind	101,106	97,981	-	-
	2,161,916	3,194,902	-	-
Total	8,911,989	8,902,014	408,019	426,961

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	
	2021	2020
Executive directors:		
RM200,001 - RM250,000	2	-
RM250,001 - RM300,000	-	2
RM4,850,001 - RM4,900,000	-	1
Above RM5,000,000	1	-
Non-executive directors:		
Below RM50,000	5	4
RM50,000 - RM100,000	-	-
RM150,001 - RM200,000	-	-
RM300,001 - RM350,000	1	-
RM350,001 - RM400,000	-	1

10. INCOME TAX (BENEFIT)/EXPENSE

Major components of income tax (benefit)/expense

The major components of income tax (benefit)/expense for the financial years ended 31 March 2021 and 31 March 2020 are:

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Current income tax:				
Malaysian income tax	1,385,947	8,674,114	363,486	600,455
(Over)/under provision in prior years	(238,172)	91,238	(28,176)	6,562
Real property gains tax:				
Malaysia real property gains tax	-	1,749	-	-
	1,147,775	8,767,101	335,310	607,017
Deferred tax (Note 26):				
Relating to origination and reversal of temporary differences	(2,462,845)	(2,938,910)	(6,114)	(6,241)
Under/(over) provision in prior years	267,568	146,049	-	(2)
	(2,195,277)	(2,792,861)	(6,114)	(6,243)
	(1,047,502)	5,974,240	329,196	600,774

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2020: 24%) of the estimated assessable profit for the financial year.

10. INCOME TAX (BENEFIT)/EXPENSE *cont'd*

Reconciliation between tax (benefit)/expense and accounting (loss)/profit

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

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
(Loss)/profit before tax:	(28,439,911)	11,471,771	1,312,152	4,209,149
Taxation at Malaysian statutory tax rate of 24% (2020: 24%)	(6,825,579)	2,753,225	314,916	1,010,196
Income not subject to tax	(163,027)	(518,624)	-	(720,000)
Expenses not deductible for tax purposes	3,280,408	3,500,487	42,456	304,018
Effect of changes in real property gain tax rate	(120,010)	-	-	-
Real property gains tax paid	-	1,749	-	-
Utilisation of previously unrecognised unabsorbed capital allowances	-	116	-	-
Deferred tax not recognised on unutilised business losses	2,143,804	-	-	-
Deferred tax not recognised on unabsorbed capital allowances	607,506	-	-	-
(Over)/under provision of:				
- Income tax expense in prior years	(238,172)	91,238	(28,176)	6,562
- Deferred tax in prior years	267,568	146,049	-	(2)
Income tax (benefit)/expense	(1,047,502)	5,974,240	329,196	600,774

11. (LOSS)/EARNINGS PER SHARE

Basic and diluted

Basic and diluted (loss)/earnings per share is calculated by dividing (loss)/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	
	2021	2020
	RM	RM
(Loss)/profit attributable to owners of the parent	(27,392,409)	5,497,531
Weighted average number of ordinary shares in issue (units)	130,104,006	130,104,006
Basic and diluted (loss)/earnings per share (sen per share)	(21.05)	4.23

12. DIVIDENDS

	Dividends in respect of financial year			Dividends recognised in financial year	
	2021	**2020**	**2019**	**2021**	**2020**
	RM	**RM**	**RM**	**RM**	**RM**
Recognised during the financial year					
Interim dividend of 1.0 sen, single-tier, on 130,104,006 ordinary shares, declared on 26 February 2019 and paid on 12 April 2019	-	-	1,301,040	-	-
Final dividend of 1.0 sen, single-tier, on 130,104,006 ordinary shares, declared on 26 July 2019 and paid on 4 October 2019	-	-	1,301,040	-	1,301,040
Interim dividend of 0.5 sen, single-tier, on 130,104,006 ordinary shares, declared on 25 February 2020 and paid on 3 April 2020	-	650,520	-	-	650,520
	-	650,520	2,602,080	-	1,951,560

The directors do not recommend the payment of any dividend in respect of the financial year ended 31 March 2021.

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	Bearer plant RM	Total RM
Group											
At 31 March 2021											
At cost											
At 1 April 2020		2,260,000	54,000,000	31,467,982	57,017,686	7,390,315	9,262,727	1,112,152	1,608,784	356,527	164,476,173
Additions		-	-	4,490	373,680	39,321	437,030	-	349,249	-	1,203,770
Written off		-	-	-	-	-	(23,900)	-	-	-	(23,900)
Disposals		-	-	-	-	-	(478,275)	-	-	-	(478,275)
Reclassification		-	-	-	-	-	-	137,343	(137,343)	-	-
At 31 March 2021		2,260,000	54,000,000	31,472,472	57,391,366	7,429,636	9,197,582	1,249,495	1,820,690	356,527	165,177,768
Accumulated depreciation and impairment losses:											
At 1 April 2020		273,422	3,400,000	18,196,107	45,736,479	5,076,381	7,677,068	970,874	-	136,083	81,466,414
Depreciation charge for the financial year	8	53,788	-	1,765,715	2,117,880	232,319	665,224	22,972	-	17,802	4,875,700
Written off		-	-	-	-	-	(23,885)	-	-	-	(23,885)
Disposals		-	-	-	-	-	(478,272)	-	-	-	(478,272)
At 31 March 2021		327,210	3,400,000	19,961,822	47,854,359	5,308,700	7,840,135	993,846	-	153,885	85,839,957
Analysed as:											
Accumulated depreciation		327,210	-	19,893,021	47,578,629	4,868,496	7,840,135	989,821	-	153,885	81,651,197
Accumulated impairment losses		-	3,400,000	68,801	275,730	440,204	-	4,025	-	-	4,188,760
		327,210	3,400,000	19,961,822	47,854,359	5,308,700	7,840,135	993,846	-	153,885	85,839,957
Net carrying amount											
At 31 March 2021		1,932,790	50,600,000	11,510,650	9,537,007	2,120,936	1,357,447	255,649	1,820,690	202,642	79,337,811

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	Bearer plant RM	Total RM
Group											
At 31 March 2020											
At cost											
At 1 April 2019		2,260,000	54,000,000	31,369,485	57,132,284	7,147,915	8,734,589	958,532	428,120	419,068	162,449,993
Additions		-	-	7,434	102,502	142,340	1,003,771	47,820	1,481,540	-	2,785,407
Written off		-	-	-	-	(3,953)	-	-	-	(62,541)	(66,494)
Disposals		-	-	-	(217,100)	-	(475,633)	-	-	-	(692,733)
Reclassification		-	-	91,063	-	104,013	-	105,800	(300,876)	-	-
At 31 March 2020		2,260,000	54,000,000	31,467,982	57,017,686	7,390,315	9,262,727	1,112,152	1,608,784	356,527	164,476,173
Accumulated depreciation and impairment losses:											
At 1 April 2019		219,634	-	14,630,131	43,602,019	4,827,390	7,326,252	958,531	-	136,473	71,700,430
Depreciation charge for the financial year	8	53,788	-	3,565,976	2,351,560	250,526	822,310	12,343	-	20,978	7,077,481
Impairment loss		-	3,400,000	-	-	-	-	-	-	-	3,400,000
Written off		-	-	-	-	(1,535)	-	-	-	(21,368)	(22,903)
Disposals		-	-	-	(217,100)	-	(471,494)	-	-	-	(688,594)
At 31 March 2020		273,422	3,400,000	18,196,107	45,736,479	5,076,381	7,677,068	970,874	-	136,083	81,466,414
Analysed as:											
Accumulated depreciation		273,422	-	18,127,306	45,460,749	4,636,177	7,677,068	966,849	-	136,083	77,277,654
Accumulated impairment losses		-	3,400,000	68,801	275,730	440,204	-	4,025	-	-	4,188,760
		273,422	3,400,000	18,196,107	45,736,479	5,076,381	7,677,068	970,874	-	136,083	81,466,414
Net carrying amount											
At 31 March 2020		1,986,578	50,600,000	13,271,875	11,281,207	2,313,934	1,585,659	141,278	1,608,784	220,444	83,009,759

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13. PROPERTY PLANT AND EQUIPMENT *cont'd*

	Building RM	Furniture, fittings and equipment RM	Total RM
Company			
At 31 March 2021			
At cost			
At 1 April 2020	1,202,252	1,420,384	2,622,636
Additions	-	400	400
At 31 March 2021	1,202,252	1,420,784	2,623,036
Accumulated depreciation and impairment losses			
At 1 April 2020	308,843	1,387,374	1,696,217
Depreciation charge for the financial year (Note 8)	60,313	8,298	68,611
At 31 March 2021	369,156	1,395,672	1,764,828
Analysed as:			
Accumulated depreciation	369,156	1,105,683	1,474,839
Accumulated impairment losses	-	289,989	289,989
	369,156	1,395,672	1,764,828
Net carrying amount			
At 31 March 2021	833,096	25,112	858,208
At 31 March 2020			
At cost			
At 1 April 2019	1,202,252	1,413,751	2,616,003
Additions	-	6,633	6,633
At 31 March 2020	1,202,252	1,420,384	2,622,636
Accumulated depreciation and impairment losses			
At 1 April 2019	248,529	1,378,631	1,627,160
Depreciation charge for the financial year (Note 8)	60,314	8,743	69,057
At 31 March 2020	308,843	1,387,374	1,696,217
Analysed as:			
Accumulated depreciation	308,843	1,097,385	1,406,228
Accumulated impairment losses	-	289,989	289,989
	308,843	1,387,374	1,696,217
Net carrying amount			
At 31 March 2020	893,409	33,010	926,419

13. PROPERTY PLANT AND EQUIPMENT *cont'd*

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

	Group	
	2021	**2020**
	RM	**RM**
Freehold land	36,600,000	36,600,000
Buildings	-	1,891,509
	36,600,000	38,491,509

(b) During the financial year, the Group acquired property, plant and equipment by way of:

	Group
	2021
	RM
Cash	1,123,770
Hire purchase	80,000
	1,203,770

(c) The net carrying amounts of property, plant and equipment held under hire purchase are as follows:

	Group
	2021
	RM
Motor vehicles	132,433

14. INVESTMENT PROPERTIES

	Group	
	2021	**2020**
	RM	**RM**
At 1 April 2020/2019	104,395,000	104,395,000
Net loss from fair value adjustment recognised in profit or loss (Note 6)	(3,530,000)	-
At 31 March 2021/2020	100,865,000	104,395,000

14. INVESTMENT PROPERTIES *cont'd*

Investment properties consist of the following:

	Group 2021 RM	Group 2020 RM
Freehold land	39,670,000	43,200,000
Leasehold land	61,195,000	61,195,000
	100,865,000	104,395,000

The fair values of the investment properties are based on valuation carried out by independent valuers, Laurelcap Sdn. Bhd. and Rahim & Co. International Sdn. Bhd. respectively. Fair values are determined primarily based on the comparison method. The current use of the Group's investment properties is the highest and best use of the property.

