

**LTKM Berhad (Company No: 442942-H)**  
**Condensed Consolidated Statement of Comprehensive Income**  
**For the quarter ended 30 September 2019**

	Note	Individual Quarter 3 months ended		Cumulative Quarter 6 months ended	
		30/09/2019 RM'000	30/09/2018 RM'000	30/09/2019 RM'000	30/09/2018 RM'000
Revenue		52,847	46,716	101,095	86,140
Cost of sales		(38,542)	(38,799)	(76,040)	(75,197)
Gross profit		14,305	7,917	25,055	10,943
Other income		647	6,886	1,310	7,314
Administrative expenses		(2,173)	(2,051)	(3,848)	(4,129)
Distribution expenses		(753)	(1,025)	(1,751)	(1,997)
Finance costs		(1,146)	(1,388)	(2,263)	(2,632)
Other expenses		(414)	(5)	(5,309)	(484)
Profit before tax		10,466	10,334	13,194	9,015
Taxation	B5	(3,056)	(2,774)	(5,275)	(3,337)
<b>Profit net of tax attributable to owners of the parent</b>		<b>7,410</b>	<b>7,560</b>	<b>7,919</b>	<b>5,678</b>
Other comprehensive income, net of tax :					
Net change on FVOCI reserves :					
- changes in fair value		(1,508)	1,003	(1,815)	(1,678)
<b>Total comprehensive income attributable to owners of the parent</b>		<b>5,902</b>	<b>8,563</b>	<b>6,104</b>	<b>4,000</b>
<b>Basic earnings per share attributable to owners of the parent (sen) :</b>	B11	<b>5.70</b>	<b>5.81</b>	<b>6.09</b>	<b>4.36</b>

The condensed consolidated income statement should be read in conjunction with the audited financial statements for the year ended 31 March 2019 and the accompanying explanatory notes attached to the interim financial statements.

**LTKM Berhad (Company No: 442942-H)**  
**Condensed Consolidated Statement of Financial Position**  
**As at 30 September 2019**

	Note	As at 30 Sept 2019 RM'000	As at 31 Mar 2019 RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		85,324	90,750
Right of use asset		3,230	1,451
Investment properties		104,395	104,395
Land held for development		38,823	39,322
Investment securities		22,530	24,219
		<u>254,302</u>	<u>260,137</u>
<b>Current assets</b>			
Biological assets		18,405	19,160
Inventories		20,133	16,592
Trade receivables		14,120	14,611
Other receivables		1,820	1,476
Prepayments		169	117
Tax recoverables		187	157
Cash and bank balances		48,497	37,455
		<u>103,331</u>	<u>89,568</u>
<b>TOTAL ASSETS</b>		<u>357,633</u>	<u>349,705</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Attributable to equity holders of the parent</b>			
Share capital		65,052	65,052
Reserves		187,083	180,969
<b>Total equity</b>		<u>252,135</u>	<u>246,021</u>
<b>Non-current liabilities</b>			
Borrowings	B7	51,515	55,034
Lease liability		2,099	683
Deferred tax liabilities		8,640	9,128
		<u>62,254</u>	<u>64,845</u>
<b>Current liabilities</b>			
Borrowings	B7	21,544	20,842
Lease liability		1,163	768
Trade payables		10,323	7,741
Other payables		6,867	6,652
Dividend payable		-	1,301
Taxation		3,347	1,535
		<u>43,244</u>	<u>38,839</u>
<b>Total liabilities</b>		<u>105,498</u>	<u>103,684</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>357,633</u>	<u>349,705</u>

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 31 March 2019 and the accompanying explanatory notes attached to the interim financial statements.

