LTKM BERHAD
(442942-H)

LTKM BERHAD

ANNUAL REPORT 2018

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 MARDI's 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

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Corporate Information

BOARD OF DIRECTORS

Datuk Ir. Kamarudin bin Md Derom
Chairman

Datuk Tan Kok
Managing Director

Tan Chee Huey
Executive Director

Datin Lim Hooi Tin
Non-Independent Non-Executive Director

Ooi Hoy Bee @ Ooi Hooi Bee
Independent Non-Executive Director

Tan Kah Poh
Independent Non-Executive Director

Goh Kean Hoe
Independent Non-Executive Director
(appointed on 13 February 2018)

AUDIT COMMITTEE

Goh Kean Hoe *(Chairman)*
Datuk Ir. Kamarudin bin Md Derom
Ooi Hoy Bee @ Ooi Hooi Bee
Tan Kah Poh

REMUNERATION COMMITTEE

Datuk Tan Kok *(Chairman)*
Datuk Ir. Kamarudin bin Md Derom
Ooi Hoy Bee @ Ooi Hooi Bee
Tan Kah Poh

NOMINATION COMMITTEE

Datuk Ir. Kamarudin bin Md Derom *(Chairman)*
Ooi Hoy Bee @ Ooi Hooi Bee
Tan Kah Poh
Goh Kean Hoe

ESOS COMMITTEE

Datuk Tan Kok *(Chairman)*
Loo Leng Fong
Azlinda binti Tammatulmadzi *(Secretary)*

COMPANY SECRETARY

Ng Yim Kong *(LS 0009297)*

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
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
Stock Code : 7085

Profile of Board of Directors

Datuk Ir. Kamarudin bin Md Derom
Chairman, Independent Non-Executive Director, Chairman of Nomination Committee and Member of Audit Committee and Remuneration Committee

A Malaysian, aged 60, Datuk Ir. Kamarudin was appointed to the Board on 23 December 1999. He graduated with a degree in Civil and Environmental Engineering from University of Wisconsin in Madison, United States of America. Prior to joining the Company, he worked as a civil engineer, sales manager and project manager in several private limited companies. He is a professional engineer registered with the Board of Engineers Malaysia.

Datuk Ir. Kamarudin 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.

Datuk Tan Kok
Managing Director, Chairman of Remuneration Committee

A Malaysian, aged 67, 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 does not hold any directorship in other public listed companies.

Tan Chee Huey
Executive Director

A Malaysian, aged 38, 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 of 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.

Datin Lim Hooi Tin
Non-Independent Non-Executive Director

A Malaysian, aged 66, Datin Lim was appointed to the Board on 23 December 1999. She has wide experience in the administration and management of layer farm.

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

Ooi Hoy Bee @ Ooi Hooi Bee
Independent Non-Executive Director, Member of Audit Committee, Remuneration Committee and Nomination Committee

A Malaysian aged 68, Madam Ooi was appointed to the Board on 1 March 2016. She graduated with a Bachelor of Economics from the Australian National University, Australia majoring in Economics and Accountancy. She is a member of the Malaysian Institute of Accountants. She is also a Member of the Institute of Chartered Accountants Australia and New Zealand. She has been in private practice in Malaysia as a Chartered Accountant for over thirty (30) years. Prior to that she worked in Deloitte Haskins & Sells in Sydney, Australia. She was joint company secretary of LTKM Berhad from year 2000 up to 24 February 2016.

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

Profile of Board of Directors
cont'd

Tan Kah Poh
Independent Non-Executive Director, Member of Audit Committee, Remuneration Committee and Nomination Committee

A Malaysian aged 32, Mr Tan was appointed to the Board on 25 May 2017. He graduated with an LL.B. (Hons.) from the University of Oxford Brookes in 2009 and was admitted to the High Court of Malaya in 2011. He is currently the managing partner of Messrs Kenny Tan & Co, Advocates and Solicitors. He previously practised with Messrs Lee Choon Wan & Co which he joined in 2011 and became a partner in 2015 to 2017. His areas of practice include corporate & commercial laws, mergers & acquisitions, joint venture arrangements, capital markets, corporate restructuring and advisories to companies of various industries on regulatory compliance, corporate governance and general litigation matters.

Mr 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.

Mr. Goh Kean Hoe
Independent Non-Executive Director, Chairman of Audit Committee and Member of Nomination Committee

Mr Goh Kean Hoe is a Malaysian aged 51 and was appointed to the Board on 13 February 2018. He holds a Bachelor of Accounting from the University of Malaya. He is a member of the Malaysian Institute of Accountants (MIA), Malaysian Institute of Certified Public Accountants (MICPA) and Chartered Tax Institute of Malaysia (CTIM). He is currently a member of the Tax Practice Committee and GST Working Group of the MICPA. He has also served as the Honorary Treasurer of Malaysia Economic Association (MEA) and a trustee for its foundation. Mr Goh started his career in the then Arthur Andersen where he last served as an audit manager before moving on to assume the position of financial controller for a Malaysian manufacturing group for two years. He is currently the Managing Partner of KGNP, a Chartered Accountants Firm in Malaysia that he founded in 2001.

Mr Goh 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.

General Information

Datuk Tan Kok and Datin Lim Hooi Tin, 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 2018.

Directors	No. of Meetings Attended
Datuk Ir. Kamarudin bin Md Derom	5 / 5
Datuk Tan Kok	5 / 5
Tan Chee Huey	5 / 5
Datin Lim Hooi Tin	5 / 5
Ooi Hoy Bee @ Ooi Hooi Bee	5 / 5
Tan Kah Poh	4 /4
Goh Kean Hoe (appointed on 13 February 2018)	- /-

Profile of Key Senior Management

Lee Chee Gaip
Farm Manager, Poultry Division

Lee Chee Gaip, aged 54, is the Farm Manager in charge of the day-to-day operation of LTK (Melaka) Sdn Bhd ("LM"), the wholly-owned subsidiary carrying out the poultry operations. He holds a Diploma in Marketing Management from Institute of Marketing Malaysia which was obtained in November 1998. He joined LM in October 1986 and is one of the pioneer staff. He has accumulated vast experience in all aspects of layer farming. He is in charge of the overall management of the farm and feed mill operations and manages the farm production.

Kok Chiew Heng
Sales & Marketing Manager, Poultry Divison

Kok Chiew Heng, aged 58, is another pioneer staff of 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 57, is the Administration 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 48, is the Veterinarian at LM. She holds a Doctorate of Veterinary Medicine and Animal Science from Universiti 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, Universiti 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 health management of the flock and feed formulation programme.

Jancy Oh Suan Tin
Group Accountant

Jancy Oh aged 45, 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 under OYL Electronics Sdn Bhd and later moved on to join 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 financial reporting and management, accounting, internal audit and controls, taxation and corporate related areas. She is currently responsible for the financial management and reporting of LTKM Berhad.

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.

Stakeholder	Engagement Channel
Shareholder and Investors	• Annual general meeting • Investor relations • Annual report • Website
Employee	• Staff meeting • Internal and external training • Performance review • One to one session
Supplier, Business Partner and Customer	• Face to face meeting • Direct negotiations • Market surveys
Consumers	• LTKM official contact and official email • Online feedback form available in LTKM website • Print and media advertisements • Market surveys • Promotional roadshows
Government and Regulator	• Authorities • Training and seminars • Investor relations • Farm visitations by Department of Veterinary Services Malaysia and Agri-Food & Veterinary Authority of Singapore • Onsite briefing by the Fire & Rescue Department ("BOMBA") and Malaysia Civil Defence Force
Industry	• Federation of Livestock Farmers' Associations of Malaysia • Selangor Livestock Farmers' Association
Community	• CSR projects • Contributions in cash and kind

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 SARS outbreak in 2003 and 2004. Therefore, LTKM has given this matter its utmost attention and has put in place the very stringent bio-security policies to prevent a disease outbreak in our farm.

- With ample land area, chicken houses are well laid out in the farm. Each chicken house is designed to be comfortable for optimal health of the chickens. Bigger room space for livestock will reduce stress that affects the health of the livestock. Cooling pads and ventilation fans are installed in chicken houses to control the temperature and humidity in the houses. The closed chicken house design also prevents contacts with wild birds.

- LTKM have implemented stringent flock health policy to lower the risk of disease outbreak and ensuring that the veterinary principals and pharmaceutical guidelines are strictly adhered to. In-house veterinarian conducts immunization and routine tests for infections such as blood tests for detection of salmonella disease.

- Chicken manure are cleared frequently from the chicken house to prevent the build-up of toxic gases such as Hydrogen Sulfide, Methane, Ammonia, and Carbon Dioxide. In high concentrations, each of these gases may pose a health threat to workers and livestock. Frequent chicken manure clearing also prevents the breeding of flies that carry diseases.

- LTKM has its own water treatment plant to process and treat natural water resources drawn from own artesian well. The processed water has been formulated based on recommendation given by industry experts. Sample of water are taken periodically and sent to external laboratory for testing, to ensure that the quality of the processed water are safe to be consumed by the livestock.

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 as LTKM has increased its capacity over the years and 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.

- LTKM has installed automated conveyer belts along the cages to ensure continuous collection of eggs. By installing automated conveyer belts, the Group managed to reduce the need for manual collection which is a major challenge in view of the vast farm.

- LTKM has also installed state-of-the-art fully automated and computerized egg-grading and sorting machines which reduces the need for tedious inspection by manual workers.

- Use of pre-set timed based feed and water dispenser system for chicken that has pre-set amount of feed and drinks required based on consumption history and calculations. It reduces labour with multiple benefits of cost savings due to reduced wastage and optimal feeding for optimal productivity.

- LTKM sells mostly on ex-factory basis which means we do not need to keep our own fleet of delivery trucks and drivers.

Consumer Impact

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.

MATERIAL ISSUES *cont'd*

A. ECONOMIC *cont'd*

Consumer Impact *cont'd*

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 under technology licensing with Marditech Corporation Sdn Bhd. Marditech is the commercial arm of the Malaysian Agriculture Research and Development Institute.

Ultimately, LTKM continuously assures customers of high quality and farm fresh eggs at affordable prices.

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 leave minimal environmental footprints.

Waste Management

- The farm has continually reduced our impact on the environment by using clean poultry farming technology. By clearing the manure from chicken frequently, it prevents the build-up of harmful toxic gases such as Hydrogen Sulfide, Methane, Ammonia, and Carbon Dioxide. In high concentrations, each of these gases may pose a health threat to humans and livestock.

- Treating the by-product of the farm such as chicken manure into fertilizer via fermentation process. By using microbes, the process of turning chicken manure into fertilizer is done organically and thus eradicates the need for using harmful chemical compounds that pollute the environment.

- LTKM's management and employees are encouraged to recycle used materials such as containers, papers, paper boxes and etc. Recycling has the double edged benefits of conserving and preserving the environment while saving operating costs.

- Creating awareness on efficient energy consumption such as turning of the electricity for air-conditioners and lights during long absence from premise for example during lunch or out of office. Use of energy saving products such as LED lighting and air-conditioning system has also helped to reduce power consumption.

- Disposing of live old hens reduces pollution and need for washing and cleaning as there is no culling or remnants of carcasses.

Pest Control

- To achieve sustainable rodent control in the farm, wire nettings are installed at area of focus for pest control.

- LTKM has invested in extensive bird proof netting at feed mill and egg grading stores for prevention of wild bird entries.

- Closed poultry house design also prevents wild birds from entering and propagate diseases to the chicken, thus achieving 100% bird proof invasion.

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 vision and mission of the Company are carried out successfully for sustainability and growth.

MATERIAL ISSUES *cont'd*

C. SOCIAL AND WORKPLACE *cont'd*

Occupational Safety and Health

Safety road signs and safety instruction signboards are placed in critical areas in the farm to remind vehicle operators and employees to adhere to company's safety rules. Trainings on handling of machines and equipments to train and update employees' skills and handle machines and equipments safely.

For this purpose, Internal Hygiene and Safety Committee ("the Committee") has been created to oversee the implementation of safety procedures and prove guidance and training. The Committee consists of employees from different levels and positions. The Committee is tasked to perform random checks on designated zones around the farm to ensure that employees are following the rules and regulations laid down by the company and to issue reminder, warning letter or propose action for violation of stipulated hygiene and safety rules and regulations.

Annually the Committee coordinates with the Fire and Rescue Department of Malaysia (BOMBA) to provide training and demonstration in operating fire-fighting equipments and the steps to be taken during emergencies such a putting out a small fire or performing evacuations. The Committee also coordinates with the Malaysia Civil Defence Force (APM) to provide training such as basic first-aid and cardiopulmonary resuscitation (CPR) to save lives.

By creating awareness on Occupational Safety and Health in employees, the number of reported accidents / incidents has reduced in the recent years.

