

LTKM Berhad (Company No: 442942-H)
Condensed Consolidated Statement of Comprehensive Income
For the quarter ended 30 September 2015

	Note	Individual Quarter 3 months ended		Cumulative Quarter 6 months ended	
		30/9/2015	30/9/2014	30/9/2015	30/9/2014
		RM'000	RM'000	RM'000	RM'000
Revenue		42,968	48,127	83,723	93,375
Cost of sales		(34,817)	(34,818)	(69,685)	(68,694)
Gross profit		8,151	13,309	14,038	24,681
Other income		2,241	832	3,469	1,848
Administrative expenses		(2,124)	(1,587)	(4,072)	(3,143)
Distribution expenses		(870)	(727)	(1,719)	(1,363)
Finance costs		(141)	(200)	(325)	(465)
Other expenses		(1,176)	(471)	(1,750)	(515)
Profit before tax		6,081	11,156	9,641	21,043
Taxation	B5	(1,373)	(3,424)	(2,480)	(6,179)
Profit net of tax attributable to owners of the parent		4,708	7,732	7,161	14,864
Other comprehensive income, net of tax :					
Deferred tax on revaluation of land		-	-	(246)	-
Net change on AFS reserves :					
- fair value (loss)/gain		(2,643)	6,210	(3,428)	6,870
- impairment loss reclassified to profit or loss		792	-	1,043	-
- transfer to profit or loss upon disposal		(584)	-	(905)	-
Total comprehensive income attributable to owners of the parent		2,273	13,942	3,625	21,734
Basic earnings per share attributable to owners of the parent (sen) :	B11	3.62	5.94	5.50	11.42

The condensed consolidated income statement should be read in conjunction with the audited financial statements for the year ended 31 March 2015 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 2015

	Note	As at 30 Sep 2015	As at 31 Mar 2015
		RM'000	RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		92,669	93,911
Investment properties		52,850	52,850
Biological assets		340	341
Investment securities		32,002	36,119
		<u>177,861</u>	<u>183,221</u>
Current assets			
Biological assets		14,012	14,699
Inventories		15,720	11,744
Tax recoverables		2,381	84
Trade and other receivables		16,473	12,153
Cash and bank balances		33,333	37,645
		<u>81,919</u>	<u>76,325</u>
TOTAL ASSETS		<u>259,780</u>	<u>259,546</u>
EQUITY AND LIABILITIES			
Attributable to equity holders of the parent			
Share capital		65,052	43,368
Reserves		156,497	178,011
Total equity		<u>221,549</u>	<u>221,379</u>
Non-current liabilities			
Borrowings	B7	4,676	5,865
Deferred tax liabilities		8,771	8,528
		<u>13,447</u>	<u>14,393</u>
Current liabilities			
Trade and other payables		12,654	8,290
Dividend payable		3,253	4,337
Borrowings	B7	8,876	9,580
Taxation		1	1,567
		<u>24,784</u>	<u>23,774</u>
Total liabilities		<u>38,231</u>	<u>38,167</u>
TOTAL EQUITY AND LIABILITIES		<u>259,780</u>	<u>259,546</u>

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 31 March 2015 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 September	
	2015 RM'000	2014 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax from continuing operations	9,641	21,043
Adjustment for non-cash flow		
Depreciation of property, plant & equipment	3,402	4,585
Amortisation of biological assets	7	18
Gain on disposal of property, plant and equipment	(108)	(176)
Gain on disposal of investment securities	(1,214)	(76)
Fair value loss/(gain) on FVTPL investment	707	(195)
Impairment loss on AFS investment	1,043	603
Dividend income	(595)	(914)
Unrealised exchange gain	(342)	(65)
Operating profit before changes in working capital	12,541	24,823
Decrease/(increase) in biological assets	681	(1,347)
(Increase)/decrease in inventories	(3,976)	4,304
(Increase)/decrease in receivables	(4,236)	1,150
Increase in payables	4,451	1,116
Cash generated from operating activities	9,461	30,046
Net taxes paid	(6,344)	(4,406)
Net cash generated from operating activities	3,117	25,640
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant & equipment	(2,160)	(6,028)
Purchase of investment securities	(3,492)	(2,895)
Withdrawal of long term fixed deposits	109	106
Proceeds from disposal of property, plant and equipment	108	40
Proceeds from disposal of investment securities	3,952	689
Dividend received from investment securities	595	914
Net cash used in investing activities	(888)	(7,174)
CASH FLOW FROM FINANCING ACTIVITIES		
Dividends paid	(4,337)	(3,469)
Shares issuance expense	(202)	-
Net (repayment)/drawdown of term loans	(1,667)	271
Net repayment of other bank borrowings	(226)	(10,352)
Repayment of hire purchase	-	(340)
Net cash used in financing activities	(6,432)	(13,890)
Net change in cash and cash equivalents	(4,203)	4,576
Cash and cash equivalents at 1 April	37,536	20,933
Cash and cash equivalents at end of the period	33,333	25,509
Cash and cash equivalents comprise the following amounts:-		
Deposits with licensed banks	20,109	9,874
Cash on hand and at bank	13,224	15,635
Cash and bank balances	33,333	25,509
	33,333	25,509