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

	6 months ended 30 June	
	2019	2018
	RM'000	RM'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	13,194	9,015
Adjustments for non-cash flow		
Depreciation of property, plant & equipment	3,666	3,890
Depreciation of right of use asset	525	363
Gain on disposal of property, plant and equipment	(84)	(112)
Impairment loss on property, plant and equipment	3,400	-
Impairment loss on land held for development	1,252	-
Fair value changes in biological assets	606	(5,698)
Unrealised gain on foreign exchange	(3)	(53)
Dividend income from investment securities	(323)	(350)
Interest expense	2,262	2,573
Interest income	(466)	(206)
Operating profit before working capital changes	<u>24,029</u>	<u>9,422</u>
Working capital changes in:		
Property development costs	(753)	(4,392)
Biological assets	100	439
Inventories	(3,492)	1,521
Receivables	95	(1,000)
Payables	2,829	315
Cash generated from operating activities	<u>22,808</u>	<u>6,305</u>
Net taxes paid	(4,035)	(2,524)
Interest paid	<u>(2,194)</u>	<u>(2,573)</u>
Net cash generated from operating activities	<u>16,579</u>	<u>1,208</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of:		
Property, plant & equipment	(1,644)	(89)
Investment securities	(239)	(927)
Proceeds from disposal of:		
Property, plant and equipment	88	112
Investment securities	120	677
Interest received	466	206
Dividend received from investment securities	323	350
Net cash (used in)/generated from investing activities	<u>(886)</u>	<u>329</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividends paid	(1,301)	(1,301)
Repayment of term loans	(3,592)	(3,546)
Net drawdown/(repayment) of other bank borrowings	776	(6,247)
Payment of lease liability	(534)	(325)
Net cash used in from financing activities	<u>(4,651)</u>	<u>(11,419)</u>
Net change in cash and cash equivalents	11,042	(9,882)
Cash and cash equivalents at 1 April	<u>37,455</u>	<u>30,885</u>
Cash and cash equivalents at end of the year	<u>48,497</u>	<u>21,003</u>
Cash and cash equivalents comprise the following amounts:-		
Deposits with licensed banks	29,109	8,106
Cash on hand and at bank	19,388	12,897
Cash and bank balances	<u>48,497</u>	<u>21,003</u>
	<u>48,497</u>	<u>21,003</u>

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 March 2019 and the accompanying explanatory notes attached to the interim financial statements.

**LTKM Berhad (Company No: 442942-H)**  
**Condensed Consolidated Statements of Changes in Equity**  
**For the quarter ended 30 September 2019**

	<-----Attributable to equity holders of the parent----->				
	[----(Non- distributable)----]		(Distributable)		
	Share capital RM'000	Fair Value Through Other Comprehensive Income Reserve RM'000	ESOS reserve RM'000	Retained profits RM'000	Total equity RM'000
<b>6 months ended 30 September 2019</b>					
<b>At 1 April 2019</b>	65,052	(4,431)	399	185,001	246,021
<b>Total comprehensive income</b>	-	(1,815)	-	7,919	6,104
Profit net of tax	-	-	-	7,919	7,919
Other comprehensive income, net of tax	-	(1,815)	-	-	(1,815)
Transfer of fair value reserve of equity instruments designated at FVOCI upon disposal	-	5	-	5	10
<b>At 30 September 2019</b>	<b>65,052</b>	<b>(6,241)</b>	<b>399</b>	<b>192,925</b>	<b>252,135</b>
<b>6 months ended 30 June 2018</b>					
<b>1 April 2018</b>	65,052	1,467	399	166,051	232,969
<b>Total comprehensive income</b>	-	(1,678)	-	5,678	4,000
Profit net of tax	-	-	-	5,678	5,678
Other comprehensive income, net of tax	-	(1,678)	-	-	(1,678)
Transfer of fair value reserve of equity instruments designated at FVOCI upon disposal	-	1	-	(1)	-
<b>At 30 September 2018</b>	<b>65,052</b>	<b>(210)</b>	<b>399</b>	<b>5,677</b>	<b>236,969</b>

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 March 2019 and the accompanying explanatory notes attached to the interim financial statements.