Accident / Incident Reported	
Year	**Reported**
2015	16
2016	8
2017	4

Employee Welfare

LTKM provides employment opportunities particularly for the community in its neighbourhood. Our operation currently employs over 500 workers at the farm ranging from operators to management. We value the contribution of our employees and provide various benefits and opportunities for development and enhancement of their skills namely:

- Accommodation near to farm for local and foreign employee for easy commuting from home to work and back, and to ensure their safety to and from work
- Transportation for women employees regardless of distance
- Uniform, safety boots and bio-security apparels for workers
- Individual first-aid kit for emergency use
- Internal and external trainings for developmental needs and to keep abreast with the industry and regulatory requirements

MATERIAL ISSUES *cont'd*

C. SOCIAL AND WORKPLACE *cont'd*

Corporate Social Responsibility

The Group makes eggs and cash contributions to organisations such as schools, homes for the underprivileged and charitable organizations, namely:

- Love and Care Charitable Association in Klang, Selangor
- Grace Community Services in Klang, Selangor
- Taiwan Buddhist Tzu-Chi Foundation Malaysia, Kuala Lumpur
- Masjid Al-Falah Kampung Idaman in Pelabuhan Klang, Selangor
- SRJK (C) Sin Wah, Durian Tunggal, Melaka
- SRJK (C) Chabau, Durian Tunggal, Melaka
- SRJK (C) Pin Hwa I Klang, Selangor
- Lions Club Bandar Baru Klang, Selangor
- Pertubuhan Kebajikan Anak-Anak Yatim/Miskin, Klang, Selangor

Some of these contributions are one-offs while others are on regularly basis.

Regulations and Compliance

As a participant in the food industry, LTKM complies strictly with the standards stipulated by the authorities namely the Department of Veterinary Services of the Ministry of Agriculture Malaysia ("DVS") and the Agri-Food & Veterinary Authority of Singapore. We continuously control and monitor our qualities to ensure that these standards are strictly followed. Our in-house veterinarian works closely with officers from DVS in conducting tests for disease control on our livestock in accordance with regulatory requirements and industry practices. The steps and the results of the test are documented and submitted to DVS regularly.

Every year we have continued to receive the certification for Good Animal Husbandry Practices issued by the Department of Veterinary Services of the Ministry of Agriculture of Malaysia for our commendable farm management practices.

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.

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 2018.

The past year has been very challenging for LTKM as we faced intense price competition in the egg industry, our main business operation. We have increased production of eggs marginally as we added a few new chicken houses. However the over-supply of eggs weighed down on us and as a result earnings deteriorated even though revenue improved. In the face of these challenges, LTKM continues to emphasize on operational efficiency and cost effectiveness to remain competitive and keep costs down. We are proud that our farm structure is still one of the most well-maintained and efficient. Operating from a single location also helps to keep logistics and management costs in check.

For financial year 2019, we foresee the egg industry environment to remain challenging. This is due to the increased capacity by major producers despite the dampened egg price. General economic condition and market competition are uncontrollable factors which affect our profitability. As for property development, we are optimistic that the property market may start to show signs of recovery in the near or medium future. Meanwhile, planning work on our projects is progressing well. We have received approval for development order from the local authority for parcel one of the land in Jenjarom, Kuala Langat and we look forward to launch it as our first project since the Group's diversification into property development.

Further information and analysis of the Group's financial performance and prospects may be found in Management Analysis and Discussion in the ensuing pages of this Annual Report.

On behalf of the Board, I would also like take this opportuinity to convey our sincere appreciation to all management and staff, valued customers, bankers, suppliers, advisors, regulatory bodies and all shareholders for their contribution to the Group.

Thank you for your continuous support for LTKM Berhad.

Sincerely,

Datuk Ir. Kamarudin bin Md Derom
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

The past financial year has posed one of the most challenging years for the Group in terms of earnings. In FY2018, LTKM recorded a revenue of RM175.03 million which is an improvement of 4% as compared to RM168.87 million in FY2017. However, profit before tax ("PBT") decreased to RM7.08 million in FY2018 as compared to RM18.60 million in FY2017 as margins were badly hit by the low egg prices. Earnings per share ("EPS") was down to 2.46 sen as compared to 9.58 sen in FY2017.

PERFORMANCE REVIEW

Revenue

Poultry segment remained the main contributor of the Group's revenue at RM171.61 million (FY2017 : RM166.38 million) with the remaining revenue coming from the sale of sand at RM3.06 million (FY2017 : RM2.37 million) and rental from investment properties of RM0.36 million (FY2017 : RM0.12 million). Volume of eggs sold increased from 523 million pieces to 570 million pieces but poultry segment's earnings continued to be dampened by the continuous price pressure. The industry has been plaqued by over-supply as major egg producers continued to increase capacity.

Planning and applications of various authorities' approval for the property development segment are progressing well. However, no revenue has been recorded during the financial year as the projects have not been launched.

Profit before tax

Poultry segment profit declined by 50% from RM20.61 million to RM10.46 million. Earnings declined mainly due to low egg price while costs of major raw materials remained relatively stable in the financial year.

The Group incurred higher finance costs this financial year due to financing of the investment properties. This expense is mostly reflected in the investment holdings segment which further eroded the Group earnings . As a result, the Group's PBT declined by 62% to RM7.08 million as compared to RM18.60 million in FY2017.

Significant movements of items in Consolidated Statement of Financial Position

	2018 (RM'000)	2017 (RM'000)	Change (RM'000)
Investment securities	27,424	35,704	(8,280)
Inventories	19,925	16,325	3,600
Trade receivables	10,558	8,813	1,745
Borrowings	91,127	84,451	6,676

As at 31 March 2018, the Group's investment in securities closed at RM27.42 million as compared with RM35.70 million as at 31 March 2017. The drop was mainly due to RM6.26 million net fair value loss taken into other comprehensive income in accordance with accounting policy and disposal of certain quoted securities during the financial year.

As at 31 March 2018, the Group had inventories of RM19.93 million as compared with RM16.33 million as at 31 March 2017. The increase was due to higher holding of major raw materials in anticipation of increase in commodity prices.

As at 31 March 2018, the Group had trade receivables of RM10.56 million as compared with RM8.81 million as at 31 March 2017. The increase of RM1.75 million reflects the increase in monthly revenue due to higher volume of eggs sold. Collection days remained below 1 month.

As at 31 March 2018, bank borrowings totaled RM91.13 million compared with RM84.45 million on the same date previous year. Out of the RM91.13 million, RM62.56 million was long term borrowings mostly for the financing of investment lands. Net debt to equity ratio which was 26% (FY2017 : 24%) is within the Group's policy.

DIVIDENDS

A final dividend of 1 sen per share is proposed for the financial year ended 31 March 2018. A single-tier interim dividend of 1 sen per ordinary share was paid out on 6 April 2018. Together, the dividends will total RM2.60 million for the financial year which is a total reduction of 1 sen per share as compared to last financial year. The final dividend is subject to the approval of the shareholders at the 2018 Annual General Meeting.

PROSPECTS

Poultry Operation

The year ahead is expected to remain challenging. Price pressure due to increased production capacity in the layer industry continues to curtail profit margins. In the face of these challenges, LTKM continues to emphasize on operational efficiency and cost effectiveness to remain competitive and profitable. Our farm is continuously maintained in good condition and operate in an efficient system which drives efficiency and helps to keep costs of operations low. For example we have in-house feedmill plant provides the birds with quality feeds for the production of higher quality eggs. We place high standards in feed and flock management that drive up quality and also drive down costs. Use of multiple decks and well-ventilated chicken houses increases flock health and bio-security. Centralisation of operation increases efficiency and controls costs of operations particularly logistics and management costs.

Over the years, LTKM has approached expansion of the farm operation in a cautious manner. In FY2018 , our daily egg production has achieved an average of 1.57 million eggs per day. This is in comparison to 1.45 million eggs in FY2017. However, we will continue to manage our capacity in line with the market outlook.

Property Development

As for property development, we are optimistic that the property market may start to show signs of recovery in the near to medium future in particular for landed properties. In the pipeline, LTKM has its residential property projects in the town of Jenjarom, Kuala Langat. Planning works are progressing well and we have received approval for development order from the local authority on the first parcel to be developed. This project will consist of landed properties and is within vicinity of major highways namely the South Klang Valley Expressway ("SKVE") and the upcoming West Coast Expressway ("WCE"). We look forward to launch it as our first property development project since the Group's diversification into property development.

Net Tangible Assets ("NTA")

The NTA of the company was RM1.78 per share as compared to RM1.83 per share as at the end of last financial year.

Financial Highlights

Year ended 31 March		2018 RM000	2017 RM000	2016 RM000	2015 RM000	2014 RM000
Revenue		175,032	168,874	168,994	192,637	178,064
Operating profits		12,547	22,523	17,672	60,280	37,364
Finance costs		(5,467)	(3,920)	(790)	(842)	(1,194)
Profit before tax		7,080	18,603	16,882	59,438	36,170
Profit attributable to equity holders		3,194	12,468	11,645	46,134	28,263
Share capital		65,052	65,052	65,052	43,368	43,368
Total equity		231,632	237,642	222,738	221,379	173,335
Net earnings per share - basic	sen	2.46	9.58	8.95 *	35.46 *	21.72 *
Net dividend per share	sen	2.00 #	3.00	4.00	17.50	18.00
Dividend yield	%	2.00 #	2.34	2.52	3.06	6.32
Net tangible asset	RM per share	1.78	1.83	1.71 *	1.70 *	1.33 *
Price-earnings ratio **	times	40.73	13.36	17.76	5.38	4.37
Net debt / total equity ***	%	26.00	24.39	3.00	-	3.79
Closing share price *	RM per share	1.00	1.28	1.59 *	1.91 *	0.95 *

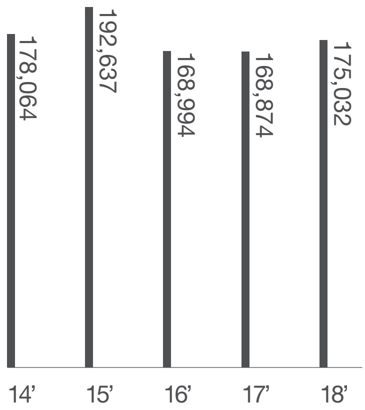
include final dividend of 1 sen per ordinary share which is subject to the approval of the shareholders at the forthcoming Annual General Meeting

* *adjusted to 130,104,006 number of ordinary share*

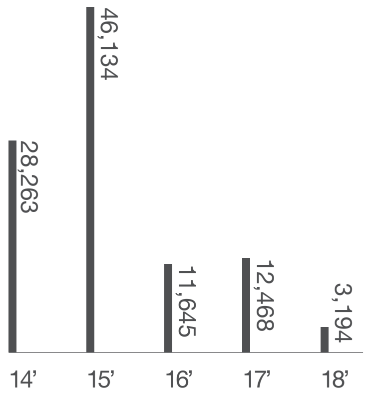
** *represents share price as at 31 March/net earnings per share*

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

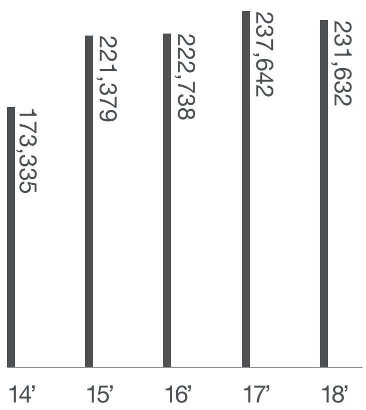
Revenue
RM' 000



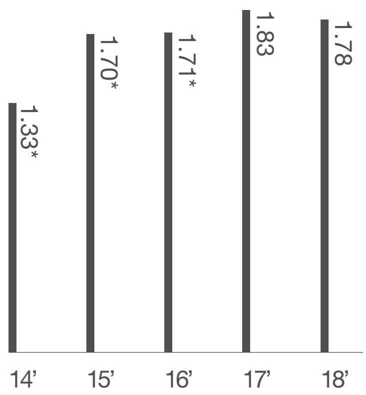
Profit attributable to equity holders
RM' 000



Total Equity
RM' 000



Net Tangible Asset
RM Per Share



* adjusted to 130,104,006 number of ordinary share

Audit Committee Report

COMPOSITION

Members of the Committee	Designation in the Company
Goh Kean Hoe *(Chairman) (appointed on 13 February 2018)*	Independent Non-Executive Director
Datuk Ir. Kamarudin bin Md Derom *(Member)*	Chairman/Independent Non-Executive Director
Tan Kah Poh (Member)	Independent Non-Executive Director
Ooi Hoy Bee @ Ooi Hooi Bee *(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 members, of whom all shall be Non-Executive Directors, with a majority of them being Independent Directors.

b) At least one 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 years' working experience and: -

      - he must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act 1967; or

      - he must be a member of one 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.

e) The Nomination Committee shall review the term of office and performance of the Audit Committee and each of its members annually to determine whether such Audit Committee and members have carried out their duties in accordance with their terms of reference.

TERMS OF REFERENCE *cont'd*

Members *cont'd*

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.

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 (if any);

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;

   ii) with the external auditors, his evaluation of the system of internal controls;

   iii) with the external auditors, his audit report;

   iv) the assistance given by the employees of the Group to the external auditors;

   v) 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;

   vi) 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;

   vii) the quarterly results and year end financial statements, prior to the approval by the Board of Directors, focusing particularly on:

      ○ changes in or implementation of major accounting policy changes;

      ○ significant and unusual events; and

      ○ compliance with accounting standards and other legal requirements;

Audit Committee Report
cont'd

TERMS OF REFERENCE *cont'd*

Functions *cont'd*

a) review the following and report the same to the Board of Directors of the Company: *cont'd*

   viii) 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;

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

   x) 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;

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 Managing Director, 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 and reports to the Audit Committee. The primary objective of the internal audit function is to undertake independent, regular and systematic reviews of the risk management and internal control systems in the Group so as to provide reasonable assurance that such systems are adequate and continue to operate satisfactorily and effectively in the Group.