Information on fair value measurement and hierarchy disclosures for investment properties are disclosed in Note 34.

All of the above investment properties are pledged for borrowings (Note 25(c)(iii) and Note 25(d)(iii)).

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 2021	**Differences on:**		
Market comparable approach	- Location	- Land Usage	-20% to 15% for each inputs
	- Time	- Tenure	
	- Size	- Zoning	
	- Accessibility		
At 31 March 2020	**Differences on:**		
Market comparable approach	- Location	- Land Usage	-20% to 15% for each inputs
	- Time	- Tenure	
	- Size	- Zoning	
	- Accessibility		

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 are valued using the comparison method.

15. LAND HELD FOR PROPERTY DEVELOPMENT

	Freehold land RM	Development cost RM	Total RM
Group			
At 31 March 2021			
Cost			
At 1 April 2020	32,717,356	6,636,186	39,353,542
Additions	3,421,010	114,443	3,535,453
Impairment loss	-	(5,306,962)	(5,306,962)
At 31 March 2021	36,138,366	1,443,667	37,582,033
At 31 March 2020			
Cost			
At 1 April 2019	33,647,356	5,674,799	39,322,155
Additions	-	961,387	961,387
Impairment loss	(930,000)	-	(930,000)
At 31 March 2020	32,717,356	6,636,186	39,353,542

A freehold land held for development with a carrying value of RM6,708,326 (2020: RM6,708,326) has been pledged as security for a bank loan (Note 25(c)(iv)).

16. LEASES

As a lessee

(a) Right-of-use assets

	Farm land RM	Office premises RM	Total RM
Group			
Cost			
At 1 April 2020	3,751,350	81,632	3,832,982
Addition	-	230,437	230,437
At 31 March 2021	3,751,350	312,069	4,063,419
Accumulated depreciation			
At 1 April 2020	(1,126,872)	(40,822)	(1,167,694)
Depreciation charge for the year (Note 8)	(1,211,292)	(40,810)	(1,252,102)
At 31 March 2021	(2,338,164)	(81,632)	(2,419,796)
Net carrying amount at 31 March 2021	1,413,186	230,437	1,643,623

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16. LEASES *cont'd*

As a lessee *cont'd*

(a) Right-of-use assets *cont'd*

	Farm land RM	Office premises RM	Total RM
Group *cont'd*			
Cost			
At 1 April 2019	1,451,244	81,632	1,532,876
Addition	2,300,106	-	2,300,106
At 31 March 2020	3,751,350	81,632	3,832,982
Accumulated depreciation			
At 1 April 2019	-	-	-
Depreciation charge for the year (Note 8)	(1,126,872)	(40,822)	(1,167,694)
At 31 March 2020	(1,126,872)	(40,822)	(1,167,694)
Net carrying amount at 31 March 2020	2,624,478	40,810	2,665,288

	Office premises and total RM
Company	
Cost	
At 1 April 2020	81,632
Addition	230,437
At 31 March 2021	312,069
Accumulated depreciation	
At 1 April 2020	(40,822)
Depreciation charge for the year (Note 8)	(40,810)
At 31 March 2021	(81,632)
Net carrying amount at 31 March 2021	230,437
Cost	
At 1 April 2019	81,632
Addition	-
At 31 March 2020	81,632
Accumulated depreciation	
At 1 April 2019	-
Depreciation charge for the year (Note 8)	(40,822)
At 31 March 2020	(40,822)
Net carrying amount at 31 March 2020	40,810

16. LEASES *cont'd*

As a lessee *cont'd*

(b) Lease liabilities

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Non-current				
Lease liabilities	416,992	1,491,176	197,540	-
Current				
Lease liabilities	1,304,621	1,239,881	32,897	42,037
Total lease liabilities	1,721,613	2,731,057	230,437	42,037

The movement of lease liabilities during the financial year is as follows:

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
At 1 April 2020/2019	2,731,057	1,532,876	42,037	81,632
Interest charged (Note 7)	123,319	169,275	1,163	3,605
Addition	230,437	2,297,060	230,437	-
Payments of:				
- Principal	(1,239,881)	(1,098,879)	(42,037)	(39,595)
- Interest	(123,319)	(169,275)	(1,163)	(3,605)
At 31 March 2021/2020	1,721,613	2,731,057	230,437	42,037

The following are the amounts recognised in profit or loss:

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Depreciation of right-of-use assets (Note 8)	1,252,102	1,167,694	40,810	40,822
Interest expense on lease liabilities (Note 7)	123,319	169,275	1,163	3,605
Expense relating to short-term leases and low-value assets	4,800	4,800	-	-
	1,380,221	1,341,769	41,973	44,427

The Group had total cash outflows for leases of RM1,368,000 (2020: RM1,276,000) and the Company had a total cash outflows for leases of RM43,200 (2020: RM43,200) during the financial year.

Notes to the Financial Statements

for the Financial Year Ended 31 March 2021
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16. LEASES *cont'd*

As a lessor

The Group and the Company have entered into operating leases on their land and office buildings. These leases have remaining terms of between 1 and 3 years. Rental income recognised by the Group and the Company during the year is RM408,000 (2020: RM408,000) and RM12,000 (2020: RM12,000) respectively.

Future minimum rentals receivable under non-cancellable operating leases as at 31 March are as follows:

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Within one year	408,000	408,000	12,000	12,000
After one year but not more than five years	1,068,000	705,000	12,000	12,000
	1,476,000	1,113,000	24,000	24,000

17. INVESTMENT IN SUBSIDIARIES

	Company	
	2021	2020
	RM	RM
Unquoted shares, at cost	39,247,198	39,147,198
Addition during the year	-	100,000
	39,247,198	39,247,198
ESOS granted to employees of subsidiaries	180,242	509,242
Investment in redeemable non-cumulative convertible preference shares ("RNCCPS") of subsidiaries	27,000,000	27,000,000
	66,427,440	66,756,440
Less: Impairment losses	(19,000,000)	(19,000,000)
	47,427,440	47,756,440

17. INVESTMENT IN SUBSIDIARIES *cont'd*

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

Name of subsidiary	Equity interest held 2021 %	2020 %	Principal activities
(a) Subsidiaries of LTKM Berhad			
LTK (Melaka) Sdn. Bhd.	100	100	Production and sale of chicken eggs
LTK Feeds Sdn. Bhd.	100	100	Trading of livestock feeds and other materials
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.	100	100	Property development
(b) Subsidiary of LTK Melaka Sdn. Bhd.			
LTK Bio-Fer Sdn. Bhd.	100	100	Manufacturing and sale of organic fertilisers
(c) Subsidiaries of LTK Development Sdn. Bhd.			
Jarom Firstville Sdn. Bhd.	100	100	Property development

18. INVESTMENTS

(a) Investment securities

	Group 2021 RM	2020 RM
Fair value through other comprehensive income		
Quoted shares:		
- In Malaysia	22,325,120	15,586,463
- Outside of Malaysia	319,370	306,965
Total investment securities	22,644,490	15,893,428

The Group recognised a fair value gain of RM6,842,911 (2020: fair value loss of RM8,661,321) on certain quoted investments designated as fair value through other comprehensive income due to change in market value as compared to the carrying value as at year end.

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for the Financial Year Ended 31 March 2021
cont'd

18. INVESTMENTS *cont'd*

(a) Investment securities *cont'd*

During the current financial year, the Group disposed of investment securities with a fair value loss of RM63,008 (2020: fair value gain of RM17,263) which was transferred to retained earnings.

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.

(b) Other investment

	Group	
	2021	**2020**
	RM	**RM**
Amortised cost		
Corporate bond	1,012,000	-

During the financial year, the Group had acquired corporate bond of RM1,012,000 (2020: RM nil) with bi-annual coupon rate at 4% per annum.

19. BIOLOGICAL ASSETS

Breakdown of biological assets comprising chickens at each stage are as follows:

	Group	
	2021	**2020**
	RM	**RM**
Starters	361,482	539,000
Growers	2,131,440	2,848,628
Layers	4,931,339	9,422,252
Total	7,424,261	12,809,880

Movement of biological assets can be analysed as follows:

	Group	
	2021	**2020**
	RM	**RM**
At 1 April 2020/2019	12,809,880	19,159,862
Increase due to purchases	4,078,257	4,186,394
Decrease due to net used in production/sales	(3,289,770)	(4,838,249)
Change in fair value	(6,174,106)	(5,698,127)
At 31 March 2021/2020	7,424,261	12,809,880

19. BIOLOGICAL ASSETS *cont'd*

The Group has classified its layers measured at fair value within Level 3 of the fair value hierarchy. Below is the description of valuation techniques used and key inputs to valuation on the layers categorised within Level 3: *cont'd*

Valuation technique	Significant unobservable inputs		Inter-relationships between significant unobservable inputs and fair value measurements
At 31 March 2021			
Income approach	(i)	The estimated selling prices of the eggs are based on management's estimates by reference to selling price.	The fair value is sensitive to estimated selling prices where an increase in price results in a higher fair value.
	(ii)	Management's estimates of feed costs expected to incur throughout the laying period	The fair value is sensitive to cost of feeds where an increase in price results in a lower fair value.
At 31 March 2020			
Income approach	(i)	The estimated selling prices of the eggs are based on management's estimates by reference to selling price.	The fair value is sensitive to estimated selling prices where an increase in price results in a higher fair value.
	(ii)	Management's estimates of feed costs expected to incur throughout the laying period.	The fair value is sensitive to cost of feeds where an increase in price results in a lower fair value.
	(iii)	Management's estimates of layers' productivity for the remaining life of the livestock.	The fair value is sensitive to the level of productivity where an increase in productivity will result in a higher fair value.