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 March 2015 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 2015

	←-----Attributable to equity holders of the parent----->					Total equity RM'000
	[------(Non- distributable)-----]			(Distributable)		
	Share capital RM'000	Share premium RM'000	Asset revaluation reserve RM'000	Available -for-sale reserve RM'000	Retained profits RM'000	
6 months ended 30 September 2015						
At 1 April 2015	43,368	2,467	36,163	5,803	133,578	221,379
Total comprehensive income	-	-	(246)	(3,290)	7,161	3,625
Transactions with owners						
Bonus shares issued during the period	21,684	(2,265)	-	-	(19,419)	-
Share issuance expense	-	(202)	-	-	-	(202)
Dividends	-	-	-	-	(3,253)	(3,253)
At 30 September 2015	65,052	-	35,917	2,513	118,067	221,549
6 months ended 30 September 2014						
At 1 April 2014	43,368	2,467	29,630	1,751	96,118	173,334
Total comprehensive income	-	-	-	6,870	14,864	21,734
Transactions with owners						
Dividends	-	-	-	-	(4,337)	(4,337)
At 30 September 2014	43,368	2,467	29,630	8,621	106,645	190,731

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 March 2015 and the accompanying explanatory notes attached to the interim financial statements.

A2 : Summary of Key Financial Information

	Individual Period		Cumulative Period	
	Current Year quarter 30.9.2015	Preceding year corresponding quarter 30.9.2014	Current year todate 30.9.2015	Preceding year corresponding period 30.9.2014
1 Proposed / declared dividend per share (sen)	-	-	-	-
A3: Additional Information				
2 Gross interest income	202	121	415	206
3 Gross interest expense (excl hire purchase)	141	198	325	460
4 Net assets per share attributable to ordinary Equity holders of the parent (RM)			current qtr/yr 1.70	prior financial yr end 1.70 *

* based on issued and paid up share capital as at 30 September 2015 of 130,104,006 ordinary shares.

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

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

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 March 2015. 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 2015.

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 2015, except for the adoption of the following new and revised Financial Reporting Standards (“FRS”) and Amendments to FRSs that have become effective for the financial periods beginning 1 April 2015:-

Amendments to FRS 119: Defined Benefit Plans: Employee Contributions
Annual Improvements to FRSs 2010 - 2012 Cycle
Annual Improvements to FRSs 2011 – 2013 Cycle

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

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

Description	Effective date for financial periods beginning on or after
Annual Improvements to FRSs 2013 - 2014 Cycle	1 January 2016
Amendments to FRS 116 and FRS 138 : Clarification of Acceptance Methods of Depreciation and Amortisation	1 January 2016
Amendments to FRS 116 and FRS 141 : Agriculture: Bearer Plants	1 January 2016
Amendments to FRS 10 and FRS128: sale or Contribution of Assets between and Investor and its Associate or Joint Venture	1 January 2016
Amendments to FRS 11: Accounting for Acquisitions of Interest in Joint Operations	1 January 2016
Amendments to FRS 127: Equity Method in Separate Financial Statements	1 January 2016
Amendments to FRS 101: Disclosure Initiative	1 January 2016
Amendments to FRS 10, FRS 12 and FRS 128: Investment Entities: Applying the Consolidation Exception	1 January 2016
FRS 14: Regulatory Deferral Accounts	1 January 2016
FRS 9: Financial Instruments	1 January 2016