TERMS OF REFERENCE *cont'd*

Internal Audit Function *cont'd*

The outsourced internal audit function is carried out by a member of the Association of Chartered Certified Accountants ("ACCA") and a professional member of the Institute of Internal Auditors Malaysia ("IIAM"). The internal auditor is free from any relationship or conflict of interest with the Group which could impair its objectivity and independence. It has unrestricted access to all functions, records, personnel and necessary assistance where audit is performed. The internal auditor carries out its roles based on the audit plan that is reviewed with and approved by the Audit Committee. The audit plan is risk-based and covers review of adequacy of operational controls, risk management, compliance with established procedures, laws and regulations, quality of assets, computer application system, amongst others. The internal auditor will also carry out investigations and special review upon request by management or the Audit Committee.

During the financial year under review, the internal auditor tested and reviewed the following key processes in the Group:

- Purchasing of raw materials
- Trade financing
- Tax management system
- Acquisitions of lands and properties; and

had reported that the Group's systems, processes and controls are operating satisfactorily. The internal audit reports are deliberated by the Audit Committee and the follow-up audits provide assurance that recommendations are duly acted upon by the management.

The cost incurred for internal audit for the year ended 31 March 2018 was RM33,600.

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 2018.

Audit Committee Members	No. of Meetings Attended
Datuk Ir. Kamarudin bin Md Derom	5/5
Ooi Hoy Bee @ Ooi Hooi Bee	5/5
Tan Kah Poh	4/4
Goh Kean Hoe *(appointed on 13 February 2018)*	-/-
Ravindran A/L Markandu *(retired on 20 September 2017)*	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) The Board

The Board consists of persons 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 - a Managing Director, an Executive Director, one Non-Independent Non-Executive Directors and four 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. The positions of Chairman and Managing Director are held by two different individuals who are not related to each other. The Code recommends that the Chairman shall be a Non-Executive member of the Board. The Chairman of the Board is Datuk Ir. Kamarudin bin Md Derom who is an Independent Non-Executive Director while Datuk Tan Kok is the Managing Director. The roles of the Chairman and Managing Director are distinct and separate. The Chairman being non-executive, is not involved in the management and day-to-day operations of the Company. The key roles of the Chairman and Managing Director are clearly set out in the Board Charter.

(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, replacing 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.

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

A. BOARD OF DIRECTORS *cont'd*

(iv) Code of Conduct

The Board of Directors adheres to the Code of Ethics for Company Directors issued by the Companies Commission of Malaysia. 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.

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 embedded ethical conduct policies across its business operations and practices. Clear and easy to understand policies on ethical conduct are outlined in the terms of employment and relevant policies and procedures for key processes applicable to all employees and directors.

(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.

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

A. BOARD OF DIRECTORS *cont'd*

(v) Appointments of the Board Members and Re-election *cont'd*

By the forthcoming Annual General Meeting of the Company, Datuk Ir. Kamarudin bin Md Derom has served the Board for close to nineteen (19) years. However, the Board has via the NC conducted an assessment on the Independent Director and had considered him to have exercised his independency in all Board matters and recommended that he be retained as Independent Non-Executive Directors of the Board based on the following justifications:-

- He continues to be independent of management and free from any business or other relationship which could interfere with the exercise of independent judgement or the ability to act in the best interests of the Company; and continues to meet all of the criteria under the definition of "independent director" as set out in Chapter 1 of the MMLR;
- His experience enables him to provide the Board and AC with a pertinent set of experience, expertise, skills and competence;
- His long tenure in the Company enables him to understand the Company's business operations. Thus, he could contribute actively and effectively during deliberations or discussions at Board and Committee Meetings; and
- He has always exercised due care and diligence during his tenure as Independent Non-Executive Directors of the Company and carried out his professional duties in the best interest of the Company.

(vi) Board Meeting and Supply of Information

The Board held five meetings during the financial year ended 31 March 2018. The details of Directors' attendance are set out as follows:-

Name of Directors	No. of Meetings Attended
Datuk Ir.Kamarudin bin Md Derom	5/5
Datuk Tan Kok	5/5
Tan Chee Huey	5/5
Datin Lim Hooi Tin	5/5
Ooi Hoy Bee @ Ooi Hooi Bee	5/5
Tan Kah Poh *(appointed on 25 May 2017)*	4/4
Goh Kean Hoe *(appointed on 13 February 2018)*	-/-
Ravindran A/L Markandu *(retired on 20 September 2017)*	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 for each Board meeting is 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, 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.

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

A. BOARD OF DIRECTORS *cont'd*

(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' Meetings and any other meetings and the preparation of minutes thereat.

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 in page 16 of the Annual Report. The AC meets at least four times a year.

(ii) Nomination Committee ("NC")

The members of the NC are:-

- Datuk Ir. Kamarudin bin Md Derom *(Chairman, Independent Non-Executive Director)*
- Ooi Hoy Bee @ Ooi Hooi Bee *(Independent Non-Executive Director)*
- Tan Kah Poh *(Independent Non-Executive Director)*
- Goh Kean Hoe *(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

The Meetings shall be held whenever necessary. Such meetings are at the call of the Chairman and shall be held not less than once a year.

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

The Committee shall:-

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

ii. consider, in making its recommendations, candidates for directorships proposed by the Managing Director and within, the bounds of practicability, by any other senior executive or any director or shareholder. In making its recommendation, the Committee shall assess and consider the following attributes or factors:-

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.

iii. develop, maintain and review the criteria to be used in the recruitment process and annual assessment of Directors. The nomination and the election process should be disclosed in the Annual Report;

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. This activity shall be disclosed in the Annual Report of the Company.

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. This activity shall be disclosed in the Annual Report of the Company and in any notice of a general meeting for the appointment and re-appointment of independent directors.

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.

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*

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

xiv. recommend to Board protocol for accepting new directorships.

(iii) Remuneration Committee ("RC")

The Board has appointed the RC comprising of the Managing Director and three Independent Non-Executive Directors . The members of the RC are:-

- Datuk Tan Kok *(Chairman, Managing Director)*
- Datuk Ir. Kamarudin bin Md Derom *(Independent Non-Executive Director)*
- Ooi Hoy Bee @ Ooi Hooi Bee *(Independent Non-Executive Director)*
- Tan Kah Poh *(Independent Non-Executive Director)*

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-executuve 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.

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

B. BOARD COMMITTEES *cont'd*

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

Terms of Reference for RC *cont'd*

5. Duties and Responsibilities *cont'd*

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.

(iv) Remuneration

The details of the remuneration of Directors of the Company in respect of the financial year ended 31 March 2018 are set out as follows:

	Fees	Salary	Bonus	Estimated Monetary Value of Benefits-in-Kind	Defined Contribution Plan & Social Security Costs	Esos	Total
	RM	RM	RM	RM	RM	RM	RM
Directors:							
Datuk Tan Kok	30,000	180,000	-	73,588	34,200	21,000	338,788
Tan Chee Huey	30,000	57,900	30,400	17,870	17,633	14,000	167,803
Datin Lim Hooi Tin	30,000	60,000	53,950	7,747	21,651	21,000	194,348
Datuk Ir. Kamarudin bin Md Derom	50,000	-	-	-	-	14,000	64,000
Ooi Hoy Bee @ Ooi Hooi Bee	36,000	-	-	-	-	14,000	50,000
Tan Kah Poh	31,500	-	-	-	-	-	31,500
Goh Kean Hoe	6,000	-	-	-	-	-	6,000
Ravindran A/L Markandu	17,000	-	-	-	-	-	17,000
	230,500	297,900	84,350	99,205	73,484	84,000	869,439

(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.

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

B. BOARD COMMITTEES *cont'd*

(v) Directors' Training *cont'd*

The training programmes, seminars and briefings attended by the members of the Board during the financial year include the following:-

- Datuk Ir. Kamarudin bin Md Derom
  - o Business Foresight Forum organized by the Securities Industry Development Corporation on 25 October 2017

- Ooi Hoy Bee @ Ooi Hooi Bee
  - o National Tax Conference 2017 organized by the Chartered Tax Institute of Malaysia on 25 and 26 July 2017
  - o MFRS 9 Financial Instruments organized by the Malaysian Institute of Accountants on 19 September 2017
  - o Effects of MPERS on Audit Evidence and Consideration organised by the Malaysian Institute of Accountants on 26 September 2017
  - o National Tax Seminar 2017 organized by the Inland Revenue Board on 20 November 2017
  - o Practical Auditing Methodology for SMP organized by the Malaysian Institute of Accountants on 16 and 17 January 2018
  - o Tax Obligations by Employers 2018 organised by CCH Malaysia on 21 March 2018

- Tan Kah Poh
  - o Bursa's Mandatory Accreditation Programme organized by The ICLIF Leadership and Governance Centre on 3 August 2017

- Goh Kean Hoe (from the date of his appointment on 13 February 2018)
  - o GST Conference organized by the Chartered Tax Institute of Malaysia on 27 and 28 February 2018
  - o Bursa's Corporate Governance Guide organized by the Malaysian Institute of Accountants on 12 March 2018

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 at least quarterly and the external auditors at least twice a year in the absence of the management.

Suitability and Independence of External Auditors

The Board has via the AC reviewed the annual external audit plan by 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.

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 has overall responsibility of maintaining 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.

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 and not absolute 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.

The information on the Group's risk management and internal control is presented in the Statement on Risk Management and Internal Control in Page 31 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 professional advice 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 can be effectively conducted. Shareholders are notified of the meeting 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 issues of concern raised by the shareholders, if any.

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 will be appointed to observe the poll voting process.

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

(i) Communication with Stakeholders *cont'd*

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. A summary of the key matters discussed at the Company's AGM will be posted onto the Company's website.

(ii) 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.

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.

OTHER INFORMATION *cont'd*

(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 an amount of RM14,000 payable to the external auditors for their services to review the impact arising from the adoption of the Malaysian Financial Reporting Standards ("MFRS") by the Group on 1 April 2018 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 101 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 2018 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.

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:

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

KEY INTERNAL CONTROL PROCESSES *cont'd*

- 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.
- 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 functions independently with the principal responsibility to evaluate and improve the adequacy and effectiveness of the risk management, internal control and governance processes. This is accomplished through regular review of the risk management and internal control processes implemented by the management and reports to the Audit Committee periodically. Internal audit adopts a risk-based methodology in planning and conducting audits by focusing on key risk areas and is independent of the activities it audits. The Audit Committee holds regular meetings to deliberate on the Internal Audit findings and its recommendations, and reports back to the Board.

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 Recommended Practice Guide ("RPG") 5 (Revised), 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 2018, 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.

RPG 5 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 levels of systems of risk management and internal control are adequate and effective to enable the Group to achieve its business objectives and there were no material losses arising from weaknesses in the risk management and internal control practices identified during the financial year that would require mention in the Annual Report.

Financial Statements

Directors' Report

The Directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 March 2018.

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
Profit net of tax, attributable to owners of the parent	3,194,345	3,873,113

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 2017 were as follows:

	RM
In respect of the financial year ended 31 March 2017:	
Interim dividend of 1.5 sen, single-tier, on 130,104,006 ordinary shares, declared on 16 February 2017 and paid on 7 April 2017	1,951,560
Final dividend of 1.5 sen, single-tier, on 130,104,006 ordinary shares, declared on 14 August 2017 and paid on 6 October 2017	1,951,560
In respect of the financial year ended 31 March 2018:	
Interim dividend of 1.0 sen, single-tier, on 130,104,006 ordinary shares, declared on 13 February 2017 and paid on 6 April 2018	1,301,040
	5,204,160

At the forthcoming Annual General Meeting, a single-tier final dividend of 1.0 sen per ordinary share in respect of the financial year ended 31 March 2018, on 130,104,006 ordinary shares, amounting to a dividend payable of RM1,301,040 will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained profits in the financial year ending 31 March 2019.

DIRECTORS

The names of the Directors of the Company in office since the date of the last report and at the date of this report are:

Datuk Ir. Kamarudin bin Md Derom	
Datuk Tan Kok	
Tan Chee Huey	
Datin Lim Hooi Tin	
Ooi Hoy Bee @ Ooi Hooi Bee	
Tan Kah Poh	
Goh Kean Hoe	*(appointed on 13 February 2018)*
Ravindran A/L Markandu	*(retired on 20 September 2017)*

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	
Lee Chee Gaip	
Loo Eng Seng	
Loh Wei Ling	
Tan Yee Boon	
Tan Yee Hou	
Ng Seng Keong	*(resigned on 20 March 2018)*

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 10(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 RM13,500 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			
	1.4.2017	**Bought**	**Sold**	**31.3.2018**
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	150,000	-	-	150,000
Indirect interests:				
Datuk Tan Kok (1)	84,285,906	28,000	-	84,313,906
Datin Lim Hooi Tin (2)	84,285,906	28,000	-	84,313,906
Tan Chee Huey (3)	4,008,900	28,000	-	4,036,900

	Number of ordinary shares issued			
	1.4.2017	**Bought**	**Sold**	**31.3.2018**
Holding company - Ladang Ternakan Kelang Sdn. Bhd.				
Direct interests:				
Datuk Tan Kok	14,773,440	-	-	14,773,440
Datin Lim Hooi Tin	1,383,360	-	-	1,383,360

(1) Deemed interest by virtue of his substantial shareholdings 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 being the spouse of Datuk Tan Kok, a substantial shareholder of Ladang Ternakan Kelang Sdn. Bhd., which is a substantial shareholder of LTKM Berhad and pursuant to Section 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.

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.