Income approach

Under the income approach, a biological asset's fair value is estimated based on the expected quantity and price of the eggs to be produced and sold over the life of the layers, taking into account cost of feeds, layers' mortality rate and time value of money over the life period.

The Group is exposed to ordinary chicken egg price risk arising from its manufacturing and sale of chicken eggs. As ordinary chicken eggs are generic products that consumers do not differentiate by producers, the Group is susceptible to the fluctuation of the product price as a result of both demand and supply in the market. The market supply is influenced by the production of all chicken egg producers in Malaysia. The Group is also exposed to the fluctuation in the price of commodities, such as corn and soybean which make up bulk of its cost of feeds.

19. BIOLOGICAL ASSETS *cont'd*

Income approach *cont'd*

Sensitivity analysis for chicken egg price

At the reporting date, if the chicken egg price had been estimated to be 5% higher/lower for the purpose of computation of estimated fair valuation of livestock and had been 5% higher/lower for the purpose of determining the fair value less cost of sales of the produce inventories, with all other variables held constant, the Group's net profit would have been RM4,390,375 (2020: RM2,960,424) higher/lower, arising as a result of higher/lower fair value of the livestock and produce inventories.

Sensitivity analysis for commodity price

Commodity price refers to feed price for the hens, which are soyabean and corn price. At the reporting date, if the commodity price had been 1% higher/lower, with all other variables held constant, the Group's net profit would have been RM878,075 (2020: RM1,129,582) lower/higher, as a result of lower/higher fair value of the livestock.

20. INVENTORIES

	Group	
	2021	2020
	RM	RM
At cost		
Produce inventories	987,079	323,819
Raw materials and consumable goods	9,445,319	17,560,265
	10,432,398	17,884,084

During the financial year, the amount of raw materials, consumable goods and produce inventories recognised as an expense in cost of sales of the Group was RM101,992,886 (2020: RM103,789,588).

21. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Current				
Trade receivables				
Third parties	9,860,323	7,823,031	-	-
Less: Allowance for expected credit losses	(315,904)	(221,861)	-	-
Trade receivables, net	9,544,419	7,601,170	-	-

21. TRADE AND OTHER RECEIVABLES *cont'd*

	Group 2021 RM	Group 2020 RM	Company 2021 RM	Company 2020 RM
Current *cont'd*				
Other receivables				
Amounts due from subsidiaries	-	-	396,791	558,701
Deposits	853,526	641,444	8,200	8,200
Sundry receivables	177,552	1,369,291	-	-
Other receivables, net	1,031,078	2,010,735	404,991	566,901
	10,575,497	9,611,905	404,991	566,901
Non-current				
Other receivables				
Amounts due from subsidiaries	-	-	49,278,199	45,090,106
Total trade and other receivables (current and non-current)	10,575,497	9,611,905	49,683,190	45,657,007
Add: Cash and bank balances (Note 23)	40,867,029	50,260,825	4,332,352	7,965,040
Add: Other investment (Note 18(b))	1,012,000	-	-	-
Total financial assets carried at amortised cost	52,454,526	59,872,730	54,015,542	53,622,047

(a) Trade receivables

Trade receivables are non-interest bearing and are generally on 30 to 90 day (2020: 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 ageing analysis of the Group's trade receivables is as follows:

	Group 2021 RM	Group 2020 RM
Neither past due nor impaired	7,673,614	5,256,794
1 to 30 days past due but not impaired	1,239,611	1,649,700
31 to 60 days past due but not impaired	429,415	641,852
61 to 90 days past due but not impaired	189,511	50,261
91 to 120 days past due but not impaired	12,268	2,563
	1,870,805	2,344,376
Impaired	315,904	221,861
	9,860,323	7,823,031

21. TRADE AND OTHER RECEIVABLES *cont'd*

(a) Trade receivables *cont'd*

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 RM1,870,805 (2020: RM2,344,376) that are past due at the reporting date but not impaired. These are mainly debtors who are still in active trade with the Group but with slower repayment records.

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	
	2021	**2020**
	RM	**RM**
At 1 April 2020/2019	221,861	231,238
Written off	-	(113,231)
Reversal of allowance for expected credit losses (Note 8)	(142,390)	-
Allowance for expected credit losses (Note 8)	236,433	103,854
At 31 March 2021/2020	315,904	221,861

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

Non current amounts due from subsidiaries

These are unsecured, not expected to be repaid within the next 12 months and bear prevailing market interest rates ranging between 3.81% and 6.22% (2020: 4.96% to 6.97%) per annum.

22. PREPAYMENTS

	Group		Company	
	2021	**2020**	**2021**	**2020**
	RM	**RM**	**RM**	**RM**
Prepaid expenses	424,880	1,158,485	-	650,520

23. CASH AND BANK BALANCES

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Cash on hand and at bank	15,882,598	24,914,855	551,429	506,452
Deposits with licensed banks:				
- Short-term fixed deposits	24,984,431	25,345,970	3,780,923	7,458,588
Cash and bank balances	40,867,029	50,260,825	4,332,352	7,965,040

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

	Group		Company	
	2021	2020	2021	2020
	%	%	%	%
Deposits with licensed banks	1.83	2.89	1.84	2.86

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

	Group		Company	
	2021	2020	2021	2020
	Days	Days	Days	Days
Deposits with licensed banks	30 - 92	3 - 51	33 - 92	15 - 51

24. TRADE AND OTHER PAYABLES

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Current				
Trade payables				
Third parties	7,194,174	6,840,135	-	-
Other payables				
Amount due to a subsidiary	-	-	882	361,615
Accruals	3,213,500	3,382,088	146,293	170,760
Other payables	2,146,023	2,083,361	21,149	24,171
	5,359,523	5,465,449	168,324	556,546
Total trade and other payables	12,553,697	12,305,584	168,324	556,546
Add: Loans and borrowings (Note 25)	79,546,629	74,815,839	-	-
Lease liabilities (Note 16(b))	1,721,613	2,731,057	230,437	42,037
Total financial liabilities carried at amortised cost	93,821,939	89,852,480	398,761	598,583

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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 (2020: 30 to 60) days.

(b) Other payables

These amounts are non-interest bearing. Other payables are normally settled on an average term of 60 (2020: 60) days.

25. LOANS AND BORROWINGS

	Group	
	2021 RM	2020 RM
Current		
Secured:		
Revolving credits	15,500,000	12,500,000
Bankers' acceptances	1,220,000	1,150,590
Hire purchase	26,676	-
Bank term loans	8,783,727	8,291,091
	25,530,403	21,941,681
Unsecured:		
Revolving credits	9,000,000	6,000,000
Bankers' acceptances	6,929,900	-
	15,929,900	6,000,000
	41,460,303	27,941,681
Non-current		
Secured:		
Hire purchase	51,101	-
Bank term loans	38,035,225	46,874,158
	38,086,326	46,874,158
Total borrowings		
Revolving credits	24,500,000	18,500,000
Bankers' acceptances	8,149,900	1,150,590
Hire purchase	77,777	-
Bank term loans	46,818,952	55,165,249
Loans and borrowings	79,546,629	74,815,839

25. LOANS AND BORROWINGS *cont'd*

The remaining maturities of the loans and borrowings as at the reporting date are as follows:

(a) Maturity periods

	Group	
	2021	**2020**
	RM	**RM**
Within 1 year	41,460,303	27,941,681
More than 1 year and less than 2 years	9,255,810	8,504,955
More than 2 years and less than 5 years	18,542,969	23,418,821
More than 5 years	10,287,547	14,950,382
	79,546,629	74,815,839

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

	Group	
	2021	**2020**
	%	**%**
Revolving credits	3.56 - 3.81	4.42 - 4.71
Bankers' acceptances	2.86 - 2.94	3.76 - 4.39
Bank term loans	3.95 - 6.10	4.86 - 7.60
Hire purchase	2.34	-

(c) The secured term loans of the Group are secured by the following:

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

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

(iii) charges over investment properties as disclosed in Note 14; and

(iv) charges over land held for development as disclosed in Note 15.

(d) The secured bankers' acceptances and revolving credits of the Group are secured by the following:

(i) corporate guarantee by LTKM Berhad;

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

(iii) charges over investment properties as disclosed in Note 14.

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

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26. DEFERRED TAXATION

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
At 1 April 2020/2019	6,334,688	9,127,549	26,847	33,090
Recognised in profit or loss (Note 10)	(2,195,277)	(2,792,861)	(6,114)	(6,243)
At 31 March 2021/2020	4,139,411	6,334,688	20,733	26,847

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	Property, plant and equipment	Right-of-use assets	Total
	RM	RM	RM	RM
At 1 April 2020	6,048,102	1,238,512	629,875	7,916,489
Recognised in profit or loss	(993,992)	128,030	(3,227)	(869,189)
At 31 March 2021	5,054,110	1,366,542	626,648	7,047,300
At 1 April 2019	6,439,471	1,930,855	-	8,370,326
Recognised in profit or loss	(391,369)	(692,343)	629,875	(453,837)
At 31 March 2020	6,048,102	1,238,512	629,875	7,916,489

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

Deferred tax assets of the Group:

	Biological assets	Provision for unutilised annual leave	Lease liabilities	Investment properties	Others	Total
	RM	RM	RM	RM	RM	RM
At 1 April 2020	(242,067)	(119,020)	(645,365)	(456,451)	(118,898)	(1,581,801)
Recognised in profit or loss	(1,137,197)	10,538	-	18,128	(217,557)	(1,326,088)
At 31 March 2021	(1,379,264)	(108,482)	(645,365)	(438,323)	(336,455)	(2,907,889)
At 1 April 2019	1,522,140	(109,524)	-	(456,451)	(198,942)	757,223
Recognised in profit or loss	(1,764,207)	(9,496)	(645,365)	-	80,044	(2,339,024)
At 31 March 2020	(242,067)	(119,020)	(645,365)	(456,451)	(118,898)	(1,581,801)

26. DEFERRED TAXATION *cont'd*

Deferred tax liability of the Company:

	Revaluation surplus RM
At 1 April 2020	26,847
Recognised in profit or loss	(6,114)
At 31 March 2021	20,733
At 1 April 2019	33,090
Recognised in profit or loss	(6,243)
At 31 March 2020	26,847

Presented after appropriate offsetting as follows:

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Deferred tax assets	-	1,948	-	-
Deferred tax liabilities	4,139,411	6,336,636	20,733	26,847

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

	Group	
	2021 RM	2020 RM
Unutilised business losses	13,439,427	4,506,912
Unabsorbed capital allowances	2,533,603	2,328
	15,973,030	4,509,240

Deferred tax assets have not been recognised in respect of the above as they may not be used to offset taxable profits elsewhere in the Group. They have arisen in subsidiaries that have been loss-making, and there are no other tax planning opportunities or other evidence of recoverability in the near future.