**PART A – Explanatory Notes Pursuant to FRS 134 – Paragraph 16****A1. Basis of Preparation**

The interim financial statements are unaudited and have been prepared in accordance with the requirements of MFRS 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 March 2019. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 March 2019.

The accounting policies and methods of computation adopted in the interim financial statements are consistent with those of the audited financial statements for the year ended 31 March 2019, except for the adoption of the following new and revised Malaysian Financial Reporting Standards (“MFRS”) and Amendments to MFRSs that have become effective for the financial periods beginning 1 April 2019:

MFRS 9: Prepayment Features with Negative Compensation (Amendments to MFRS 9)	1 January 2019
MFRS 16: Leases	1 January 2019
MFRS 128: Long-term Interest in Associates and Joint Ventures (Amendments to MFRS 128)	1 January 2019
Annual Improvements to MFRS Standards 2015-2017 Cycle	1 January 2019
MFRS 119: Plan Amendment, Curtailment or Settlement (Amendments to MFRS 119)	1 January 2019
IC Interpretation 23: Uncertainty over Income Tax Treatments	1 January 2019

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

Description	Effective date for financial periods beginning on or after
MFRS 101: Definition of Material (Amendments MFRS 101)	1 January 2020
MFRS 3: Business Combination (Amendments to MFRS 3)	1 January 2020
MFRS 108: Definition of Material (Amendments to MFRS 108)	1 January 2020
Amendments to 134: Interim Financial Reporting	1 January 2020
Amendments to MFRS 137: Provisions, Contingent Liabilities and Contingent Assets	1 January 2020
Amendments to MFRS 138: Intangible Assets	1 January 2020
Amendments to IC Interpretations 22: Foreign Currency Transactions and Advance Consideration	1 January 2021
MFRS17: Insurance Contracts	
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

The new and amendments to MFRSs will be adopted by the Group when they become effective and that the initial applications of these Standards are not expected to have material impact on the financial statements of the Group.

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

The auditors' report on the financial statements for the year ended 31 March 2019 was not qualified.

**A3. Segmental Information**

	3 months ended			6 months ended		
	30-Sep-19 RM'000	30-Sep-18 RM'000	Change %	30-Sep-19 RM'000	30-Sep-18 RM'000	Change %
<b>Segment revenue</b>						
Poultry & related products	52,250	46,157	13%	99,696	85,006	17%
Extraction & sale of sand	507	469	8%	1,218	954	28%
Investment holdings	90	90	0%	180	180	0%
<b>Total</b>	<b>52,847</b>	<b>46,716</b>	<b>13%</b>	<b>101,095</b>	<b>86,140</b>	<b>17%</b>
<b>Segment results</b>						
Poultry & related products	11,847	11,340	4%	20,187	11,150	81%
Extraction & sale of sand	(28)	(29)	3%	(3,345)	(113)	-2860%
Investment holdings	(1,122)	(789)	-42%	(1,944)	(1,629)	-19%
Property development	(230)	(188)	-22%	(1,704)	(393)	-334%
Profit before tax	10,466	10,334	1%	13,194	9,015	46%
Less: Tax expense	(3,056)	(2,774)	-10%	(5,275)	(3,337)	-58%
Profit net of tax	7,410	7,560	-2%	7,919	5,678	39%

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

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the financial quarter ended 31 March 2019.

**A5. Changes in Estimate**

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

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

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

**A7. Dividends Paid**

There were no dividend paid during the quarter under review.

**A8. Carrying Amount of Fixed Assets**

In the preceding quarter, the Group's certain assets were impaired in accordance to the Group's accounting policy giving rise to impairment loss of RM4.31 million net of deferred taxation. This was based on results of valuations carried out in August 2019 by professional independent valuers namely Cheston International (KL) Sdn. Bhd. and Henry Butcher (Sel) Sdn. Bhd..

**A8. Carrying Amount of Fixed Assets (contd.)**

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

**A9. Debt and Equity Securities**

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

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

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

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

There were no changes in other contingent liabilities or contingent assets since the last annual balance sheet as at 31 March 2019.