DIRECTORS' INTERESTS *cont'd*

	Number of options over ordinary shares pursuant to ESOS			
	As at 1.4.2017	Granted	Exercised	As at 31.3.2018
Direct interests:				
Datuk Tan Kok	-	60,000	-	60,000
Datin Lim Hooi Tin	-	60,000	-	60,000
Datuk Ir. Kamarudin bin Md Derom	-	40,000	-	40,000
Tan Chee Huey	-	40,000	-	40,000
Ooi Hoy Bee @ Ooi Hooi Bee	-	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.

During the financial year, the Company has granted 1,160,000 share options under the ESOS scheme, where 20,000 share options has lapsed during the year. These options can be exercised within three (3) years from 25 September 2017 and expire on 20 October 2020.

Details of all the options to subscribe for ordinary shares of the Company pursuant to the ESOS as at 31 March 2018 are as follows:

Expiry date	Exercise price (RM)	Number of options
20 October 2020	1.40	1,140,000

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

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 all known bad debts have been written off 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.

Directors' Report
cont'd

OTHER STATUTORY INFORMATION *cont'd*

(b) At the date of this report, the directors are not aware of any circumstances which would render:

(i) the amount written off for bad debts or the amount of the provision for doubtful debts 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.

AUDITORS

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

Auditors' remuneration is disclosed in Note 9 to the financial statements.

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young, 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 during or since the financial year.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 3 July 2018.

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 45 to 115 are drawn up in accordance with 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 2018 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 3 July 2018.

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 45 to 115 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 3 July 2018.

Jancy Oh Suan Tin

Before me,

Yip Ban Leng
B435
Commissioner for Oaths
Klang, Selangor Darul Ehsan

Independent Auditors' Report

To the Members of LTKM Berhad
(Incorporated in Malaysia)

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 2018 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 45 to 115.

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 2018 and of their financial performance and their cash flows for the year then ended in accordance with 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 Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("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. 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 livestocks*

We draw your attention to Note 2.12(ii), Note 4(b)(i) and Note 19 to the financial statements.

At 31 March 2018, the value of livestocks held as current biological assets of the Group was approximately RM13.87 million. The value of livestocks is the lower of cost and net realisable value of the hens.

REPORT ON THE FINANCIAL STATEMENTS *cont'd*

Key audit matters *cont'd*

(a) Valuation of livestocks cont'd

Due to the significant judgement and estimates involved in deriving at the costs of the livestocks, we consider this to be an area of audit focus. Our audit procedures to address this area of focus included amongst others:

(i) obtained an understanding and tested the effectiveness of the internal controls in respect of recording of purchase of starters, feed and other consumables. We inspected documents such as suppliers invoices and their proof of delivery;

(ii) tested the cost capitalised which includes starter cost, cost of feed consumed, and cost of other consumables;

(iii) tested the amortisation of grower hens in accordance with the Group's policy; and

(iv) evaluated the disclosure in the Note 19 to the financial statements.

(b) Valuation of investment properties and property, plant and equipment

We draw your attention to Note 2.6, Note 2.7, Note 4(b)(ii), Note 14, Note 15 and Note 35 to the financial statements

At 31 March 2018, the carrying amount of investment properties of the Group was approximately RM103.30 million and the carrying amount of the revalued property, plant and equipment of the Group and of the Company was approximately RM75.00 million and RM1.01 million respectively.

The Group adopts fair value model for its investment properties and revaluation model for certain categories of property, plant and equipment, namely freehold land, leasehold land and buildings.

For revalued property, plant and equipment, management first internally assess its fair value. Where the value of a revalued asset differs materially from its carrying amount, management will engage firms of independent valuers for further fair value assessment. In the current financial year, the Group obtained independent valuation report to assess the fair value of a certain parcel of freehold land which was used for sand extraction and which was held as property, plant and equipment. Management also engaged firms of independent valuers to assess the fair value for all 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 firms of independent valuers and management with regards to the fair value of investment properties and revalued properties, plant and equipment.

Where management had engaged an independent valuer to value its investment properties and revalued property, plant and equipment, our procedures included the following:

(i) we considered the competence, capabilities and objectivity of the independent valuers engaged by management;

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

(iii) as part of our evaluation of the fair values of properties, we had discussions 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 Notes 14, 15 and 35 to the financial statements.

REPORT ON THE FINANCIAL STATEMENTS *cont'd*

Key audit matters *cont'd*

(b) Valuation of investment properties and property, plant and equipment *cont'd*

Where management had internally assessed the fair value of the revalued property, plant and equipment and concluded that the fair value does not differ materially from its carrying amount, our procedures included the following:

(i) we compared the difference noted between the fair value of properties estimated by management and the carrying amount of the properties and reviewed the Group's policy in determining when a revaluation of property, plant and equipment is required;

(ii) we enquired the independent valuer which management had last engaged in prior years to understand if there is any significant change in the market condition which may affect the fair value of the properties;

(iii) we evaluated management estimates of the fair value of properties by making reference to the recent comparable property transactions; and

(iv) we evaluated the disclosures in the Notes 14, 15 and 35 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 the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

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.

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 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.

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.

REPORT ON THE FINANCIAL STATEMENTS *cont'd*

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.

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.

Independent Auditors' Report

To the Members of LTKM Berhad
(Incorporated in Malaysia)
cont'd

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
AF: 0039
Chartered Accountants

Ng Kim Ling
No. 03236/04/2020 J
Chartered Accountant

Kuala Lumpur, Malaysia
3 July 2018

Statements of Comprehensive Income

For the financial year ended 31 March 2018

	Note	Group 2018 RM	Group 2017 RM	Company 2018 RM	Company 2017 RM
Revenue	5(a)	175,032,240	168,873,520	3,516,000	10,583,200
Cost of sales	5(b)	(151,868,966)	(137,693,989)	-	-
Gross profit		23,163,274	31,179,531	3,516,000	10,583,200
Other income					
Interest income		440,066	945,156	2,237,284	1,852,608
Dividend income		853,775	785,991	-	-
Others		1,577,234	3,558,818	12,083	15,000
	6	2,871,075	5,289,965	2,249,367	1,867,608
Other items of expense					
Distribution expenses		(3,885,423)	(3,414,901)	-	-
Administrative expenses		(8,528,150)	(8,879,689)	(1,359,699)	(1,512,750)
Other expenses	7	(1,073,808)	(1,651,592)	-	-
Finance costs	8	(5,467,084)	(3,920,006)	-	-
Profit before tax	9	7,079,884	18,603,308	4,405,668	10,938,058
Income tax expense	11	(3,885,539)	(6,135,218)	(532,555)	(532,213)
Profit net of tax		3,194,345	12,468,090	3,873,113	10,405,845
Other comprehensive income					
Other comprehensive (loss)/income to be reclassified to profit or loss in subsequent periods:					
Net change on available-for-sale ("AFS") reserves:					
- (Reversal of gain)/gain on fair value changes		(6,255,499)	3,529,028	-	-
- Impairment loss transferred to profit or loss		795,936	1,639,552	-	-
- Gain transferred to profit or loss upon disposal		(876,211)	(214,264)	-	-
Revaluation of land and buildings		-	1,450,000	-	-
Deferred tax relating to revaluation of land and buildings	26	(14,782)	(65,109)	-	-
Other comprehensive (loss)/income for the year, net of tax		(6,350,556)	6,339,207	-	-
Total comprehensive (loss)/income for the year		(3,156,211)	18,807,297	3,873,113	10,405,845
Profit net of tax, attributable to:					
Owners of the parent		3,194,345	12,468,090	3,873,113	10,405,845
Total comprehensive (loss)/income attributable to:					
Owners of the parent		(3,156,211)	18,807,297	3,873,113	10,405,845
Earnings per share attributable to owners of the parent (sen per share):					
Basic/diluted	12	2.46	9.58		

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

Statements of Financial Position

As at 31 March 2018

	Note	Group 2018 RM	Group 2017 RM
Assets			
Non-current assets			
Property, plant and equipment	14	97,596,679	97,332,613
Investment properties	15	103,295,000	103,295,000
Land held for property development	16	34,802,874	33,757,544
Biological assets	19	303,549	324,503
Deferred tax assets	26	-	124,776
Investment securities	18	27,423,700	35,704,650
		263,421,802	270,539,086
Current assets			
Biological assets	19	13,872,894	14,321,071
Inventories	20	19,925,228	16,325,416
Tax recoverable		331,694	337,498
Trade and other receivables	21	14,698,323	14,495,880
Prepayments	22	231,752	293,041
Cash and bank balances	23	30,884,734	26,489,676
		79,944,625	72,262,582
Total assets		343,366,427	342,801,668

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

Statements of Financial Position

As at 31 March 2018
cont'd

	Note	Group 2018 RM	Group 2017 RM
Equity and liabilities			
Current liabilities			
Loans and borrowings	25	28,563,452	19,290,234
Trade and other payables	24	11,958,620	11,452,761
Dividend payable		1,301,040	1,951,560
Tax payable		459,787	134,123
		42,282,899	32,828,678
Net current assets		37,661,726	39,433,904
Non-current liabilities			
Loans and borrowings	25	62,563,210	65,160,780
Deferred tax liabilities	26	6,888,246	7,170,327
		69,451,456	72,331,107
Total liabilities		111,734,355	105,159,785
Net assets		231,632,072	237,641,883
Equity attributable to owners of the parent			
Share capital	27	65,052,003	65,052,003
Asset revaluation reserve	28(a)	37,295,117	37,309,899
Available-for-sale reserve	28(b)	1,080,452	7,416,226
ESOS reserve	28(c)	399,000	-
Retained profits		127,805,500	127,863,755
Total equity		231,632,072	237,641,883
Total equity and liabilities		343,366,427	342,801,668

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

Statements of Financial Position

As at 31 March 2018
cont'd

	Note	Company 2018 RM	Company 2017 RM
Assets			
Non-current assets			
Property, plant and equipment	14	1,098,189	1,225,011
Investment in subsidiaries	17	47,656,440	47,827,440
Other receivables	21	40,109,566	30,000,000
		88,864,195	79,052,451
Current assets			
Trade and other receivables	21	368,357	11,982,750
Cash and bank balances	23	9,378,843	7,272,877
		9,747,200	19,255,627
Total assets		98,611,395	98,308,078
Equity and liabilities			
Current liabilities			
Trade and other payables	24	174,716	263,575
Tax payable		65,409	4,876
Dividend payable		1,301,040	1,951,560
		1,541,165	2,220,011
Net current assets		8,206,035	17,035,616
Non-current liability			
Deferred tax liability	26	40,767	78,117
Total liabilities		1,581,932	2,298,128
Net assets		97,029,463	96,009,950
Equity attributable to owners of the Company			
Share capital	27	65,052,003	65,052,003
Asset revaluation reserve	28(a)	233,531	233,531
ESOS reserve	28(c)	399,000	-
Retained profits	29	31,344,929	30,724,416
Total equity		97,029,463	96,009,950
Total equity and liabilities		98,611,395	98,308,078

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 2018

		Attributable to owners of the parent					
			(Non-distributable)				
	Note	Share capital RM	Asset revaluation reserve RM	Available-for-sale reserve RM	ESOS reserve RM	Distributable retained profits RM	Total equity RM
Group							
2018							
At 1 April 2017		65,052,003	37,309,899	7,416,226	-	127,863,755	237,641,883
Total comprehensive income		-	(14,782)	(6,335,774)	-	3,194,345	(3,156,211)
Profit net of tax		-	-	-	-	3,194,345	3,194,345
Other comprehensive income, net of tax		-	(14,782)	(6,335,774)	-	-	(6,350,556)
Transaction with owners:							
Dividends on ordinary shares	13	-	-	-	-	(3,252,600)	(3,252,600)
Share options granted under ESOS	28	-	-	-	399,000	-	399,000
At 31 March 2018		65,052,003	37,295,117	1,080,452	399,000	127,805,500	231,632,072
2017							
At 1 April 2016		65,052,003	35,925,008	2,461,910	-	119,298,785	222,737,706
Total comprehensive income		-	1,384,891	4,954,316	-	12,468,090	18,807,297
Profit net of tax		-	-	-	-	12,468,090	12,468,090
Other comprehensive income, net of tax		-	1,384,891	4,954,316	-	-	6,339,207
Transaction with owners:							
Dividends on ordinary shares	13	-	-	-	-	(3,903,120)	(3,903,120)
At 31 March 2017		65,052,003	37,309,899	7,416,226	-	127,863,755	237,641,883

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 2018
cont'd

		(Non-distributable)				
		Share capital	Asset revaluation reserve	ESOS reserve	Distributable retained profits	Total equity
	Note	RM	RM	RM	RM	RM
Company						
2018						
At 1 April 2017		65,052,003	233,531	-	30,724,416	96,009,950
Profit net of tax, representing total comprehensive income		-	-	-	3,873,113	3,873,113
Transaction with owners:						
Share options granted under ESOS:						
Recognised in profit or loss		-	-	70,000	-	70,000
Capitalised in investment subsidiaries		-	-	329,000	-	329,000
Dividends on ordinary shares	13	-	-	-	(3,252,600)	(3,252,600)
At 31 March 2018		65,052,003	233,531	399,000	31,344,929	97,029,463
2017						
At 1 April 2016		65,052,003	233,531	-	24,221,691	89,507,225
Profit net of tax, representing total comprehensive income		-	-	-	10,405,845	10,405,845
Transaction with owners:						
Dividends on ordinary shares	13	-	-	-	(3,903,120)	(3,903,120)
At 31 March 2017		65,052,003	233,531	-	30,724,416	96,009,950