The unutilised tax losses are available for offsetting against future taxable profits for seven consecutive years effective from year of assessment 2021, except for the amount of RM4,169,949 and RM336,963 which can only be carried forward up to year of assessment 2025 and 2026 respectively.

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27. SHARE CAPITAL

	Number of ordinary shares		Amount	
	2021 RM	2020 RM	2021	2020
Issued and fully paid:				
At 1 April/31 March	130,104,006	130,104,006	65,052,003	65,052,003

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.

Effective from 25 September 2017, the Company has established an Employees' Share Option Scheme ("ESOS") which is governed by the By-Laws.

The salient features of the ESOS are as follows:

(a) The aggregate number of new shares of the Company under the scheme shall not exceed in aggregate 10% of the total number of issued shares of the Company at any point in time during the existence of the ESOS;

(b) The ESOS shall be in force for the period of 3 years prior to 20 October 2020 for exercising and subscribing in full or partially for the shares offered herein, provided always that any partial exercise of the option must be in multiples of 1,000 shares. Any partial exercise of the option would not preclude entitled persons from exercising the rights;

(c) The option price for each share shall be at the volume weighted average market price of the shares for the 5 market days preceding the date of the offer less a discount of not more than 10%. The price determined shall not be less than the par value of the shares;

(d) The option granted to eligible persons will automatically lapse when they are no longer in employment with the Group; and

(e) The allocation to an eligible persons who, either singly or collectively through his associates, holds 20% or more of the issued and paid-up share capital of the Company, must not exceed 10% of the shares available under the scheme.

The option prices and the details in the movement of the options granted are as follows:

			Number of share options			
Grant Date	Expiry Date	Exercise Price	Balance at 1.4.2020	Granted	Expired	Balance at 31.3.2021
25 Sept 2017	20 Oct 2020	RM1.40	1,100,000	-	(1,100,000)	-

27. SHARE CAPITAL *cont'd*

The fair value of ESOS granted was estimated using the Black-Scholes Pricing Model, taking into account the terms and conditions upon which the options were granted. The fair value of share options measured at grant date and the assumptions were as follows:

	25 September 2017
Fair value of ESOS at grant date (RM)	0.35
Weighted average share price (RM)	1.47
Exercise price (RM)	1.40
Expected volatility (%)	35.7%
Expected life (years)	3
Risk free rate (%)	3.39%
Expected dividend yield (%)	2.00%

The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may not necessarily be the actual outcome. No other features of the option was incorporated into the measurement of fair value.

The ESOS expired on 20 October 2020 without any extension.

28. OTHER RESERVES

		Group	
		2021	**2020**
		RM	**RM**
Non-distributable			
Fair value through other comprehensive income reserve	(a)	(6,203,307)	(13,109,226)
ESOS reserve	(b)	-	385,000
		(6,203,307)	(12,724,226)

(a) Fair Value Through Other Comprehensive Income ("FVOCI") reserve

Fair value through other comprehensive income reserve represents the cumulative fair value changes, net of tax, of financial assets designated at fair value through other comprehensive income. Gains and losses on financial assets at FVOCI are never recycled to profit or loss. The Group transfers the cumulative amounts from this reserve to retained earnings when the financial assets is derecognised.

(b) ESOS reserve

The share option reserve represents the equity-settled share options granted to employees.

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29. RETAINED EARNINGS

The Company may distribute dividends out of its entire retained earnings as at 31 March 2021 and 31 March 2020 under the single-tier system.

30. RELATED PARTY DISCLOSURES

(a) Sales and purchase of goods and services

In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year:

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Rental of farm paid to a related company [1]	1,320,000	1,228,000	-	-
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.	-	-	-	(3,000,000)
Management fee received from subsidiary companies:				
LTK (Melaka) Sdn. Bhd.	-	-	(332,400)	(363,600)
LTK Omega Plus Sdn. Bhd.	-	-	(24,000)	(15,600)
LTK Development Sdn. Bhd.	-	-	-	(148,800)
LTK Feeds Sdn. Bhd.	-	-	(22,800)	-
LTK Bio-Fer Sdn. Bhd.	-	-	(15,600)	-
Office rental income received from immediate and ultimate holding company	(12,000)	(12,000)	(12,000)	(12,000)
Fees payable to director and/or firm connected to director [3]	-	2,650	-	-
Interest income receivable from subsidiaries	-	-	(1,952,480)	(2,361,224)

The Directors are of the opinion that the above related party transactions are undertaken in the ordinary course of business and have been established on terms and conditions tha are not materially different from those obtainable in transactions with unrelated parties.

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

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

(3) This was in respect of fees for professional services paid to a director and/or firm connected to a director in FY2020, Tan Kah Poh.

30. RELATED PARTY DISCLOSURES *cont'd*

(b) Compensation of key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group and Company either directly or indirectly. The key management personnel of the Group and Company are the respective directors of the Group and of the Company who make certain critical decisions in relation to the strategic direction of the Group and of the Company.

Remuneration of directors is disclosed in Note 9(b).

31. CAPITAL COMMITMENTS

	Group	
	2021	**2020**
	RM	**RM**
Approved and contracted for:		
Property, plant and equipment	3,592,656	3,015,003
Approved and not contracted for:		
Property, plant and equipment	58,000	152,348

32. FINANCIAL GUARANTEES

	Company	
	2021	**2020**
	RM	**RM**
Guarantees to licensed financial institutions in respect of credit facilities granted to subsidiaries:		
LTK (Melaka) Sdn. Bhd.	42,150,466	41,114,333
LTK Feeds Sdn. Bhd.	5,709,900	-
LTK Properties Sdn. Bhd.	19,909,424	21,589,708
LTK Development Sdn. Bhd.	9,500,000	9,500,000
Jarom Firstville Sdn. Bhd.	2,199,062	2,611,798
	79,468,852	74,815,839

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 sufficiently collateralised by fixed charges over certain freehold and leasehold land of the Group.

33. FAIR VALUE OF FINANCIAL INSTRUMENTS

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
Other investment	18(b)
Trade and other receivables (current)	21
Amount due from subsidiaries (non-current)	
- with floating rate	21
Trade and other payables (current)	24
Loans and borrowings (current)	25
Lease liabilities	16(b)
Loans and borrowings (non-current)	
- with floating rate	25

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 as the impact of discounting is insignificant.

34. 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.

34. FAIR VALUE MEASUREMENT *cont'd*

The following table provides the fair value measurement hierarchy of the Group's and of the Company's assets and liabilities:

	Date of valuation	(Level 1) RM	(Level 2) RM	(Level 3) RM	Total RM
Group - At 31 March 2021					
Assets measured at fair value:					
Investment properties (Note 14)	16 March 2021, 17 March 2021	-	-	100,865,000	100,865,000
Biological assets (Note 19)	31 March 2021	-	-	7,424,261	7,424,261
Fair value through other comprehensive income (Note 18)					
Quoted shares:					
- In Malaysia	31 March 2021	22,325,120	-	-	22,325,120
- Outside of Malaysia	31 March 2021	319,370	-	-	319,370
Group - At 31 March 2020					
Assets measured at fair value:					
Investment properties (Note 14)	3 August 2019, 9 August 2019	-	-	104,395,000	104,395,000
Biological assets (Note 19)	31 March 2020	-	-	12,809,880	12,809,880
Fair value through other comprehensive income (Note 18)					
Quoted shares:					
- In Malaysia	31 March 2020	15,586,463	-	-	15,586,463
- Outside of Malaysia	31 March 2020	306,965	-	-	306,965

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

35. 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 management. The audit committee provides independent oversight to the effectiveness of the risk management process.

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35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *cont'd*

It is, and has been throughout the current and previous financial years, the Group's and the Company'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.

The following sections provide details regarding the Group's and the 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.

<u>Exposure to credit risk</u>

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 RM79,468,852 (2020: RM74,815,839) relating to corporate guarantees provided by the Company to licensed financial institutions on certain subsidiaries' bank loans and credit facilities (Note 32).

Information regarding credit enhancements for trade and other receivables is disclosed in Note 21(a).

<u>Credit risk concentration profile</u>

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			
	2021		2020	
	RM	% of total	RM	% of total
By industry sectors:				
Poultry and related products	8,718,040	88%	7,244,933	93%
Sand extraction and sale	1,142,283	12%	578,098	7%
	9,860,323	100%	7,823,031	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 5 (2020: 5) customers representing approximately 36% (2020: 44%) of the subsidiaries' trade receivables.

35. 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 21(a). 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 21(a).

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on historical actual amount written off over the observation period. The calculation reflects the probability-weighted outcome, based on reasonable and supportable information that is available at the reporting date about past events.

The provision matrix is based on the Group's historical observed default rates, adjusted with forward looking information, if any. The Group's ECL provision matrix is guided by the Group's historical credit loss experience which may not be representative of customer's actual default in the future.

(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 internal funding and flexible 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 52% (2020: 37%) 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.

	2021			
	On demand or within one year	**One to five years**	**Over five years**	**Total**
	RM	**RM**	**RM**	**RM**
Group				
Financial liabilities:				
Trade and other payables	12,553,697	-	-	12,553,697
Loans and borrowings	44,573,407	31,598,276	11,226,169	87,397,852
Lease liabilities	1,365,600	356,800	91,200	1,813,600
Total undiscounted financial liabilities	58,492,704	31,955,076	11,317,369	101,765,149

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35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *cont'd*

(b) Liquidity risk *cont'd*

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. *cont'd*

	2020			
	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	12,305,584	-	-	12,305,584
Loans and borrowings	31,786,873	38,377,862	16,922,648	87,087,383
Lease liabilities	1,362,000	1,540,000	-	2,902,000
Total undiscounted financial liabilities	45,454,457	39,917,862	16,922,648	102,294,967

	2021			
	On demand or within one year RM	One to five years RM	Over five years RM	Total RM
Company				
Financial liabilities:				
Trade and other payables	168,324	-	-	168,324
Lease liabilities	45,600	136,800	91,200	273,600
Total undiscounted financial liabilities	213,924	136,800	91,200	441,924

	2020	
	On demand or within one year RM	Total RM
Company		
Financial liabilities:		
Trade and other payables	556,546	556,546
Lease liabilities	43,200	43,200
Total undiscounted financial liabilities	599,746	599,746

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *cont'd*

(b) Liquidity risk *cont'd*

The table below shows the contractual expiry of the Company's contingent liabilities and commitments. The maximum amount of the financial guarantee contracts are allocated to the earliest period in which the guarantee could be called.