**A12. Subsequent Events**

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

**A13. Profit for the Period**

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

	Current Quarter		Cumulative Quarter	
	3 months ended		6 months ended	
	30-Jun-19	30-Jun-18	30-Sep-19	30-Sep-18
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Interest income	302	122	466	206
Other income including investment income	345	331	748	1,010
Interest expense	(1,145)	(1,329)	(2,262)	(2,573)
Depreciation & amortisation	(2,355)	(2,306)	(4,191)	(4,253)
Fair value changes on biological assets	(381)	6,177	(606)	5,698
Provision for and write off of receivables	-	-	-	-
Provision for and write off of inventories	-	-	-	-
Gain on disposal of :				-
Quoted shares	-	-	-	-
Unquoted investments	-	-	-	-
Properties	-	-	-	-
Impairment of assets	-	-	(4,652)	-
Foreign exchange (loss)/gain:-				
Realised (loss)/gain	(11)	229	93	347
Unrealised (loss)/gain	(22)	27	3	53
Gain/(loss) on derivatives	-	-	-	-
Exceptional items	-	-	-	-

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

	Current Quarter RM'000	Preceding Year Corresponding Quarter RM'000	Change %	Current Year To date RM'000	Preceding year corresponding period RM'000	Change %
<b>Segment revenue</b>						
Poultry & related products	52,250	46,157	13%	99,696	85,006	17%
Extraction & sale of sand	507	469	8%	1,218	954	28%
Investment holdings	90	90	0%	180	180	0%
<b>Total</b>	<b>52,847</b>	<b>46,716</b>	<b>13%</b>	<b>101,095</b>	<b>86,140</b>	<b>17%</b>
<b>Segment result</b>						
Poultry & related products	11,847	11,340	4%	20,187	11,150	81%
Extraction & sale of sand	(28)	(29)	3%	(3,345)	(113)	-2860%
Investment holdings	(1,122)	(789)	-42%	(1,944)	(1,629)	-19%
Property development	(230)	(188)	-22%	(1,704)	(393)	-334%
Profit before tax	10,466	10,334	1%	13,194	9,015	46%
Less: Tax expense	(3,056)	(2,774)	-10%	(5,275)	(3,337)	-58%
Profit net of tax	7,410	7,560	-2%	7,919	5,678	39%

The Group registered a revenue of RM52.85 million and a profit net of tax of RM7.41 million for the current quarter as compared to a revenue of RM46.72 million and a profit net of tax of RM7.56 million in the same quarter of previous year. Revenue from poultry increased by 13% mainly due to improved egg prices as compared to the same quarter of previous year. However the Group profit declined by 2% due to fair value gain on biological assets in the preceding year corresponding quarter.

For the financial year-to-date, the Group recorded a revenue of RM101.10 million and a net profit of RM7.92 million as compared to revenue of RM86.14 million and net profit of RM5.68 million in the corresponding period of previous year. Poultry segment recorded a 17% increase in revenue arising from improved egg prices as compared to preceding year corresponding period. Poultry segment profit increased by RM9.04 million. Overall increase in net profit of the Group was off-set by impairment loss from sand mining and property development segments in the current year period and fair value gain of biological assets in the preceding year corresponding period.

Investment holdings segment recorded loss due mainly to financing cost on investment properties.

Property development segment has not recorded any revenue and earnings as the Group's property development projects have not been launched.



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

	<b>Current Quarter</b>	<b>Immediate Preceding Quarter</b>	<b>Change</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>%</b>
<b>Segment revenue</b>			
Poultry & related products	52,250	47,447	10%
Extraction & sale of sand	507	711	-29%
Investment holdings	90	90	0%
<b>Total</b>	<b>52,847</b>	<b>48,248</b>	<b>10%</b>
<b>Segment result</b>			
Poultry & related products	11,847	8,341	42%
Extraction & sale of sand	(28)	(3,317)	99%
Investment holdings	(1,122)	(821)	-37%
Property development	(230)	(1,474)	84%
<b>Profit before tax</b>	<b>10,466</b>	<b>2,729</b>	<b>284%</b>

The Group posted a profit before tax of RM10.47 million for the current quarter versus profit before tax of RM2.73 million in the preceding quarter. Revenue from poultry increased by 10% due to improved egg prices. Poultry segment's earnings increased by RM3.51 million in tandem with higher revenue. Overall, the Group's earnings increased by RM7.74 million as there was impairment losses recorded in the preceding quarter.