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 2018

	Note	Group 2018 RM	Group 2017 RM	Company 2018 RM	Company 2017 RM
Cash flows from operating activities					
Profit before tax		7,079,884	18,603,308	4,405,668	10,938,058
Adjustments for:					
Depreciation of property plant and equipment	9	7,365,466	6,540,369	130,584	135,532
Amortisation of biological assets	9	20,954	19,904	-	-
Property, plant and equipment written off	9	83	-	35	-
Gain on disposal of:					
Property, plant and equipment	6	(54,717)	(110,994)	-	-
Investment securities	6	(35,472)	(89,690)	-	-
Net fair value gain on available-for-sale investment securities transferred from equity upon disposal	6	(876,211)	(214,264)	-	-
Share options granted under ESOS	10(a)	399,000	-	70,000	-
Impairment loss on:					
Trade receivables	9	-	36,904	-	-
Investment securities	7	795,936	1,639,552	-	-
Reversal of impairment loss on trade receivables	9	(45,982)	(155,419)	-	-
Short term accumulating compensated absences	10(a)	22,553	34,877	1,593	(2,524)
Net fair value (gain)/loss on:					
Investment securities	6/7	(271,205)	12,040	-	-
Investment properties	6	-	(1,873,868)	-	-
Unrealised loss/(gain) on foreign exchange	6/7	277,774	(54,839)	-	-
Dividend income from:					
Investment securities	6	(853,775)	(785,991)	-	-
A subsidiary company	5(a)	-	-	(3,000,000)	(10,000,000)
Interest expense	8	5,467,084	3,920,006	-	-
Interest income	6	(440,066)	(945,156)	(2,237,284)	(1,852,608)
Operating profit/(loss) before working capital changes		18,851,306	26,576,739	(629,404)	(781,542)
Working capital changes in:					
Land held for development		-	(6,675,770)	-	-
Property development costs		(1,045,330)	(108,265)	-	-
Biological assets		448,177	(763,696)	-	-
Inventories		(3,599,812)	7,686,594	-	-
Receivables		(122,991)	(865,498)	7,443	21,885
Payables		320,687	953,325	(90,452)	73,787
Cash generated from/(used in) operations		14,852,037	26,803,429	(712,413)	(685,870)
Net taxes paid		(3,962,136)	(5,793,456)	(509,372)	(527,514)
Interest paid		(5,220,487)	(3,920,006)	-	-
Net cash generated from/(used in) operating activities		5,669,414	17,089,967	(1,221,785)	(1,213,384)

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 2018
cont'd

		Group		Company	
		2018	2017	2018	2017
	Note	RM	RM	RM	RM
Cash flows from investing activities					
Purchase of:					
Investment properties		-	(91,951,911)	-	-
Property, plant and equipment	14	(7,629,615)	(10,614,263)	(3,797)	(1,558)
Investment securities		(837,216)	(967,721)	-	-
Placement of investment in long-term and/or pledged fixed deposits		-	1,167,080	-	-
Proceeds from disposal of:					
Investment properties		-	23,400,000	-	-
Property, plant and equipment		54,717	115,000	-	-
Investment securities		3,071,389	1,159,360	-	-
Net change in investment in subsidiaries		-	-	500,000	-
Interest received	6	440,066	945,156	2,237,284	1,852,608
Dividend received from:					
A subsidiary		-	-	3,000,000	4,500,000
Investment securities	6	853,775	785,991	-	-
Net cash (used in)/generated from investing activities		(4,046,884)	(75,961,308)	5,733,487	6,351,050
Cash flows from financing activities					
Net repayments from/(advances to) subsidiaries		-	-	1,497,384	(5,617,023)
Dividends paid		(3,903,120)	(5,204,160)	(3,903,120)	(5,204,160)
Net (repayment)/drawdown of term loans		(1,745,586)	61,265,268	-	-
Net drawdown/(repayment) of other bank borrowings		8,421,234	(12,417,364)	-	-
Net cash generated from/(used in) financing activities		2,772,528	43,643,744	(2,405,736)	(10,821,183)
Net increase/(decrease) in cash and cash equivalents		4,395,058	(15,227,597)	2,105,966	(5,683,517)
Cash and cash equivalents at beginning of year		26,469,285	41,696,882	7,272,877	12,956,394
Cash and cash equivalents at end of year (Note 23)		30,864,343	26,469,285	9,378,843	7,272,877

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

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.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 3 July 2018.

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 Financial Reporting Standards ("FRS") and the requirements of the Companies Act 2016 in Malaysia. At the beginning of the current financial year, the Group and the Company adopted the new and revised FRS which are mandatory for annual financial periods beginning on or after 1 January 2017 as described fully in Note 3(a).

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

2.2 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*

2.2 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 FRS 139 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 FRS 139, it is measured in accordance with the appropriate FRS.

2. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.2 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.

2.3 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.

2.4 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the Company and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable.

(i) Sales of produce inventories and livestock

Revenue from sales of produce inventories and livestock is recognised upon the transfer of significant risks and rewards of ownership of the goods 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) Sales of sand

Revenue from sales of sand is recognised when sand is collected based on the invoiced value of sand sold.

(iii) Dividend income

Dividend income is recognised when the right to receive the payment is established.

(iv) Interest income

Interest income on short term deposits is recognised using the effective interest method.

(v) Management fee income

Management fee income from subsidiaries is recognised when services are rendered.

(vi) Rental income

Rental income is accounted for 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.

2. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.5 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 by 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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.5 Income taxes *cont'd*

(ii) Deferred tax *cont'd*

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.

(iii) Malaysian Goods and Service Tax ("GST")

On and after 1 April 2015, revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- receivables and payables that are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statements of financial position.

2.6 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, except for freehold land, leasehold land and buildings and capital work-in-progress, are measured at cost less accumulated depreciation and accumulated impairment losses, if any. 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, leasehold land and buildings are measured at valuation less accumulated depreciation on buildings and impairment losses recognised after the date of the revaluation. Valuations are performed with sufficient regularity to ensure that the carrying amount does not differ materially from the fair value of the freehold land and buildings at the reporting date.

Any revaluation surplus is recognised in other comprehensive income and accumulated in equity under the asset revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss, in which case the increase is recognised in profit or loss. A revaluation deficit is recognised in profit or loss, except to the extent that it offsets an existing surplus on the same asset carried in the asset revaluation reserve.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. The revaluation surplus included in the asset revaluation reserve in respect of an asset is transferred directly to retained earnings on retirement or disposal of the asset.

Freehold land has an unlimited useful life and therefore is not depreciated. Capital work-in-progress are not depreciated as these assets are not yet available for use. Leasehold lands are depreciated over their lease terms.

2. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

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

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%

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.

2.7 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 2.6 up to the date of change in use.

2. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.8 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 cost less any accumulated impairment losses.

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) Property development costs

Property development costs comprise all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities.

When the financial outcome of a development activity can be reliably estimated, property development revenue and expenses are recognised in profit or loss by using the stage of completion method. The stage of completion is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

Where the financial outcome of a development activity cannot be reliably estimated, property development revenue is recognised only to the extent of property development costs incurred that is probable will be recoverable, and property development costs on properties sold are recognised as an expense in the period in which they are incurred.

Any expected loss on a development project, including costs to be incurred over the defects liability period, is recognised as an expense immediately.

Property development costs not recognised as an expense are recognised as an asset, which is measured at the lower of cost and net realisable value.

The excess of revenue recognised in the profit or loss over billings to purchasers is classified as accrued billings within trade receivables and the excess of billings to purchasers over revenue recognised in profit or loss is classified as progress billings within trade payables.

2.9 Leases

(i) As lessee

Finance leases, which transfer to the Group and the Company substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Leased assets are depreciated over the estimated useful life of the asset. However, if there is no reasonable certainty that the Group and the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life and the lease term.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

2. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.9 Leases *cont'd*

(ii) As lessor

Leases where the Group and the Company retain substantially all the risks and rewards of ownership of the asset 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 bases as rental income. The accounting policy for rental income is set out in Note 2.4(vi).

2.10 Financial assets

Financial assets are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

The Group and the Company determine the classification of their financial assets at initial recognition, and the categories include financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets.

(i) Financial assets at fair value through profit or loss

Financial assets are classified as financial assets at fair value through profit or loss if they are held for trading or are designated as such upon initial recognition. Financial assets held for trading are derivatives (including separated embedded derivatives) or financial assets acquired principally for the purpose of selling in the near term.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss do not include exchange differences, interest and dividend income. Exchange differences, interest and dividend income on financial assets at fair value through profit or loss are recognised separately in profit or loss as part of other losses or other income.

Financial assets at fair value through profit or loss could be presented as current or non-current. Financial assets that is held primarily for trading purposes are presented as current whereas financial assets that is not held primarily for trading purposes are presented as current or non-current based on the settlement date.

(ii) Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Loans and receivables are classified as current assets, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current.

2. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.10 Financial assets *cont'd*

(iii) Held-to-maturity investments

Financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group and the Company have the positive intention and ability to hold the investment to maturity.

Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the held-to-maturity investments are derecognised or impaired, and through the amortisation process.

Held-to-maturity investments are classified as non-current assets, except for those having maturity within 12 months after the reporting date which are classified as current.

The Group and the Company have not designated any financial assets as held-to-maturity investments.

(iv) Available-for-sale financial assets

Available-for-sale financial assets are financial assets that are designated as available for sale or are not classified in any of the three preceding categories.

After initial recognition, available-for-sale financial assets are measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised. Interest income calculated using the effective interest method is recognised in profit or loss. Dividends on an available-for-sale equity instrument are recognised in profit or loss when the Group and the Company's right to receive payment is established.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

Available-for-sale financial assets are classified as non-current assets unless they are expected to be realised within 12 months after the reporting date.

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Group and the Company commit to purchase or sell the asset.

2.11 Impairment of financial assets

The Group and the Company assess at each reporting date whether there is any objective evidence that a financial asset is impaired.

2. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.11 Impairment of financial assets *cont'd*

(i) Trade and other receivables and other financial assets carried at amortised cost

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics. Objective evidence of impairment for a portfolio of receivables could include the Group's and the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables.

If any such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable becomes uncollectible, it is written off against the allowance account.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

(ii) Available-for-sale financial assets

Significant or prolonged decline in fair value below cost, significant financial difficulties of the issuer or obligor, and the disappearance of an active trading market are considerations to determine whether there is objective evidence that investment securities classified as available-for-sale financial assets are impaired.

If an available-for-sale financial asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from equity to profit or loss.

Impairment losses on available-for-sale equity investments are not reversed in profit or loss in the subsequent periods. Increase in fair value, if any, subsequent to impairment loss is recognised in other comprehensive income. For available-for-sale debt investments, impairment losses are subsequently reversed in profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss in profit or loss.

2.12 Biological assets

(i) Pre-cropping expenditure - oil palm (non-current)

Pre-cropping expenditure comprises expenses incurred from land clearing to the point of maturity. Such expenditure is capitalised and is amortised at maturity of crop at a rate of 5% per annum, which is deemed as the useful economic life of the crop.

2. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.12 Biological assets *cont'd*

(ii) Livestock (current)

Livestock is stated at the lower of cost and net realisable value.

The cost of livestock is derived from the cost of bringing the livestock to its present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and the costs necessary to make the sale.

2.13 Inventories

Inventories are stated at the lower of cost and net realisable value.

(i) Consumable goods - livestock feed, fuel and other raw materials

The cost of consumable goods are costs incurred in bringing the consumable goods to their present location and condition stated on the weighted average basis.

(ii) Produce inventories - eggs and organic fertilisers

The cost of produce inventories 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.

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.

2.14 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. These also include bank overdrafts that form an integral part of the Group's and of the Company's cash management, if any.

2.15 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.

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.

2.16 Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

2. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.16 Financial liabilities *cont'd*

Financial liabilities, within the scope of FRS 139, are recognised in the statement of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

(i) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities held for trading include derivatives entered into by the Group and the Company that do not meet the hedge accounting criteria. Derivative liabilities are initially measured at fair value and subsequently stated at fair value, with any resultant gains or losses recognised in profit or loss. Net gains or losses on derivatives include exchange differences.

The Group and the Company have not designated any financial liabilities as at fair value through profit or loss.

(ii) Other financial liabilities

The Group's and the Company's other financial liabilities include trade payables, other payables and loans and borrowings.

Trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Loans and borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is extinguished. 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 a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2.17 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.

2. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.17 Employee benefits *cont'd*

(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.

No expense is recognised for options that do not ultimately vest, except for options where vesting is conditional upon a market or non-vesting condition, which are treated as vested irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied. 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.

2.18 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 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. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.19 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

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.

2.20 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.

(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.

2.21 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.

2.22 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.

2. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.22 Share capital and share issuance expenses *cont'd*

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.

2.23 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 37, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.24 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.

2.25 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.

2. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.25 Current versus non-current classification *cont'd*

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.

2.26 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 34.

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.

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.

3. CHANGES IN ACCOUNTING POLICIES

(a) Adoption of new and revised FRSs

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

On 1 April 2017, the Group and the Company adopted the following new and amended FRSs which are effective for annual financial periods beginning on or after 1 April 2017.

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

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

(b) Standards issued but not yet effective

The standards and interpretations that are issued but not yet effective up to the date of issuance 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.

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

The Directors expect that the adoption of the above standards and interpretations will have no material impact on the financial statements in the period of initial application except as discussed below:

Malaysian Financial Reporting Standards

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (MFRS Framework).

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture (MFRS 141) and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venturer (herein called "Transitioning Entities").