Company	On demand or within one year RM
31 March 2021	
Financial guarantee	79,468,852
31 March 2020	
Financial guarantee	74,815,839

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and of 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 Group and the Company monitor 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 higher/lower, with all other variables held constant, the Group's profit net of tax would have been RM160,994 (2020: RM149,689) lower/higher, arising mainly as a result of higher/lower 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 Company and its subsidiaries, which is the Ringgit Malaysia ("RM"). The foreign currencies in which these transactions are denominated are mainly Singapore Dollar ("SGD").

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

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *cont'd*

(d) Foreign currency risk *cont'd*

The net unhedged financial assets of the Group as at 31 March that are not denominated in the functional currency of the Company and its subsidiaries are as follows:

	SGD RM	HKD RM	Total RM
Functional currency in Ringgit Malaysia			
At 31 March 2021			
Trade and other receivables	2,090,942	59,491	2,150,433
Investment securities	-	319,370	319,370
	2,090,942	378,861	2,469,803
At 31 March 2020			
Trade and other receivables	2,849,345	143,647	2,992,992
Investment securities	-	306,965	306,965
	2,849,345	450,612	3,299,957

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

The following table demonstrates the sensitivity of the Group's (loss)/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 and HKD exchange rates against the Group's functional currency, with all other variables held constant.

		Group (Increase)/Decrease in loss, net of tax 2021 RM	Group (Increase)/Decrease in loss, net of tax 2020 RM
SGD/RM	- strengthened 3%	62,728	85,480
	- weakened 3%	(62,728)	(85,480)
HKD/RM	- strengthened 3%	11,366	13,518
	- weakened 3%	(11,366)	(13,518)

(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 the Hang Seng Index ("HSI") in Hong Kong. These instruments are classified as FVOCI. The Group is also exposed to commodity price risk and is disclosed in Note 35(f).

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *cont'd*

(e) Market price risk *cont'd*

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 the Board of Directors.

Sensitivity analysis for equity price risk

At the reporting date, if the FTSE Bursa Malaysia KLCI had been 5% higher/lower, with all other variables held constant, the Group's other comprehensive income would have been RM1,116,256 (2020: RM779,323) higher/lower, arising as a result of higher/lower fair value gains on investments in equity instruments classified as fair value through other comprehensive income.

At the reporting date, if the HSI had been 5% higher/lower, with all other variables held constant, the Group's other comprehensive income would have been RM15,969 (2020: RM15,348) higher/lower, arising as a result of higher/lower fair value gains on investments in equity instruments classified as fair value through other comprehensive income.

(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 the risks arising from such fluctuations through purchase of the commodity in advance, where appropriate.

Sensitivity analysis for commodity price risk

During the financial year, 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 RM2,670,027 (2020: RM2,808,685) lower/higher.

36. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services, and has four reportable operating segments as follows:

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

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

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

(iv) Property development - the business of developing residential and commercial properties.

The segment information is presented to reflect the reportable operating segments above and to allocate the finance cost to the respective operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respects as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements. Income taxes are managed on a group basis and are not allocated to operating segments. 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.

36. SEGMENT INFORMATION *contd*

	Production and Sale of Poultry and Related Products		Extraction and Sale of Sand		Investment Holding		Property Development		Elimination		Group	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
Revenue												
External sales	131,964,779	183,760,187	5,077,393	3,067,875	360,000	360,000	-	-	-	-	137,402,172	187,188,062
Inter-segment sales	73,149,570	600,520	-	-	394,800	3,528,000	-	-	(73,544,370)	(4,128,520)	-	-
Total revenue	205,114,349	184,360,707	5,077,393	3,067,875	754,800	3,888,000	-	-	(73,544,370)	(4,128,520)	137,402,172	187,188,062
Result												
Segment results	(15,453,811)	22,124,813	937,977	(3,082,425)	(1,803,555)	1,804,280	(8,402,558)	(4,941,261)	-	-	(24,721,947)	15,905,407
Inter-segment net (income)/expense	(1,277,684)	(1,376,923)	40,132	46,070	(1,555,701)	(1,985,540)	2,793,253	3,316,393	-	-	-	-
	(20,261,495)	20,747,890	978,109	(3,036,355)	170,744	(181,260)	(5,609,305)	(1,624,868)	-	-	(24,721,947)	15,905,407
Finance costs	(1,019,620)	(1,015,622)	(156)	-	(2,291,698)	(3,243,389)	(406,490)	(174,625)	-	-	(3,717,964)	(4,433,636)
Segment (loss)/profit before tax	(17,751,115)	19,732,268	977,953	(3,036,355)	(5,650,954)	(3,424,649)	(6,015,795)	(1,799,493)	-	-	(28,439,911)	11,471,771
Income tax benefit/ (expense)											1,047,502	(5,974,240)
(Loss)/profit for the year											(27,392,409)	5,497,531
Assets												
Segment assets	175,512,342	178,795,942	19,401,290	18,394,677	228,240,361	224,137,278	43,071,416	46,038,444	(148,089,430)	(128,921,478)	318,135,979	338,444,863

36. SEGMENT INFORMATION *contd*

	Production and Sale of Poultry and Related Products		Extraction and Sale of Sand		Investment Holding		Property Development		Elimination		Group	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
Liabilities												
Segment liabilities	57,070,553	39,958,922	1,373,081	1,242,005	87,966,250	90,267,005	46,821,320	42,535,688	(99,409,265)	(83,500,617)	93,821,939	90,503,003
Unallocated corporate liabilities											4,356,718	7,050,040
Consolidated total liabilities											98,178,657	97,553,043
Other Information												
Capital expenditure	675,791	2,421,612	527,979	355,562	-	6,633	-	1,600	-	-	1,203,770	2,785,407
Depreciation and amortisation	5,738,735	6,764,005	278,356	243,328	109,421	69,057	1,290	1,091	-	-	6,127,802	7,077,481
Impairment losses	219,725	138,446	16,708	3,401,760	3,530,000	-	-	930,000	-	-	3,766,433	4,470,206
Development cost written off	-	-	-	-	-	-	5,306,962	-	-	-	5,306,962	-
Non-cash expenses other than depreciation amortisation and impairment loss	6,296,277	6,004,214	-	-	3,091	2,795	-	-	-	-	6,299,368	6,007,009

The above eliminations were made for related company transactions.

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37. CAPITAL MANAGEMENT

The primary objective of the Group and of the Company's capital management is to ensure that they maintain a strong credit rating and healthy capital ratios in order to support their business and maximise shareholders' value.

The Group and the Company manage their capital structure and make adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group and the Company 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 2021 and 31 March 2020.

The Group and the Company monitor capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group and the Company include 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 FVOCI reserve and ESOS reserve.

	Group		Company	
	2021	**2020**	**2021**	**2020**
	RM	**RM**	**RM**	**RM**
Loans and borrowings	79,546,629	74,815,839	-	-
Trade and other payables	12,553,697	12,305,584	168,324	556,546
Less: Cash and bank balances	(40,867,029)	(50,260,825)	(4,332,352)	(7,965,040)
Net debt/(cash)	51,233,297	36,860,598	(4,164,028)	(7,408,494)
Equity attributable to the owners of the parent	219,957,322	240,891,820	102,242,349	101,644,393
Less:				
ESOS reserve	-	(385,000)	-	(385,000)
FVOCI reserve	6,203,307	13,109,226	-	-
Total capital	226,160,629	253,616,046	102,242,349	101,259,393
Capital and net debt	277,393,926	290,476,644	98,078,321	93,850,899
Gearing ratio	18%	13%	-	-

38. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

Group

	1 April 2020 RM	Cash flows RM	Other RM	31 March 2021 RM
Current interest-bearing:				
- term loans	8,291,091	(8,346,297)	8,838,933	8,783,727
- other borrowings	19,650,590	12,997,087	28,899	32,676,576
Current lease liabilities	1,239,881	(1,239,881)	1,304,621	1,304,621
Non-current interest-bearing:				
- term loans	46,874,158	-	(8,838,933)	38,035,225
- other borrowings	-	-	51,101	51,101
Non-current lease liabilities	1,491,176	-	(1,074,184)	416,992
Total liabilities from financing activities	77,546,896	3,410,909	310,437	81,268,242

	1 April 2019 RM	Cash flows RM	Other RM	31 March 2020 RM
Current interest-bearing:				
- term loans	7,655,482	(7,523,785)	8,159,394	8,291,091
- other borrowings	13,187,125	6,463,465	-	19,650,590
Current lease liabilities	743,509	(1,098,879)	1,595,251	1,239,881
Non-current interest-bearing:				
- term loans	55,033,552	-	(8,159,394)	46,874,158
Non-current lease liabilities	789,367	-	701,809	1,491,176
Total liabilities from financing activities	77,409,035	(2,159,199)	2,297,060	77,546,896

Company

	1 April 2020 RM	Cash flows RM	Other RM	31 March 2021 RM
Current lease liabilities	42,037	(42,037)	32,897	32,897
Non-current lease liabilities	-	-	197,540	197,540
Total liabilities from financing activities	42,037	(42,037)	230,437	230,437

	1 April 2019 RM	Cash flows RM	Other RM	31 March 2020 RM
Current lease liabilities	39,595	(39,595)	42,037	42,037
Non-current lease liabilities	42,037	-	(42,037)	-
Total liabilities from financing activities	81,632	(39,595)	-	42,037

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39. SIGNIFICANT EVENTS

a) COVID-19

During the financial year, the COVID-19 outbreak was declared as a pandemic by the World Health Organisation in March 2020. The COVID-19 pandemic has significantly disrupted many business operations around the world. For the Group, the impact on business operations has not been a direct consequence of the COVID-19 outbreak, but a result of the lockdown measures taken by the Government of Malaysia to contain it.