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

Amendments to FRS 116 and FRS 141: Agriculture: Bearer Plants

The amendments change the accounting requirements for biological assets that meet the definition of bearer plants. Under the amendments, biological assets that meet the definition of bearer plants will no longer be within the scope of FRS 141. Instead, FRS 116 will apply. After initial recognition, bearer plants will be measured under FRS 116 at accumulated cost (before maturity) and using either the cost model or revaluation model (after maturity). The amendments also require that produce that grows on bearer plants will remain in the scope of FRS 141 and are measured at fair value less costs to sell.

Amendments to FRS 127: Equity Method in Separate Financial Statements

The amendments will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associate in their separate financial statements. Entities already applying FRS and electing to change to the equity method in its separate financial statements will have to apply this change retrospectively. For first-time adopters of FRS electing to use the equity method in its separate financial statements, they will be required to apply this method from the date of transition to FRS. The amendments are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments will not have any impact on the Group's and the Company's financial statements.

Amendments to FRS 10, FRS 12 and FRS 128: Investment Entities: Applying the Consolidation Exception

The amendments clarify that the exemption from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity, when the investment entity measures all of its subsidiaries at fair value. The amendments further clarify that only a subsidiary that is not an investment entity itself and provides support services to the investment entity is consolidated. In addition, the amendments also provides that if an entity that is not itself an investment entity has an interest in an associate or joint venture that is an investment entity, the entity may, when applying the equity method, retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries.

FRS 9: Financial Instruments - Classification and Measurement

In November 2014, MASB issued the final version of FRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces FRS 139 Financial Instruments: Recognition and Measurement and all previous versions of FRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. FRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. The adoption of FRS 9 will have an effect on the classification and measurement of the Group's financial assets, but no impact on the classification and measurement of the Group's financial liabilities.

Malaysian Financial Reporting Standards

The Group falls within the Transitioning Entities of the Malaysian Accounting Standards Board (MASB)'s new approved accounting framework, the Malaysian Financial Reporting Standards ("MFRS"); and accordingly, will only be issuing its first MFRS compliant financial statements for the period beginning 1 April 2017.

A2. Audit Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the year ended 31 March 2015 was not qualified.

A3. Segmental Information

	3 months ended		6 months ended	
	30-Sep-15 RM'000	30-Sep-14 RM'000	30-Sep-15 RM'000	30-Sep-14 RM'000
Segment revenue				
Poultry & related products	42,368	47,142	82,109	91,290
Extraction & sale of sand	600	985	1,613	2,085
Total	42,968	48,127	83,723	93,375
Segment results				
Poultry & related products	6,133	11,137	9,571	20,205
Investment holdings	(113)	(579)	(407)	(377)
Extraction & sale of sand	140	633	621	1,282
Others	(79)	(35)	(144)	(67)
Profit before tax	6,081	11,156	9,641	21,043
Less: Tax expense	(1,373)	(3,424)	(2,480)	(6,179)
Profit net of tax	4,708	7,732	7,161	14,864

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 30 September 2015.

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 dividends paid during the quarter under review.

A8. Carrying Amount of Revalued Assets

There were 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 2015.

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 for the interim period.

A13. Profit for the Period

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

	Current Quarter		Current Quarter	
	3 months ended		6 months ended	
	30-Sep-15	30-Sep-14	30-Sep-15	30-Sep-14
Interest income	202,011	121,366	415,047	206,469
Other income including investment income	533,363	309,778	766,976	1,089,801
Interest expense	(141,116)	(200,311)	(324,893)	(465,678)
Depreciation & amortisation	(1,740,223)	(2,387,842)	(3,408,884)	(4,603,494)
Provision for and write off of receivables	-	-	-	-
Provision for and write off of inventories	-	-	-	-
Gain on disposal of :				
Quoted shares	725,830	154,588	1,213,572	194,532
Unquoted investments	-	-	-	-
Properties	-	-	-	-
Impairment of assets	(792,247)	(603,250)	(1,043,058)	(603,250)
Foreign exchange gain:-				
Realised gain	480,307	164,942	731,481	291,870
Unrealised gain/(loss)	299,661	80,886	341,868	65,026
Gain/(loss) on derivatives	-	-	-	-
Exceptional items	-	-	-	-