After few announcements of deferment since 19 November 2011, on 28 October 2015, MASB announced that the adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2018.

3. CHANGES IN ACCOUNTING POLICIES *cont'd*

(b) Standards issued but not yet effective *cont'd*

Malaysian Financial Reporting Standards *cont'd*

The Group and the Company fall within the scope definition of Transitioning Entities and accordingly, will be required to prepare financial statements using the MFRS Framework in their first MFRS financial statements for the financial year ending 31 March 2019. In presenting their first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained profits. The financial statements of the Group and of the Company for the years ended 31 March 2017 and 2018 could be different if prepared under the MFRS Framework.

The preliminary effects of the adoption of MFRS Framework on the respective financial statements are as follows:

	Group	
	Increase/(decrease)	
	As at 31.3.2018	As at 1.4.2017
	RM	RM
Items in financial position:		
Inventories	90,281	106,084
Biological assets	1,786,212	1,621,036
Property, plant and equipment	(156,424)	(50,415)
Investment properties	(609,965)	(609,965)
Deferred tax liability	382,318	371,911

	Financial year ended 31 March 2018
	RM
Profit net of tax, due to effects of change in accounting policy in:	
Biological assets	149,373
Deferred tax expense	(35,849)
Investment securities	(386,953)
Property, plant and equipment	(106,009)
Deferred tax expense	25,442
	(353,996)

The actual financial impacts upon the initial adoption of the MFRS framework may differ from those disclosed above as the assessment completed to date is based on the information currently available to the Group and the Company and further impacts may be identified.

4. 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.

(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 profit and loss and available-for-sale. 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) Valuation of livestock

The Group applies base-value method in estimating the value of livestock, which includes in its value, the purchase costs of starters and average consumption of feed and other consumables (based on a feed and consumables consumption standard most applicable to the Group's breed of livestock) at each stage of growth up to when the livestock starts laying eggs. After the livestock's productivity peak of 40 weeks, the base value is then amortised to reflect the gradual drop in the layers' productivity until they reach the disposable age at 70 weeks as old hens. The livestock value at disposable age is the lower of the residual base value and the net realisable value of the old hens.

(ii) Revaluation of property, plant and equipment and 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 Group and the Company also carry their freehold land, leasehold land and buildings, which are classified as property, plant and equipment, at fair value, with changes in fair value being recognised in other comprehensive income. The frequency of revaluations depends upon the changes in fair values of the items of property, plant and equipment being revalued. When there are indications that the fair value of a revalued asset differs materially from its carrying amount, the Group and the Company engage independent valuation specialists to assess the fair value. The key assumptions used to determine the fair value of these assets and sensitivity analyses are provided in Notes 14 and 35.

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

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

(iii) Income tax and deferred taxation

Significant estimation is involved in determining the group-wide provision for income taxes and deferred taxation. The Group and the Company recognise liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Deferred tax assets are recognised for all deductible temporary differences, unused tax credits and unused tax losses to the extent that it is probable that taxable profit will be available against which these items can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

5. REVENUE AND COST OF SALES

(a) Revenue

	Group		Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Sales of produce inventories and livestocks, less returns and discounts allowed	171,613,336	166,382,142	-	-
Sales of sand	3,058,904	2,371,378	-	-
Dividend income from a subsidiary	-	-	3,000,000	10,000,000
Rental income from investment properties	360,000	120,000	-	-
Management fee from subsidiaries	-	-	516,000	583,200
	175,032,240	168,873,520	3,516,000	10,583,200

(b) Cost of sales

	Group	
	2018	2017
	RM	RM
Produce inventories and livestocks	150,223,331	136,033,368
Sand	1,645,635	1,660,621
	151,868,966	137,693,989

6. OTHER INCOME

	Group		Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Interest income on:				
- Fixed deposits	440,066	945,156	134,515	396,081
- Subsidiaries loans	-	-	2,102,769	1,456,527
Dividend income from investment securities	853,775	785,991	-	-
Gain on disposal of:				
- Investment securities	35,472	89,690	-	-
- Property, plant and equipment	54,717	110,994	-	-
Rental income from premises	78,000	28,305	12,000	15,000
Gain on foreign exchange				
- Realised	224,167	826,369	-	-
- Unrealised	-	54,839	-	-
Net fair value gains on:				
- Investment properties (Note 15)	-	1,873,868	-	-
- Investment securities	271,205	-	-	-
- Available-for-sale investment securities transferred from equity upon disposal	876,211	214,264	-	-
Miscellaneous	37,462	360,489	83	-
	2,871,075	5,289,965	2,249,367	1,867,608

7. OTHER EXPENSES

	Group	
	2018	2017
	RM	RM
Impairment loss on available-for-sale investment securities (Note 18)	795,936	1,639,552
Net fair value loss on fair value through profit and loss investment securities	-	12,040
Unrealised loss on foreign exchange	277,774	-
Miscellaneous	98	-
	1,073,808	1,651,592

8. FINANCE COSTS

	Group	
	2018	2017
	RM	RM
Interest expense on:		
- Bank overdrafts	7	212
- Bankers' acceptances	238,085	213,149
- Revolving credits	752,850	647,061
- Term loans	4,476,142	3,139,867
	5,467,084	4,000,289
Less: Interest expense capitalised in development property (Note 16)	-	(80,283)
Total finance cost	5,467,084	3,920,006

9. PROFIT BEFORE TAX

Profit before tax is stated after charging/(crediting):

	Group		Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Staff costs (excluding directors) (Note 10(a))	17,996,129	16,691,186	505,274	422,957
Directors' remuneration (Note 10(b))	2,472,104	2,249,037	318,433	245,087
Auditors' remuneration	190,500	188,500	66,000	66,000
Depreciation of property, plant and equipment (Note 14)	7,365,466	6,540,369	130,584	135,532
Property, plant and equipment written off	83	-	35	-
Impairment loss on trade receivables (Note 21(a))	-	36,904	-	-
Reversal of impairment loss on trade receivables (Note 21(a))	(45,982)	(155,419)	-	-
Amortisation of biological assets (Note 19)	20,954	19,904	-	-
Rental of:				
- Farm	690,000	690,000	-	-
- Office	43,200	43,200	43,200	43,200
Direct expenses arising from investment properties that				
- Generate rental income	92,923	212,564	-	-
- Do not generate rental income	71,166	430,807	-	-

10. EMPLOYEE BENEFIT EXPENSE AND DIRECTORS' REMUNERATION

		Group		Company	
		2018	2017	2018	2017
		RM	RM	RM	RM
(a)	Staff costs				
	Wages and salaries	16,092,141	15,235,918	363,038	344,681
	Defined contribution plans	1,061,159	982,136	68,915	65,355
	Social security costs	106,767	97,149	1,657	1,587
	Short term accumulating compensated absences	22,553	34,877	1,593	(2,524)
	Share option granted under ESOS	399,000	-	70,000	-
	Employee Insurance Scheme	2,692	-	-	-
	Other staff related expenses	311,817	341,106	71	13,858
		17,996,129	16,691,186	505,274	422,957
(b)	Directors' remuneration				
	Executive Directors' remuneration:				
	- Fees	60,000	60,000	30,000	30,000
	- Other emoluments	355,133	313,288	119,933	99,087
	Non-Executive Directors' remuneration:				
	- Fees	170,500	146,000	140,500	116,000
	- Other emoluments	184,601	131,734	28,000	-
	Other directors of the Group				
	- Fees	90,000	90,000	-	-
	- Other emoluments	1,611,870	1,508,015	-	-
	Total Directors' remuneration	2,472,104	2,249,037	318,433	245,087
	Estimated money value of benefits-in-kind	171,805	220,658	17,870	17,870
	Total Directors' remuneration including benefits-in-kind	2,643,909	2,469,695	336,303	262,957

10. 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:

	Group		Company	
	2018	**2017**	**2018**	**2017**
	RM	**RM**	**RM**	**RM**
Executive directors of the Company				
- Fees	60,000	60,000	30,000	30,000
- Salaries and other emoluments	268,300	262,600	88,300	82,599
- Defined contribution plans	50,980	49,894	16,780	15,694
- Social security costs	829	794	829	794
- Employee Insurance Scheme	24	-	24	-
- Share option granted under ESOS	35,000	-	14,000	-
- Benefits-in-kind	91,458	140,311	17,870	17,870
	506,591	513,599	167,803	146,957
Non-executive directors of the Company				
- Fees	170,500	146,000	140,500	116,000
- Salaries and other emoluments	113,950	110,700	-	-
- Defined contribution plans	21,651	21,034	-	-
- Share option granted under ESOS	49,000	-	28,000	-
- Benefits-in-kind	7,747	7,747	-	-
	362,848	285,481	168,500	116,000
Other directors of the Group				
- Fees	90,000	90,000	-	-
- Salaries and other emoluments	1,282,473	1,271,559	-	-
- Defined contribution plans	234,133	232,487	-	-
- Social security costs	4,145	3,969	-	-
- Employee Insurance Scheme	119	-	-	-
- Share option granted under ESOS	91,000	-	-	-
- Benefits-in-kind	72,600	72,600	-	-
	1,774,470	1,670,615	-	-
Total	2,643,909	2,469,695	336,303	262,957

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

(b) Directors' remuneration *cont'd*

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	
	2018	2017
Executive directors:		
RM100,001 - RM150,000	-	1
RM150,001 - RM200,000	1	-
RM300,001 - RM350,000	1	-
RM350,001 - RM400,000	-	1
Non-executive directors:		
Below RM50,000	4	3
RM50,001 - RM100,000	1	-
RM150,001 - RM200,000	1	1

11. INCOME TAX EXPENSE

Major components of income tax expense

The major components of income tax expense for the financial years ended 31 March 2018 and 31 March 2017 are:

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Current income tax:				
Malaysian income tax	3,984,061	6,706,208	542,555	515,932
Under/(over) provision in prior years	21,741	(18,507)	27,350	6,805
Real property gains tax:				
Malaysia real property gains tax	-	213,371	-	-
Under provision in prior years	51,824	-	-	-
	4,057,626	6,901,072	569,905	522,737
Deferred tax (Note 26):				
Relating to origination and reversal of temporary differences	(138,965)	(467,205)	(22,405)	(16,847)
Real property gains tax reversed upon disposal	-	(333,978)	-	-
(Over)/under provision in prior years	(33,122)	35,329	(14,945)	26,323
	(172,087)	(765,854)	(37,350)	9,476
	3,885,539	6,135,218	532,555	532,213

11. INCOME TAX EXPENSE *cont'd*

Reconciliation between tax expense and accounting profit

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

	Group		Company	
	2018	**2017**	**2018**	**2017**
	RM	**RM**	**RM**	**RM**
Profit before tax:	7,079,884	18,603,308	4,405,668	10,938,058
Taxation at Malaysian statutory tax rate of 24% (2017: 24%)	1,699,172	4,464,794	1,057,360	2,625,134
Income not subject to tax	(713,246)	(559,765)	(720,000)	(2,400,000)
Expenses not deductible for tax purposes	2,877,151	1,852,341	182,790	273,951
Effect of reduction in tax rate on incremental chargeable income	(18,097)	(110,995)	-	-
Real property gain tax arising from fair value adjustment of investment property	-	93,693	-	-
Real property gain tax arising from disposal of investment property	-	(120,607)	-	-
Deferred tax assets not recognised on unutilised capital allowance	116	-	-	-
Deferred tax assets not recognised on unutilised business losses	-	498,935	-	-
Under/(over) provision of:				
- Income tax expense in prior years	21,741	(18,507)	27,350	6,805
- Real property gain tax	51,824	-	-	-
- Deferred tax in prior years	(33,122)	35,329	(14,945)	26,323
Income tax expense	3,885,539	6,135,218	532,555	532,213

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2017: 24%) of the estimated assessable profit for the financial year.

On 10 April 2017, the Income Tax (Exemption) (No.2) Order 2017 ("Order") was gazetted to provide a special income tax exemption to a qualifying person and the exemption is granted based on the incremental amount of chargeable income from preceding year and is applicable for years of assessment 2017 and 2018. The exemption given is computed based on the percentage of increased chargeable income and according to the formulae prescribed in the Order, ranging from 1% to 4%.

Certain subsidiaries of the Company are eligible or qualified to enjoy such exemption under this Order.

12. EARNINGS PER SHARE

Basic and diluted

Basic earnings per share is calculated by dividing 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	
	2018	2017
	RM	RM
Profit attributable to owners of the parent	3,194,345	12,468,090
Weighted average number of ordinary shares in issue (units)	130,104,006	130,104,006
Basic and diluted earnings per share (sen per share)	2.46	9.58

1,140,000 (2017: nil) share options granted to employees under ESOS have not been included in the calculation of diluted earnings per share because they are anti-dilutive.

13. DIVIDENDS

	Dividends in respect of financial year			Dividends recognised in financial year	
	2018	2017	2016	2018	2017
	RM	RM	RM	RM	RM
Recognised during the financial year					
Interim dividend of 2.5 sen, single-tier, on 130,104,006 ordinary shares, declared on 24 February 2016 and paid on 8 April 2016	-	-	3,252,600	-	-
Final dividend of 1.5 sen, single-tier, on 130,104,006 ordinary shares, declared on 29 July 2016 and paid on 6 October 2016	-	-	1,951,560	-	1,951,560
Interim dividend of 1.5 sen, single-tier, on 130,104,006 ordinary shares, declared on 16 February 2017 and paid on 7 April 2017	-	1,951,560	-	-	1,951,560
Final dividend of 1.5 sen, single-tier, on 130,104,006 ordinary shares, declared on 14 August 2017 and paid on 6 October 2017	-	1,951,560	-	1,951,560	-
Interim dividend of 1.0 sen, single-tier, on 130,104,006 ordinary shares, declared on 13 February 2018 and paid on 6 April 2018	1,301,040	-	-	1,301,040	-
	1,301,040	3,903,120	5,204,160	3,252,600	3,903,120

At the forthcoming Annual General Meeting, a single-tier final dividend of 1.0 sen in respect of the financial year ended 31 March 2018, on 130,104,006 ordinary shares, amounting to a dividend payable of RM1,301,040 will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained profits in the financial year ending 31 March 2019.