Many countries have implemented various lockdown measures as preventive response to control and curtail the spread of the COVID-19 pandemic. The Malaysian Government has imposed the movement control order ("MCO") with effect from 18 March 2020, and then a Conditional MCO from 4 May 2020 till 9 June 2020 and followed by Recovery MCO Phase 1 from 10 June 2020 till 31 August 2020. This was subsequently extended to Phase 2 up till 31 December 2020 and then further extended to Phase 3 up till 31 March 2021.

Although the Group is operating within the definition of essential services and allowed to operate with tight standard operating procedures, movements and travel restrictions during the various MCOs particularly during the first half of the financial year had disrupted logistics and supply chain which weakened demand and caused farm egg prices to drop. As the COVID-19 pandemic continues to evolve, it is challenging to ascertain the full extent and duration of its impact. Nevertheless, management will continue to monitor the development of the COVID-19 pandemic and its impact to the Group's operations and financial performance.

b) Purchase of land held for development

On 12 September 2019, Lumi Jaya Sdn. Bhd., a wholly owned subsidiary entered into a sale and purchase agreement with a third party to purchase ten parcel of freehold lands measuring a total 3,874 square meters located at Lot 11757 - 11762 Mukim of Kapar, District of Klang, Selangor for a total consideration of RM3,421,010. A deposit of RM 342,101 was paid in the previous financial year representing 10% of the total consideration in accordance with the terms and conditions of the Sale and Purchase Agreement. The transaction was completed within the current financial year.

List of Properties
as at 31 March 2021

Location	Existing use & description	Approximate Area	Tenure	Remaining Lease Period (Expiry Date)	Age of buildings	Net Book Value As At 31.3.21 (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	-	2 - 33 years	48.04*	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	-	-	14.00	March 2021 (Revaluation)
Lot Nos. 270, 271, 272 and 165, Mukim Jus, District of Jasin, Melaka	Oil palm plantation	40.81 acres	Leasehold (32.3 acres) Freehold (8.51 acres)	36 years (21.03.2057)	-	1.93	March 2021 (Revaluation)
Lot No. 1729, Mukim of Kapar, Klang, Selangor	Land held for development	1.76 acres	Freehold	-	-	2.97	August 2019 (Revaluation)
No. 100, Batu 1 ½, Jalan Meru 41050 Klang, Selangor	3 storey shop house for own use	1,430 sq. ft	Freehold	-	40 years	0.83	March 2016 (Revaluation)
Lot 421,422,435,436; Mukim Tanjung Dua Belas, Daerah Kuala Langat	Land held for development	8.5237 hectare (21.063 acres)	Freehold	-	-	23.11	August 2019 (Revaluation)
PT4028 and PT4029, Pekan Jenjarum, District of Kuala Langat and State of Selangor	Land held for development	2.0486 hectare (5.062 acres)	Freehold	-	-	6.72	August 2019 (Revaluation)
PT No 17040, PT No 17041, PT No 17042 and Lot 1196, Tempat Jalan Balakong Serdang, Mukim & District of Petaling, State of Selangor	Held for investment	26,374 m^2 (6.517 acres)	Leasehold	70 years 11.10.2091	-	61.20	August 2019 (Revaluation)
Lot 1401 and Lot 1402, Jalan Puchong of Mukim Petaling District of Federal Territory of Kuala Lumpur	Held for investment	11,888 m^2 (2.938 acres)	Freehold	-	-	39.67	March 2021 (Revaluation)
Lot 3715 -3720, Jalan Batu Batai, Mukim Klang	Land held for property development	3,874 m^2 (0.957 acres)	Freehold	-	-	3.42	February 2021 (Acquisition)

* Net book value of both land and building

Analysis of Shareholdings

as at 2 August 2021

ISSUED AND PAID-UP SHARE CAPITAL	:	RM79,695,953 divided into 143,114,006 Ordinary Shares
CLASS OF SHARES	:	Ordinary Shares
VOTING RIGHTS	:	One (1) Vote per Ordinary Share

ANALYSIS BY SIZE OF SHAREHOLDINGS AS AT 2 AUGUST 2021

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
Less than 100	60	4.85	1,180	0.00
100 to 1,000	153	12.37	75,554	0.05
1,001 to 10,000	719	58.12	3,052,750	2.13
10,001 to 100,000	249	20.13	7,015,500	4.90
100,001 to 7,155,699 *	55	4.45	30,567,916	21.36
7,155,700 and above **	1	0.08	102,401,106	71.56
Total	1,237	100.00	143,114,006	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 2 AUGUST 2021

	Shareholdings			
Name	Direct	%	Indirect	%
Ladang Ternakan Kelang Sdn. Berhad	102,401,106	71.56	-	-
Datuk Tan Kok	3,458,116	2.42	107,138,706 (1)	74.86
Datin Lim Hooi Tin	600,000	0.42	107,138,706 (2)	74.86

1. *Deemed interested by virtue of his shareholdings in Ladang Ternakan Sdn Berhad, pursuant to Section 8(4) and Section 59(11)(c) of the Companies Act 2016.*
2. *Deemed interested by virtue of her being the spouse of Datuk Tan Kok, a shareholder of Ladang Ternakan Sdn Berhad, which is a substantial shareholder of LTKM Berhad and pursuant to Section 59(11)(c) of the Companies Act 2016.*

DIRECTORS' SHAREHOLDINGS AS AT 2 AUGUST 2021

	Shareholdings			
Name	Direct	%	Indirect	%
Datuk Tan Kok	3,458,116	2.42	107,138,706 (1)	74.86
Datin Lim Hooi Tin	600,000	0.42	107,138,706 (2)	74.86
Tan Chee Huey	312,000	0.22	4,245,600 (3)	2.97
Loh Wei Ling	12,000	0.00	-	-
Tan Kah Poh	-	-	-	-
Mok Kam Loong	-	-	-	-
Choo Seng Choon	-	-	-	-

1. *Deemed interested by virtue of his shareholdings in Ladang Ternakan Sdn Berhad pursuant to Section 8(4) and Section 59(11)(c) of the Companies Act 2016.*
2. *Deemed interested by virtue of her being the spouse of Datuk Tan Kok, a shareholder of Ladang Ternakan Sdn Berhad, which is a substantial shareholder of LTKM Berhad and pursuant to Section 59(11)(c) of the Companies Act 2016.*
3. *Deemed interested pursuant to Section 8(4) and Section 59(11) (c) of the Companies Act 2016.*

Analysis of Shareholdings

as at 2 August 2021
cont'd

THIRTY (30) LARGEST SHAREHOLDERS AS PER THE RECORD OF DEPOSITORS AS AT 2 AUGUST 2021

No.	Name	No. of Shares	%
1.	Amsec Nominees (Tempatan) Sdn Bhd *Pledged Securities Account- Ambank (M) Berhad For Ladang Ternakan Kelang Sdn Bhd*	102,401,106	71.56
2.	Tan Kok	3,458,116	2.42
3.	YBJ Capital Sdn Bhd	2,657,000	1.86
4.	M & A Nominee (Tempatan) Sdn Bhd *Pledged Securities Account For Genting Utama Shd Bhd*	2,110,000	1.47
5.	M & A Nominee (Tempatan) Sdn Bhd *Majestic Salute Sdn Bhd For Yahya bin Razali*	1,800,000	1.26
6.	M & A Nominee (Tempatan) Sdn Bhd *Pledged Securities Account - Majestic Salute Sdn Bhd For Chan Yok Peng*	1,800,000	1.26
7.	Ng Chew Kee	1,422,000	0.99
8.	Kok Chiew Heng	1,148,500	0.80
9.	Tan Yee Boon	1,034,800	0.72
10.	Affin Hwang Nominees (Tempatan) Sdn Bhd *Pledged Securities Account For Yong Siew Yee*	1,000,000	0.70
11.	Siau Lee Chin	1,000,000	0.70
12.	Lee Hai Leong	762,900	0.53
13.	Maybank Nominees (Tempatan) Sdn Bhd *Lim Hooi Tin*	600,000	0.42
14.	Tan Yee Boon	553,800	0.38
15.	Amsec Nominees (Tempatan) Sdn Bhd *Pledged Securities Account For Dato' Seri Gan Chow Tee*	500,000	0.35
16.	Amsec Nominees (Tempatan) Sdn Bhd *Pledged Securities Account For Gan Sheng Yih*	500,000	0.35
17.	Lau Pei Ling	500,000	0.35
18.	Lim Chin Horng	500,000	0.35
19.	M & A Nominees (Tempatan) Sdn Bhd *Pledged Securities Account For Chow Dai Ying*	500,000	0.35
20.	Tay Guat Eng @ Tai Guat Eng	500,000	0.35
21.	Yew Ah Kow	408,000	0.28
22.	Phuah Chai Tin	402,100	0.28
23.	Tan Yee Siong	341,700	0.24
24.	Chai Koon Khow	323,600	0.23
25.	Tan Chee Huey	312,000	0.22
26.	Teh Kim Lian	303,500	0.21
27.	Chen Keng Sam	300,000	0.21
28.	Ler Yi Bin	300,000	0.21
29.	Onn Siong Aik	300,000	0.21
30.	Chiau Beng Teik	280,000	0.19
	Total	128,019,122	89.45

Statement
to Shareholders
in Relation to the Proposed Renewal of Authority for Share Buy-Back

1. INTRODUCTION

LTKM had on 7 July 2021 announced its intention to seek shareholders' approval of the "Proposed Renewal of Authority for Share Buy-Back" at the forthcoming Twenty Fourth Annual General Meeting ("24th AGM") of the Company.

The purpose of this Statement is to provide you with the relevant information on the "Proposed Renewal of Authority for Share Buy-Back" and to seek your approval of the ordinary resolution to be tabled at the forthcoming 24th AGM of the Company.

The authority from the shareholders for the proposed purchase would be effective immediately upon the passing of the ordinary resolution for the "Proposed Renewal of Authority for Share Buy-Back" until the conclusion of the next AGM of LTKM unless earlier revoked or varied by ordinary resolution of shareholders of LTKM at a general meeting.