**B3. Commentary on Prospects**

The Board views the next period to be challenging due to the egg market supply and price volatility.

No material contributions are expected from the other segments in the next period.

**B4. Profit Forecast or Profit Guarantee**

This is not applicable.

**B5. Tax Expenses**

	6 months ended 30.06.19 RM'000	6 months ended 30.09.18 RM'000
Income tax expense	5,812	1,742
Real property gain tax	2	1,136
Deferred tax expense	(539)	459
<b>Total</b>	<b>5,275</b>	<b>3,337</b>

The effective tax rate for the current period is higher than the statutory rate of 24% due to unallowable expenses such as impairment loss arising from land valuation.

**B6. Corporate Proposals**

## (a) Status of Corporate Proposals

There were no corporate proposals announced but not completed as at 12 November 2019.

## (b) Status of Utilisation of Proceeds

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

**B7. Borrowings**

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

	As at 30.09.2019	As at 30.09.2018
	RM'000	RM'000
<b>Short term</b>		
<i>Secured:-</i>		
Term loans	7,581	6,985
Banker acceptance	856	835
Revolving credit	9,500	9,500
	<u>17,937</u>	<u>17,320</u>
<i>Unsecured:-</i>		
Term loans	-	570
Banker acceptance	3,607	4,281
	<u>3,607</u>	<u>4,851</u>
	<u>21,544</u>	<u>22,171</u>
<b>Long term</b>		
<i>Secured:-</i>		
Term loans	<u>51,515</u>	<u>59,162</u>
<i>Unsecured:-</i>		
Term loans	<u>-</u>	<u>-</u>
	<u>51,515</u>	<u>59,162</u>
<b>Total borrowings</b>	<u>73,059</u>	<u>81,333</u>

## b) There were no borrowings in foreign currency as at 30 September 2019.

## c) Effective average cost of borrowings based on exposure as at 30 September 2019 was 6.06% (2018: 6.17%).

**B8. Off Balance Sheet Financial Instrument**

There were no off balance sheet financial instruments as at 30 September 2019.

**B9. Changes in Material Litigations**

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

**B10. Dividend Payable**

No dividend has been declared in the financial period ended 30 September 2019.

**B11. Earnings per share (“EPS”)**

	3 months ended		6 months ended	
	30-Sep-19 RM'000	30-Sep-18 RM'000 Restated	30-Sep-19 RM'000	30-Sep-18 RM'000 Restated
<b>Profit/(loss) attributable to ordinary shareholders of the parent</b>	7,410	7,560	7,919	5,678
<b>Number of shares in issue ('000)</b>	130,104	130,104	130,104	130,104
<b>Basic EPS (sen per share)</b>	5.70	5.81	6.09	4.36

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

**B12. Authorisation for Issue**

The interim financial statements were authorized for issue by the Board of Directors in accordance with resolution of the directors on 19 November 2019.

**B13. Dividends Paid / Declared**

Dividend paid / declared since the financial year 2018 up to the date of this report.

Dividend No.	Financial Year	Type	No. of shares ('000)	Rate	RM ('000)	Payment Date
32	2018	Interim dividend	130,104	1 sen per share, single tier	1,301	6.4.2018
33	2018	Final dividend	130,104	1 sen per share, single tier	1,301	5.10.2018
34	2019	Interim dividend	130,104	1 sen per share, single tier	1,301	12.4.2019
35	2019	Final dividend	130,104	1 cent per share, single tier	1,301	25.10.2019