A14. Realised and Unrealised Profits Disclosure

	Group		Company	
	As at 30.9.2015 (RM'000)	As at 31.3.2015 (RM'000)	As at 30.9.2015 (RM'000)	As at 31.3.2015 (RM'000)
Total retained profits of the Group and the Company :-				
Realised profits	85,318	101,294	17,537	40,089
Unrealised profits	13,688	13,407	0.21	0.21
	99,006	114,701	17,537	40,089
Add : Consolidation adjustments	19,061	18,877	-	-
Retained profits as per consolidated accounts	118,067	133,578	17,537	40,089

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

The Group registered revenue of RM42.97 million and a net profit of RM4.71 million for the current quarter as compared to a revenue of RM48.13 million and a net profit of RM7.73 million in the same quarter of previous year. The lower revenue and net profit was mainly due to the decline in egg prices. Although egg prices have improved in the current quarter, it is still below that of the previous year.

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

B2. Comment on Material Change in Profit Before Tax

The Group posted a profit before tax of RM6.08 million for the current quarter versus RM3.56 million in the preceding quarter. The Group's revenue for this quarter at RM42.97 million is also higher compared to RM40.76 million recorded in the preceding quarter. The improvement in revenue and profits were mainly contributed by increase in the egg prices.

The changes in contributions from other segments of the Group were not significant for the quarter under review.

B3. Commentary on Prospects

The Board views the next period as challenging due to the volatile egg prices and the impact of the rising US dollar on costs of major raw materials such as corn and soybean. Contributions from the Extraction and Sale of Sand are not expected to significantly differ whilst no material contributions are expected from the other segments.

B4. Profit Forecast or Profit Guarantee

This is not applicable.

B5. Tax Expenses

	6 months ended 30.9.15 RM'000	6 months ended 30.9.14 RM'000
Income tax expense	2,483	6,179
Deferred tax expense	(3)	-
Total	2,480	6,179

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

B6. Corporate Proposals**(a) Status of Corporate Proposals**

There were no corporate proposals announced but not completed as at 25th November 2015.

(b) Status of Utilisation of Proceeds

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

B7. Borrowings

The total Group borrowings as at 30 September 2015 were as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
Short term borrowings			
Term loan	872	1,578	2,450
Other bank borrowings	-	6,426	6,426
	<u>872</u>	<u>8,210</u>	<u>8,876</u>
Long term borrowings			
Term loan	827	3,849	4,676
Total borrowings	<u>1,699</u>	<u>11,853</u>	<u>13,552</u>

There were no borrowings in any foreign currency as at 30 September 2015.

B8. Off Balance Sheet Financial Instrument

There were no off balance sheet financial instruments as at 30 September 2015.

B9. Changes in Material Litigations

There were no 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 2015 (30 September 2014: Nil).

B11. Earnings per share ("EPS")

	3 months ended		6 months ended	
	30-Sep-15 RM'000	30-Sep-14 RM'000	30-Sep-15 RM'000	30-Sep-14 RM'000
Profit attributable to ordinary shareholders of the parent	4,708	7,732	7,161	14,864
Number of shares *	130,104,006	130,104,006	130,104,006	130,104,006
Basic EPS (sen per share)	3.62	5.94	5.50	11.42

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

*based on issued and paid up share capital as at 30 September 2015 of 130,104,006 ordinary 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 25 November 2015.

B13. Dividends Paid / Declared

Dividend paid / declared since the financial year 2013 up to the date of this report.

Dividend No.	Financial Year	Type	Rate	Payment Date
22	2013	Interim dividend	4% per RM1.00 share, single tier (4 sen)	8.4.2013
23	2013	Final dividend	8% per RM1.00 share, single tier (8 sen)	4.10.2013
24	2014	Interim dividend	8% per RM1.00 share, single tier (8 sen)	8.4.2014
25	2014	Final dividend	10% per RM1.00 share, single tier (10 sen)	3.10.2014
26	2015	Interim dividend	10% per RM1.00 share, single tier (10 sen)	8.4.2015
27	2015	Final dividend	5% per RM0.50 share, single tier (2.5 sen)	6.10.2015