14. 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	Total RM
Group										
At 31 March 2018										
Cost or valuation										
At 1 April 2017										
- At cost		-	-	2,158,154	50,638,683	6,213,499	8,915,864	958,532	7,729,539	76,614,271
- At valuation		2,260,000	54,000,000	21,617,394	-	-	-	-	-	77,877,394
		2,260,000	54,000,000	23,775,548	50,638,683	6,213,499	8,915,864	958,532	7,729,539	154,491,665
Additions		-	-	-	440,772	761,189	589,851	-	5,837,803	7,629,615
Reclassification		-	-	7,325,298	6,058,130	-	-	-	(13,383,428)	-
Written off		-	-	-	-	(4,754)	(5,642)	-	-	(10,396)
Disposals		-	-	-	-	-	(213,106)	-	-	(213,106)
At 31 March 2018		2,260,000	54,000,000	31,100,846	57,137,585	6,969,934	9,286,967	958,532	183,914	161,897,778
Representing:										
At cost		-	-	9,483,452	57,137,585	6,969,934	9,286,967	958,532	183,914	84,020,384
At valuation		2,260,000	54,000,000	21,617,394	-	-	-	-	-	77,877,394
At 31 March 2018		2,260,000	54,000,000	31,100,846	57,137,585	6,969,934	9,286,967	958,532	183,914	161,897,778

14. PROPERTY, PLANT AND EQUIPMENT *cont'd*

	Note	Leasehold land	Freehold land	Buildings	Plant and machinery	Furniture, fittings and equipment	Motor vehicles	Ponds	Capital work-in-progress	Total
		RM	RM	RM	RM	RM	RM	RM	RM	RM
Group *cont'd*										
At 31 March 2018 *cont'd*										
Accumulated depreciation and impairment losses:										
At 1 April 2017		112,058	-	6,918,437	38,619,716	4,264,739	6,285,571	958,531	-	57,159,052
Depreciation charge for the financial year	9	53,788	-	3,546,285	2,620,684	282,347	862,362	-	-	7,365,466
Written off		-	-	-	-	(4,672)	(5,641)	-	-	(10,313)
Disposals		-	-	-	-	-	(213,106)	-	-	(213,106)
At 31 March 2018		165,846	-	10,464,722	41,240,400	4,542,414	6,929,186	958,531	-	64,301,099
Analysed as:										
Accumulated depreciation		165,846	-	10,395,921	40,964,670	4,102,210	6,929,186	954,506	-	63,512,339
Accumulated impairment losses		-	-	68,801	275,730	440,204	-	4,025	-	788,760
		165,846	-	10,464,722	41,240,400	4,542,414	6,929,186	958,531	-	64,301,099
Net carrying amount										
At cost		-	-	1,734,966	15,897,185	2,427,520	2,357,781	1	183,914	22,601,367
At valuation		2,094,154	54,000,000	18,901,158	-	-	-	-	-	74,995,312
At 31 March 2018		2,094,154	54,000,000	20,636,124	15,897,185	2,427,520	2,357,781	1	183,914	97,596,679

14. 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	Total RM
Group *cont'd*										
At 31 March 2017										
Cost or valuation										
At 1 April 2016										
- At cost		-	-	438,889	48,571,221	5,824,607	7,887,319	958,532	2,841,861	66,522,429
- At valuation		2,260,000	52,550,000	21,617,394	-	-	-	-	-	76,427,394
		2,260,000	52,550,000	22,056,283	48,571,221	5,824,607	7,887,319	958,532	2,841,861	142,949,823
Additions		-	-	-	1,439,662	498,790	1,068,568	-	7,607,243	10,614,263
Reclassifications		-	-	1,719,265	1,000,300	-	-	-	(2,719,565)	-
Revaluation		-	1,450,000	-	-	-	-	-	-	1,450,000
Written off		-	-	-	-	(109,898)	-	-	-	(109,898)
Disposals		-	-	-	(372,500)	-	(40,023)	-	-	(412,523)
At 31 March 2017		2,260,000	54,000,000	23,775,548	50,638,683	6,213,499	8,915,864	958,532	7,729,539	154,491,665
Representing:										
At cost		-	-	2,158,154	50,638,683	6,213,499	8,915,864	958,532	7,729,539	76,614,271
At valuation		2,260,000	54,000,000	21,617,394	-	-	-	-	-	77,877,394
At 31 March 2017		2,260,000	54,000,000	23,775,548	50,638,683	6,213,499	8,915,864	958,532	7,729,539	154,491,665

14. PROPERTY, PLANT AND EQUIPMENT *cont'd*

	Note	Leasehold land	Freehold land	Buildings	Plant and machinery	Furniture, fittings and equipment	Motor vehicles	Ponds	Capital work-in-progress	Total
		RM	RM	RM	RM	RM	RM	RM	RM	RM
Group *cont'd*										
At 31 March 2017 *cont'd*										
Accumulated depreciation and impairment losses:										
At 1 April 2016		58,270	-	3,682,202	36,831,274	4,144,155	5,462,666	958,531	-	51,137,098
Depreciation charge for the financial year	9	53,788	-	3,236,235	2,160,937	230,482	858,927	-	-	6,540,369
Written off		-	-	-	-	(109,898)	-	-	-	(109,898)
Disposals		-	-	-	(372,495)	-	(36,022)	-	-	(408,517)
At 31 March 2017		112,058	-	6,918,437	38,619,716	4,264,739	6,285,571	958,531	-	57,159,052
Analysed as:										
Accumulated depreciation		112,058	-	6,849,636	38,343,986	3,824,535	6,285,571	954,506	-	56,370,292
Accumulated impairment losses		-	-	68,801	275,730	440,204	-	4,025	-	788,760
		112,058	-	6,918,437	38,619,716	4,264,739	6,285,571	958,531	-	57,159,052
Net carrying amount										
At cost		-	-	1,879,502	12,018,967	1,948,760	2,630,293	1	7,729,539	26,207,062
At valuation		2,147,942	54,000,000	14,977,609	-	-	-	-	-	71,125,551
At 31 March 2017		2,147,942	54,000,000	16,857,111	12,018,967	1,948,760	2,630,293	1	7,729,539	97,332,613

14. PROPERTY, PLANT AND EQUIPMENT *cont'd*

	Building RM	Furniture, fittings and equipment RM	Total RM
Company			
At 31 March 2018			
Cost/valuation			
At 1 April 2017	1,202,252	1,412,068	2,614,320
Additions	-	3,797	3,797
Write-offs	-	(4,414)	(4,414)
At 31 March 2018	1,202,252	1,411,451	2,613,703
Representing:			
At cost	-	1,411,451	1,411,451
At valuation	1,202,252	-	1,202,252
At 31 March 2018	1,202,252	1,411,451	2,613,703
Accumulated depreciation and impairment losses			
At 1 April 2017	127,456	1,261,853	1,389,309
Depreciation charge for the financial year (Note 9)	60,536	70,048	130,584
Write-offs	-	(4,379)	(4,379)
At 31 March 2018	187,992	1,327,522	1,515,514
Analysed as:			
Accumulated depreciation	187,992	1,037,533	1,225,525
Accumulated impairment losses	-	289,989	289,989
	187,992	1,327,522	1,515,514
Net carrying amount			
At cost	-	83,929	83,929
At valuation	1,014,260	-	1,014,260
At 31 March 2018	1,014,260	83,929	1,098,189

14. PROPERTY, PLANT AND EQUIPMENT *cont'd*

	Building RM	Furniture, fittings and equipment RM	Total RM
Company *cont'd*			
At 31 March 2017			
Cost/valuation			
At 1 April 2016	1,202,252	1,410,510	2,612,762
Additions	-	1,558	1,558
At 31 March 2017	1,202,252	1,412,068	2,614,320
Representing:			
At cost	-	1,412,068	1,412,068
At valuation	1,202,252	-	1,202,252
At 31 March 2017	1,202,252	1,412,068	2,614,320
Accumulated depreciation and impairment losses			
At 1 April 2016	66,918	1,186,859	1,253,777
Depreciation charge for the financial year (Note 9)	60,538	74,994	135,532
At 31 March 2017	127,456	1,261,853	1,389,309
Analysed as:			
Accumulated depreciation	127,456	971,864	1,099,320
Accumulated impairment losses	-	289,989	289,989
	127,456	1,261,853	1,389,309
Net carrying amount			
At cost	-	150,215	150,215
At valuation	1,074,796	-	1,074,796
At 31 March 2017	1,074,796	150,215	1,225,011

(a) Freehold land, leasehold land and buildings of the Group and of the Company were revalued in February 2015 by Chah Yau Yee, a registered valuer with Jordan Lee & Jaafar (M'cca) Sdn. Bhd., an independent professional valuer, except as discussed below.

Parcels of freehold land of a subsidiary, LTK Omega Plus Sdn. Bhd., held for sand mining were revalued in March 2018 by Lee Thiam Sing, a registered valuer with Jordan Lee & Jaafar (M'cca) Sdn. Bhd., an independent professional valuer.

Fair values for land were determined primarily based on comparison method. Fair values for buildings were determined primarily based on depreciated replacement cost of the buildings. Further information on the fair value measurement are disclosed in Note 35.

14. PROPERTY, PLANT AND EQUIPMENT *cont'd*

Had the revalued land and buildings been carried at historical cost less accumulated depreciation and impairment losses, the net book value of each class of land and buildings that would have been included in the financial statements of the Group and of the Company would be as follows:

	Group		Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Leasehold land	842,437	864,038	-	-
Freehold land	15,312,990	15,312,990	-	-
Buildings	11,398,096	13,029,978	581,864	596,786
	27,553,523	29,207,006	581,864	596,786

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

	Group	
	2018	2017
	RM	RM
Freehold land	36,600,000	36,600,000
Buildings	2,764,927	3,201,636
	39,364,927	39,801,636

15. INVESTMENT PROPERTIES

	Group	
	2018	2017
	RM	RM
At 1 April	103,295,000	3,900,000
Additions during the year	-	101,421,132
Net gains from fair value adjustment recognised in profit or loss (Note 6)	-	1,873,868
Transferred to land held for property development (Note 16)	-	(3,900,000)
At 31 March	103,295,000	103,295,000

15. INVESTMENT PROPERTIES *cont'd*

Investment properties consist of the following:

	Group	
	2018	**2017**
	RM	**RM**
Freehold land	42,100,000	42,100,000
Leasehold land	61,195,000	61,195,000
	103,295,000	103,295,000

The fair values of the investment properties are based on valuation carried out by independent valuers, Rahim & Co. International Sdn. Bhd. and Laurelcap Sdn. Bhd. Fair values are determined primarily based on the comparison method.

Information on fair value measurement and hierarchy disclosures for investment properties are disclosed in Note 35.

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

16. LAND HELD FOR PROPERTY DEVELOPMENT

	Freehold land	**Development cost**	**Total**
	RM	RM	RM
Group			
At 31 March 2018			
Cost			
At 1 April 2017	33,634,170	123,374	33,757,544
Additions	-	1,045,330	1,045,330
At 31 March 2018	33,634,170	1,168,704	34,802,874
At 31 March 2017			
Cost			
At 1 April 2016	23,058,400	15,109	23,073,509
Additions	6,675,770	108,265	6,784,035
Transfer from investment properties (Note 15)	3,900,000	-	3,900,000
At 31 March 2017	33,634,170	123,374	33,757,544

16. LAND HELD FOR PROPERTY DEVELOPMENT *cont'd*

Included in property development costs incurred during the financial year are:

	Group	
	2018	2017
	RM	RM
Interest expense (Note 8)	-	80,283

A freehold land held for development with a carrying value of RM6,784,035 has been pledged as security for a bank loan (Note 25(c)(iv)).

17. INVESTMENT IN SUBSIDIARIES

	Company	
	2018	2017
	RM	RM
Unquoted shares, at cost	36,647,198	36,647,198
Investment in ordinary shares of a subsidiary	2,500,000	-
	39,147,198	36,647,198
ESOS granted to employees of subsidiaries	180,242	180,242
Addition during the year	329,000	-
	509,242	180,242
Investment in redeemable non-cumulative convertible preference shares ("RNCCPS") of subsidiaries	30,000,000	30,000,000
Redemption of RNCCPS of a subsidiary	(3,000,000)	-
	27,000,000	30,000,000
	66,656,440	66,827,440
Less: Impairment losses	(19,000,000)	(19,000,000)
	47,656,440	47,827,440

17. INVESTMENT IN SUBSIDIARIES *cont'd*

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

Name of subsidiary	Equity interest held 2018 %	2017 %	Principal activities
(a) Subsidiaries of LTKM Berhad			
LTK (Melaka) Sdn. Bhd.	100	100	Production and sale of chicken eggs and chickens
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. ("LJSB")	100	100	Dormant
(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
Firstville Development Sdn. Bhd.	100	100	Dormant

18. INVESTMENT SECURITIES

	Group 2018 RM	2017 RM
Non-current equity instruments		
Available-for-sale		
Quoted shares:		
- In Malaysia	23,375,435	30,998,625
- Outside of Malaysia	225,281	318,518
	23,600,716	31,317,143
Fair value through profit and loss		
Quoted shares:		
- In Malaysia	3,562,555	3,941,707
- Outside of Malaysia	260,429	445,800
	3,822,984	4,387,507
Total investment securities	27,423,700	35,704,650

18. INVESTMENT SECURITIES *cont'd*

During the current financial year, the Group recognised an impairment loss amounting to RM795,936 (2017: RM1,639,552) of certain quoted investments designated as available-for-sale financial assets (as disclosed in Note 7) due to significant decline of more than 20% in the fair values of these investments below their costs.