2. RATIONALE, POTENTIAL ADVANTAGES AND DISADVANTAGES

The "Proposed Renewal of Authority for Share Buy-Back", if exercised, is expected to potentially benefit the Company and its shareholders in the following manners:-

(a) The earnings per share of the Group may be enhanced (in the case where the shares so purchased are cancelled), and thereby long term investors are expected to enjoy a corresponding increase in the value of their investments in the Company;

(b) If the purchased shares are kept as treasury shares, the treasury shares may be realized with potential gain without affecting the total issued and paid-up share capital of the Company. Alternatively, the purchased shares can be distributed as share dividends to reward the shareholders of the Company; and

(c) The Company may be able to stabilize the supply and demand of its shares in the open market, thereby supporting its fundamental value.

The potential disadvantages of the "Proposed Renewal of Authority for Share Buy-Back" to the Company and its shareholders are as follows:-

(a) As the "Proposed Renewal of Authority for Share Buy-Back" can only be made out of the retained profits of the Company, it may result in the reduction of financial resources available for distribution to the shareholders in the immediate future; and

(b) The amount of financial resources of the Company will decline upon exercising the share buy-back which may result in the Group having to forego feasible investment opportunities that may emerge in the future.

In any event, the Directors will be mindful of the interest of the Company and its shareholders in implementing the shares buy back.

3. THE MAXIMUM NUMBER OR PERCENTAGE OF SHARES TO BE ACQUIRED

The Board proposes to seek a renewal of the authorization from its shareholders for the Company to be empowered to purchase its own shares on the Bursa Malaysia Securities Berhad ("Bursa Securities"). The Board proposes to purchase and/or hold up to a maximum of 10% of the total number of issued shares of the Company as at the time of purchase. The Main Market Listing Requirements of Bursa Securities ("Listing Requirements") stipulate that a listed company must not purchase its own shares or hold any of its own shares as treasury shares if this result in the aggregate of the shares purchased or held exceeding 10% of its total number of issued shares. As at 5 August 2021, the total number of issued shares of the Company is 143,114,006 ordinary shares. Up to 5 August 2021, the Company has not purchased and/or held any of its own shares.

4. RETAINED PROFITS

Based on the Audited Financial Statements of the Company for the financial year ended 31 March 2021, the Retained Profits of the Company and the Group stood at RM37,190,346 and RM161,108,626 respectively.

5. FUNDING

The maximum amount of funds to be allocated for the "Proposed Renewal of Authority for Share Buy-Back" will be limited to the amount of retained profits of the Company. The amount allocated for the share buy-back, if implemented, will be financed by internally generated funds.

6. DIRECTORS AND SUBSTANTIAL SHAREHOLDERS' INTEREST

Save for the inadvertent proportionate increase in the percentage shareholdings and/or voting rights of the shareholders of the Company as a consequence of the share buy-back, none of the Directors and/or substantial shareholders nor persons connected with the Directors and/or substantial shareholders of the Company have any interest, direct or indirect, in the "Proposed Renewal of Authority for Share Buy-Back" and the proposed resale of treasury shares, if any.

As such, none of the Directors and/or substantial shareholders nor persons connected with them need to abstain from voting in respect of their direct and indirect shareholdings on the ordinary resolution approving the "Proposed Renewal of Authority for Share Buy-Back" at the forthcoming Twenty Fourth Annual General Meeting.

The effects of the proposed share buy-back on the shareholdings of the Directors and substantial shareholders based on the Record of Depositors of the Company as at 2 August 2021 are set out below based on the following assumptions:-

(a) The proposed share buy-back is implemented in full, i.e. up to 10% of the issued and paid-up share capital or 14,311,400 of the Company's shares (excluding Treasury Shares) are purchased; and

(b) The shares so purchased are from shareholders other than the Directors and substantial shareholders of the Company.

Directors

	As At 2 August 2021				After the Proposed Share Buy-Back			
	Direct		Indirect		Direct		Indirect	
Directors	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Datuk Tan Kok	3,458,116	2.42	107,138,706	74.86	3,458,116	2.68	107,138,706	83.18
Datin Lim Hooi Tin	600,000	0.42	107,138,706	74.86	600,000	0.47	107,138,706	83.18
Tan Chee Huey	312,000	0.22	4,245,600	2.97	312,000	0.24	4,245,600	3.30
Loh Wei Ling	12,000	0.01	492,000	0.34	12,000	0.01	492,000	0.38
Tan Kah Poh	-	-	-	-	-	-	-	-
Mok Kam Loong	-	-	-	-	-	-	-	-
Choo Seng Choon	-	-	-	-	-	-	-	-
Substantial Shareholders								
Ladang Ternakan Kelang Sdn Bhd	102,401,106	71.56	-	-	102,401,106	79.50	-	-
Datuk Tan Kok	3,458,116	2.42	107,138,706	74.86	3,458,116	2.68	107,138,706	83.18
Datin Lim Hooi Tin	600,000	0.42	107,138,706	74.86	600,000	0.47	107,138,706	83.18

Statement
to Shareholders
in Relation to the Proposed Renewal of Authority for Share Buy-Back
cont'd

7. FINANCIAL EFFECTS

On the assumption that the share buy-back is carried out in full, the effects of the "Proposed Renewal of Authority for Share Buy-Back" on the share capital, net asset per share ("NA"), working capital and earnings per share ("EPS") of the Company are set out below:-

(a) Share Capital

The effect of the share buy-back on the share capital of the Company will depend on the intention of the Board with regard to the purchased shares. As at 31 March 2021, the issued and paid-up share capital of the Company is RM76,695,953 comprising of 143,114,006 shares.

However, the "Proposed Renewal of Authority for Share Buy-Back" will have no effect on the issued and paid-up share capital if all Purchased Shares are to be retained as treasury shares but the rights attached to the treasury shares in relation to voting, dividends and participation in any other distributions or otherwise are suspended. While these shares remain as treasury shares, the Act prohibits the taking into account of such shares in calculating the number of percentage of shares in the Company for a purpose whatsoever including substantial shareholdings, takeovers, notices, requisitioning of meetings, quorum for meetings and the result of votes on resolutions.

(b) NA

The effect of the "Proposed Renewal of Authority for Share Buy-Back" on the NA per share of the Company is dependent on the number of shares purchased, purchase price of the shares, the funding cost, if any, and the subsequent treatment of the shares so purchased.

If all the shares purchased are cancelled, the proposed share buy-back is likely to reduce the NA per share of the Group if the purchase price exceeds the audited NA per share of the Group at the time of purchase and conversely, will increase the NA per share of the Group if the purchase price is less than the audited NA per share of the Group at the time of purchase.

For shares so purchased, which are kept as treasury shares, upon its resale, the NA of the Group may be affected depending on the actual selling price of the treasury shares and the actual number of treasury shares resold.

(c) Working Capital

The "Proposed Renewal of Authority for Share Buy-Back" will reduce the working capital of the Group, the quantum of which depends on, amongst others, the number of shares eventually purchased and the purchase price of the shares.

(d) EPS

Depending on the number of shares purchased, purchase price of shares and the effective cost as well as the opportunity cost of funding the shares, the proposed share buy-back may increase the EPS of the Group.

Any cancellation of shares so purchased is expected to give rise to increased EPS to the Company and the Group due to the reduced number of shares in issue.

(e) Dividends

Assuming the "Proposed Renewal of Authority for Share Buy-Back" is implemented in full, it will have the effect of increasing the dividend rate of the Company as a result of the reduction in the issued and paid-up share capital of the Company.

(f) Shareholdings

The effect of the "Proposed Renewal of Authority for Share Buy-Back" on the percentage of shareholdings of the Directors and substantial shareholders of the Company would depend on the timing of the purchase, the number of shares purchased and their actual shareholdings at the time of such purchase.

Please refer to Item 6 above for further details on the shareholding structure of the Directors and substantial shareholders of the Company.

8. IMPLICATION UNDER THE CODE

Under the Code, a director and any person acting in concert with him or a relevant shareholder will be required to make a mandatory general offer for the remaining ordinary shares of the Company not already owned by him/ them if his/their stake in the Company is increased beyond thirty-three percent (33%) or if his/their existing shareholding is between thirty-three percent (33%) and fifty percent (50%) and exceeds by another two percent (2%) in any six (6) months period.

Assuming that the "Proposed Renewal of Authority for Share Buy-Back" is carried out in full and the shareholdings of the directors and parties acting in concert will be increased beyond thirty-three percent (33%) as a result of the share buy-back and pursuant to the Code, the directors and parties acting in concert are required to make a mandatory general offer.

Should such circumstances arise and if required, the directors and parties acting in concert are expected to submit an application to the Securities Commission for a waiver from implementing a mandatory general offer under the Code.

The Company takes cognizance of the Code and intends to implement the share buy-back in a manner that it will not result any of the shareholders having to undertake a mandatory offer pursuant to the Code.

9. PURCHASE, RESALE AND CANCELLATION OF SHARES MADE IN THE PREVIOUS TWELVE (12) MONTHS

In the previous twelve (12) months, the Company has not made any purchase of ordinary shares in the Company.

10. PUBLIC SHAREHOLDING SPREAD

Based on the Record of Depositors of the Company as at 2 August 2021, the public shareholding spread of the Company was 21.01%.

As such the Company cannot undertake any share buy-back in the event this ordinary resolution for the "Proposed Renewal of Authority for Share Buy-Back" is passed whilst it is in incompliance with the public shareholding spread requirement pursuant to Paragraph 8.02(1) of the Listing Requirements. However, the Company may undertake a share buy-back once the public shareholding spread is rectified.

11. DIRECTORS' STATEMENT

This Statement has been seen and approved by the Board on 7 July 2021 and they individually and collectively accept full responsibility for the accuracy of the information given in this Statement and confirm that, after making all reasonable enquiries, to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

Having considered all aspects of the "Proposed Renewal of Authority for Share Buy-Back", the Board is of the opinion that the preceding is fair, reasonable and in the best interest of the Company.

12. DIRECTORS' RECOMMENDATION

The Board recommends that you vote in favour of the ordinary resolution for the "Proposed Renewal of Authority for Share Buy-Back" to be tabled at the forthcoming Twenty Fourth Annual General Meeting.

Notice of Twenty-Fourth Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Twenty-Fourth Annual General Meeting of the Company will be held on a fully virtual basis through live streaming and online remote voting using the Remote Participation and Voting ("**RPV**") facilities provided by Tricor Investor & Issuing House Services Sdn Bhd at https://tiih.online on Monday, 27th September 2021 at 10.00 a.m. for the purpose of transacting the following business:-

A G E N D A

ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 March 2021 together with the Directors' and Auditors' Reports thereon. ***Please refer to Explanatory Notes of this Notice.***

2. To approve the Directors' Fees of RM264,000 and benefits payable for the period from 28 September 2021 up to the next Annual General Meeting of the Company to be held in 2022. ***Resolution 1***

3. To re-elect Datuk Tan Kok who is retiring in accordance with Clause 88 of the Company's Constitution. ***Resolution 2***

4. To re-elect Ms. Tan Chee Huey who is retiring in accordance with Clause 88 of the Company's Constitution. ***Resolution 3***

5. To re-elect Mr. Choo Seng Choon who is retiring in accordance with Clause 91 of the Company's Constitution. ***Resolution 4***

6. To re-appoint Messrs. Ernst & Young PLT as the External Auditors and to authorize the Board of Directors to fix their remuneration. ***Resolution 5***

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 75 and 76 of the Companies Act 2016 and subject to the approval of the relevant authorities, the Directors be and are hereby empowered to allot and issue shares in the Company from time to time, 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 20% of the total issued share capital of the Company for the time being and that the Directors, be and hereby empowered to obtain necessary approval for the listing and quotation of the additional shares so issued on the Bursa Malaysia Securities Berhad **AND THAT** such authority conferred by this ordinary resolution shall commence upon passing this ordinary resolution until the conclusion of the next Annual General Meeting of the Company." ***Resolution 6***

Notice of Twenty-Fourth
Annual General Meeting
cont'd

8. Ordinary Resolution

- **Proposed Renewal of Authority for Share Buy-Back**

"**THAT** subject to the Companies Act 2016, provisions of the Company's Constitution 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 authorized 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 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 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 earnings 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.

Notice of Twenty-Fourth Annual General Meeting

cont'd

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 purchase by the Company of its own shares 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 the interest of the Company." ***Resolution 7***

ANY OTHER BUSINESS

9. To transact any other business of the Company of which due notice shall have been given in accordance with the Company's Constitution and the Companies Act 2016.

By Order Of the Board
LTKM BERHAD

NG YIM KONG
Company Secretary

Dated: 27 August 2021
Selangor Darul Ehsan

NOTES:

a) *The 24th AGM will be held on a fully virtual basis through live streaming and online remote voting using the Remote Participation and Voting ("**RPV**") facilities provided by Tricor Investor & Issuing House Services Sdn Bhd at https://tiih.online. Please follow the procedures in the Administrative Guide for the 24th AGM for shareholders to register, participate and vote remotely via PRV facilities. The Administrative Guide for the 24th AGM is available on the Company's website at https://www.ltkm.com.my/24th-agm and Bursa Malaysia's website at www.bursamalaysia.com together with the Company's Notice of the 24th AGM.*

b) *A member of the Company entitled to attend, speak 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, speak, participate, 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.*

c) *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.*

d) *A Proxy may but need not be a member of the Company.*

e) *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.*

f) *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.*

Notice of Twenty-Fourth
Annual General Meeting
cont'd

g) *The appointment of proxy may be made in a hardcopy form or by electronic means as follows and must be deposited with the Share Registrar of the Company, Tricor Investor & Issuing House Services Sdn Bhd ("Tricor"), not less than forty-eight (48) hours before the time for holding this meeting or any adjournment thereof. Otherwise the instrument of proxy should not be treated as valid.*

(a) *In Hardcopy Form*
The Form of Proxy must be deposited at Tricor's office at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, or drop the Form of Proxy at Tricor's Customer Service Centre, Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.

(b) *By Electronic Lodgement*
The Form of Proxy can be electronically submitted to Tricor via TIIH Online at https://tiih.online and steps to submit are summarized in the Administrative Guide for the 24th AGM.

h) *Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in this Notice will be put to vote by poll.*

Explanatory Notes

a) *Item 1 of the Agenda – Ordinary Business*
Audited Financial Statements for the financial year ended 31 March 2021

This item of the agenda is meant for discussion only as the provision of Sections 248(2) and 340(1) of the Companies Act 2016 does not require a formal approval of the Shareholders for the Audited Financial Statements. Hence, this item of the agenda is not subject to voting.

b) *Item 7 of the Agenda – Special Business*
Authority for Directors to Allot and Issue Shares

The proposed Resolution 6, is to seek a general mandate to empower the Directors of the Company pursuant to Sections 75 and 76 of the Companies Act 2016, to issue and allot ordinary shares at any time to such person in their absolute discretion without convening a general meeting provided that the aggregate number of the shares issued does not exceed 20% of the total number of issued shares of the Company at time being. This authority, unless revoked or varied at a general meeting, will expire at the next Annual General Meeting.

The 20% General Mandate is pursuant to temporary relief measures due to Covid-19 pandemic issued by Bursa Malaysia Securities on 16 April 2020. The temporary relief may be utilised until 31 December 2021, and thereafter, unless extended by Bursa Malaysia Securities Berhad, the 10% limit according to paragraph 6.03 of the Main Market Listing Requirement of Bursa Malaysia Securities Berhad will be reinstated.

The Boards of Directors of the Company is of the view that the proposed 20% General Mandate is in the best interest of the Company and its shareholders as the 20% General Mandate will give the Directors flexibility and cost effectively to raise funds quickly and efficiently during this challenging time to ensure the long term sustainability of the Company and safeguard the interest of the Company and the shareholders.

Up to the date of this Notice, 13,010,000 new ordinary shares were issued by way of private placement ("Private Placement") pursuant to the mandate granted to the Directors at the 23rd AGM held on 8 September 2020. The gross proceeds raised from the Private Placement was RM11,643,950.

c) *Item 8 of the Agenda – Special Business*
Proposed Renewal of Authority for Share-Buy-Back

The proposed Resolution 7, if passed will empower the Company to purchase and/or hold up to 10 % of the issued 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 next Annual General Meeting.

Please refer to the Statement to Shareholder in Relation to the Proposed Renewal of Authority for Share-Buy-Back on pages 118 to 121 of the Annual Report 2021 for further information.

Notice of Twenty-Fourth Annual General Meeting
cont'd

GENERAL MEETING RECORD OF DEPOSITORS

For the purpose of determining a member who shall be entitled to attend the Twenty-Fourth Annual General Meeting, the Company will request Bursa Malaysia Depository Sdn Bhd in accordance with Clause 35 of the Company's Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act 1991, to issue a General Meeting Record of Depositors as at 17 September 2021 Only depositors whose name appears on the Record of Depositors as at 17 September 2021 shall be entitled to attend the 24th AGM or to appoint proxy/proxies to attend and/or to vote in his/her stead.

LTKM BERHAD
(Company No. 199701027444 (442942-H))
(Incorporated in Malaysia)

CDS Account No. of Authorised Nominee:

FORM OF PROXY

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

of ____
(Full Address)

being a Member of **LTKM BERHAD** hereby appoint ____________________
(Full Name in Capital Letters)

(NRIC No./Passport No.) ____________________ of ____________________
(Full Address)

____________________ and ____________________
(Full Name in Capital Letters)

(NRIC No./Passport No.) ____________________ 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 Twenty-Fourth Annual General Meeting to be held on a fully virtual basis through live streaming and online remote voting using the Remote Participation and Voting ("**RPV**") facilities provided by Tricor Investor & Issuing House Services Sdn Bhd at https://tiih.online on Monday, 27 September 2021 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.

No.	Resolutions	For	Against
1.	**Ordinary Business** Resolution 1 – To approve the Directors' Fees of RM264,000 and benefits payable for the period from 28 September 2021 up to next Annual General Meeting of the Company to be held in 2022.		
2.	Resolution 2 – To re-elect Datuk Tan Kok who is retiring in accordance with Clause 88 of the Company's Constitution.		
3.	Resolution 3 – To re-elect Ms Tan Chee Huey who is retiring in accordance with Clause 88 of the Company's Constitution.		
4.	Resolution 4 - To re-elect Mr. Choo Seng Choon who is retiring in accordance with Clause 91 of the Company's Constitution		
5.	Resolution 5 – To re-appoint Messrs. Ernst & Young PLT as External Auditors and to authorize the Board of Directors to fix their remuneration.		
6.	**Special Business** Resolution 6 – Authority for Directors to allot and issue shares under Section 75 and 76 of the Companies Act, 2016.		
7.	Resolution 7 – Proposed Renewal of Authority for Share Buy-Back.		

* *Strike out whichever is not applicable.*

Dated this ____________ day of ____________, 2021

Number of shares held

____
Signature of Member/Common Seal

Notes:

*a) The 24th AGM will be held on a fully virtual basis through live streaming and online remote voting using the Remote Participation and Voting ("**RPV**") facilities provided by Tricor Investor & Issuing House Services Sdn Bhd at https://tiih.online. Please follow the procedures in the Administrative Guide for the 24th AGM for shareholders to register, participate and vote remotely via PRV facilities. The Administrative Guide for the 24th AGM is available on the Company's website at https://www.ltkm.com.my/24th-agm and Bursa Malaysia's website at www.bursamalaysia.com together with the Company's Notice of the 24th AGM.*

b) A member of the Company entitled to attend, speak 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, speak, participate, 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.

c) 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.

d) A Proxy may but need not be a member of the Company.

e) 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.

f) 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.

g) The appointment of proxy may be made in a hardcopy form or by electronic means as follows and must be deposited with the Share Registrar of the Company, Tricor Investor & Issuing House Services Sdn Bhd ("Tricor"), not less than forty-eight (48) hours before the time for holding this meeting or any adjournment thereof. Otherwise the instrument of proxy should not be treated as valid.

(a) In Hardcopy Form
The Form of Proxy must be deposited at Tricor's office at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, or drop the Form of Proxy at Tricor's Customer Service Centre, Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.

(b) By Electronic Lodgement
The Form of Proxy can be electronically submitted to Tricor via TIIH Online at https://tiih.online and steps to submit are summarized in the Administrative Guide for the 24th AGM.

Fold This Flap For Sealing

Then Fold Here

AFFIX
STAMP

Share Registrar

Tricor Investor & Issuing House Services Sdn Bhd

Unit 32-01, Level 32
Tower A, Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur

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LTKM BERHAD 199701027444 (442942-H)
102, Batu 1 1/2, Jalan Meru, 41050 Klang,
Selangor Darul Ehsan, Malaysia.

Tel : (603) 3342 2830
Fax : (603) 3341 1967

www.ltkm.com.my