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.

No transfers between any levels of fair value hierarchy took place during the current financial year. There were also no changes in the purpose of any financial asset that subsequently resulted in a different classification of that asset.

19. BIOLOGICAL ASSETS

	Group	
	2018	**2017**
	RM	**RM**
Current		
Livestocks, at cost	13,872,894	14,321,071
Non-current		
Pre-cropping expenditure - oil palm:		
Cost		
At 1 April	419,068	413,144
Additions during the financial year	-	5,924
At 31 March	419,068	419,068
Accumulated amortisation		
At 1 April	94,565	74,661
Charge for the financial year (Note 9)	20,954	19,904
At 31 March	115,519	94,565
Net carrying amount	303,549	324,503

20. INVENTORIES

	Group	
	2018	**2017**
	RM	**RM**
Cost		
Consumable goods	19,205,267	15,445,460
Produce inventories	719,961	879,956
	19,925,228	16,325,416

During the financial year, the amount of consumable goods and produce inventories recognised as an expense in cost of sales of the Group was RM110,525,533 (2017: RM102,945,749).

21. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2018	**2017**	**2018**	**2017**
	RM	**RM**	**RM**	**RM**
Current				
Trade receivables				
Third parties	10,695,518	9,743,675	-	-
Less: Allowance for impairment	(137,232)	(930,810)	-	-
Trade receivables, net	10,558,286	8,812,865	-	-
Other receivables				
Amounts due from subsidiaries	-	-	359,987	6,466,937
Deposits	264,814	270,752	8,200	8,200
Dividends receivable	-	-	-	5,500,000
Sundry receivables	3,875,223	5,412,263	170	7,613
Other receivables, net	4,140,037	5,683,015	368,357	11,982,750
	14,698,323	14,495,880	368,357	11,982,750
Non-current				
Other receivables				
Amounts due from subsidiaries	-	-	40,109,566	30,000,000
Total trade and other receivables (current and non-current)	14,698,323	14,495,880	40,477,923	41,982,750
Add: Cash and bank balances (Note 23)	30,884,734	26,489,676	9,378,843	7,272,877
Total loans and receivables	45,583,057	40,985,556	49,856,766	49,255,627

21. TRADE AND OTHER RECEIVABLES *cont'd*

(a) Trade receivables

Trade receivables are non-interest bearing and are generally on 30 to 90 day (2017: 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	
	2018	**2017**
	RM	**RM**
Neither past due nor impaired	8,662,489	7,676,577
1 to 30 days past due but not impaired	1,229,776	772,765
31 to 60 days past due but not impaired	419,186	169,810
61 to 90 days past due but not impaired	140,481	86,614
91 to 120 days past due but not impaired	92,543	10,476
More than 120 days past due but not impaired	13,811	96,623
	1,895,797	1,136,288
Impaired	137,232	930,810
	10,695,518	9,743,675

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 RM1,895,797 (2017: RM1,136,288) 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.

21. TRADE AND OTHER RECEIVABLES *cont'd*

(a) Trade receivables *cont'd*

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	
	Individually impaired	
	2018	2017
	RM	RM
Nominal amounts	137,232	930,810
Less: Allowance for impairment	(137,232)	(930,810)
	-	-

Movement in allowance account:

	Group	
	2018	2017
	RM	RM
At 1 April	930,810	1,049,325
Charge for the financial year (Note 9)	-	36,904
Written-off	(747,596)	-
Reversal of impairment loss (Note 9)	(45,982)	(155,419)
At 31 March	137,232	930,810

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, repayable upon demand and bear prevailing market interest rates ranging between 5.22% and 6.97% (2017: 5.08% to 7.00%) per annum.

22. PREPAYMENTS

	Group	
	2018	2017
	RM	RM
Prepayments	231,752	293,041

23. CASH AND BANK BALANCES

	Group		Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Cash on hand and at bank	18,843,230	16,270,727	3,233,850	2,662,081
Deposits with licensed banks:				
- Long-term fixed deposits	20,391	20,391	-	-
- Short-term fixed deposits	12,021,113	10,198,558	6,144,993	4,610,796
Cash and bank balances	30,884,734	26,489,676	9,378,843	7,272,877

Long-term fixed deposits represent deposits with licensed banks with a maturity of more than 90 days.

The deposits with a licensed bank of a subsidiary amounting to RM20,391 (2017: RM20,391) are pledged as security for bank facilities granted to a subsidiary. The fixed deposits pledged are restricted in usage and do not form part of cash and cash equivalents.

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

	Group		Company	
	2018	2017	2018	2017
	%	%	%	%
Deposits with licensed banks	3.45	3.50	3.45	3.50

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

	Group		Company	
	2018	2017	2018	2017
	Days	Days	Days	Days
Deposits with licensed banks	19-200	31-365	20 - 30	32

For the purpose of the statements of cash flows, cash and cash equivalents comprise the following at the reporting date:

	Group		Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Cash and bank balances	30,884,734	26,489,676	9,378,843	7,272,877
Less:				
- Long-term and/or pledged fixed deposits	(20,391)	(20,391)	-	-
	30,864,343	26,469,285	9,378,843	7,272,877

24. TRADE AND OTHER PAYABLES

	Group		Company	
	2018	**2017**	**2018**	**2017**
	RM	**RM**	**RM**	**RM**
Current				
Trade payables				
Third parties	7,754,755	5,498,482	-	-
Other payables				
Accruals	2,356,496	1,945,746	168,946	208,384
Other payables	1,847,369	4,008,533	5,770	55,191
	4,203,865	5,954,279	174,716	263,575
Total trade and other payables	11,958,620	11,452,761	174,716	263,575
Add: Loans and borrowings (Note 25)	91,126,662	84,451,014	-	-
Total financial liabilities carried at amortised cost	103,085,282	95,903,775	174,716	263,575

(a) Trade payables

Trade payables are non-interest bearing and the normal trade credit terms granted to the Group range from 30 to 60 (2017: 30 to 60) days.

(b) Other payables

These amounts are non-interest bearing. Other payables are normally settled on an average term of 60 (2017: 60) days.

25. LOANS AND BORROWINGS

	Group	
	2018	**2017**
	RM	**RM**
Current		
Secured:		
Revolving credits	10,000,000	-
Bankers' acceptances	867,557	-
Bank term loans	6,755,192	5,105,047
	17,622,749	5,105,047
Unsecured:		
Revolving credits	5,000,000	5,000,000
Bankers' acceptances	4,995,242	7,441,565
Bank term loans	945,461	1,743,622
	10,940,703	14,185,187
	28,563,452	19,290,234

25. LOANS AND BORROWINGS *cont'd*

	Group 2018 RM	Group 2017 RM
Non-current		
Secured:		
Bank term loans	62,343,001	63,996,331
Unsecured:		
Bank term loans	220,209	1,164,449
	62,563,210	65,160,780
Total borrowings		
Revolving credits	15,000,000	5,000,000
Bankers' acceptances	5,862,799	7,441,565
Bank term loans	70,263,863	72,009,449
Loans and borrowings	91,126,662	84,451,014

The remaining maturities of the loans and borrowings as at 31 March 2018 are as follows:

(a) Maturity periods

	Group 2018 RM	Group 2017 RM
Within 1 year	28,563,452	19,290,234
More than 1 year and less than 2 years	7,201,088	7,240,587
More than 2 years and less than 5 years	24,839,447	21,637,545
More than 5 years	30,522,675	36,282,648
	91,126,662	84,451,014

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

	Group 2018 %	Group 2017 %
Revolving credits	4.97 - 5.47	5.22
Bankers' acceptances	3.96 - 4.57	4.17 - 4.27
Bank term loans	4.86 - 8.00	5.00 - 7.75

25. LOANS AND BORROWINGS *cont'd*

(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 14(b);

(ii) charges over buildings of a subsidiary as disclosed in Note 14(b); and

(iii) charges over investment properties as disclosed in Note 15; and

(iv) charges over land held for development as disclosed in Note 16.

(d) The secured bankers' accceptances 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 14(b).

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

26. DEFERRED TAXATION

	Group		Company	
	2018	**2017**	**2018**	**2017**
	RM	**RM**	**RM**	**RM**
At 1 April	7,045,551	7,746,296	78,117	68,641
Recognised in profit or loss (Note 11)	(172,087)	(765,854)	(37,350)	9,476
Recognised in other comprehensive income	14,782	65,109	-	-
At 31 March	6,888,246	7,045,551	40,767	78,117

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	Investment properties	Total
	RM	**RM**	**RM**	**RM**
At 1 April 2017	4,618,834	2,689,670	87,179	7,395,683
Recognised in profit or loss	(77,333)	(164,163)	6,605	(234,891)
Recognised in other comprehensive income	14,782	-	-	14,782
At 31 March 2018	4,556,283	2,525,507	93,784	7,175,574
At 1 April 2016	4,567,979	3,084,477	435,457	8,087,913
Recognised in profit or loss	(14,254)	(394,807)	(348,278)	(757,339)
Recognised in other comprehensive income	65,109	-	-	65,109
At 31 March 2017	4,618,834	2,689,670	87,179	7,395,683

26. DEFERRED TAXATION *cont'd*

Deferred tax assets of the Group:

	Provision for unutilised annual leave RM	Allowance for doubtful debts RM	Others RM	Total RM
At 1 April 2017	(87,414)	(80,289)	(182,429)	(350,132)
Recognised in profit or loss	(20,825)	47,353	36,276	62,804
At 31 March 2018	(108,239)	(32,936)	(146,153)	(287,328)
At 1 April 2016	(78,439)	(93,646)	(169,532)	(341,617)
Recognised in profit or loss	(8,975)	13,357	(12,897)	(8,515)
At 31 March 2017	(87,414)	(80,289)	(182,429)	(350,132)

Deferred tax liability of the Company:

	Revaluation surplus RM
At 1 April 2017	78,117
Recognised in profit or loss	(37,350)
At 31 March 2018	40,767
At 1 April 2016	68,641
Recognised in profit or loss	9,476
At 31 March 2017	78,117

Presented after appropriate offsetting as follows:

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Deferred tax assets	-	124,776	-	-
Deferred tax liabilities	6,888,246	7,170,327	40,767	78,117

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

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Unutilised business losses	3,333,139	3,333,139	-	-
Unabsorbed capital allowances	485	-	-	-
	3,333,624	3,333,139	-	-

27. SHARE CAPITAL

	Number of ordinary shares		Amount	
	2018	2017	2018	2017
			RM	RM
Issued and fully paid:				
At beginning of the financial year/end of the financial year	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 rectified 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.

(e) The allocation to an eligible person 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 options			
Grant Date	Expiry Date	Exercise Price	Balance at 1.4.2017	Granted	Lapsed	Balance at 31.3.2018
25 Sept 2017	20 Oct 2020	RM1.40	-	1,160,000	(20,000)	1,140,000

During the financial year, the Company has granted 1,160,000 share options, where 20,000 share options has lapsed during the year. Unless otherwise extended by the Board, the date of expiration of these ESOS shall be 20 October 2020. The options which have lapsed during the financial year were due to resignation of employees.

27. SHARE CAPITAL *cont'd*

The fair value of ESOS granted during the financial year 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 are 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.

28. OTHER RESERVES

(a) Asset revaluation reserve

The asset revaluation reserve represents increases in the fair value of land and buildings, net of tax, and decreases to the extent that such decreases relate to an increase on the same asset previously recognised in other comprehensive income.

(b) Available-for-sale reserve

Available-for-sale reserve includes the cumulative net change in the fair value of available-for-sale investment held until the investment is derecognised.

(c) ESOS reserve

	Group/ Company 2018 RM
Share options under ESOS:	
At 1 April 2017	-
Movement during the year	399,000
At 31 March 2018	399,000

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

29. RETAINED PROFITS

The Company may distribute dividends out of its entire retained earnings as at 31 March 2018 and 31 March 2017 under the single-tier system.

30. RELATED PARTY DISCLOSURES

(a)

	Group		Company	
	2018	**2017**	**2018**	**2017**
	RM	**RM**	**RM**	**RM**
Rental of farm paid to a related company [1]	690,000	690,000	-	-
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)	(10,000,000)
Management fee received from subsidiary companies:				
LTK (Melaka) Sdn. Bhd.	-	-	(390,000)	(462,000)
LTK Omega Plus Sdn. Bhd.	-	-	(24,000)	(32,400)
LTK Development Sdn. Bhd.	-	-	(102,000)	(88,800)
Office rental income received from immediate and ultimate holding company	(12,000)	(15,000)	(12,000)	(15,000)
Fees payable to director and/or firm connected to director [3]	3,300	5,088	-	-
Interest income receivable from related companies	-	-	(2,102,769)	(1,456,527)

(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, Tan Kah Poh (FY2017: Ooi Hoy Bee @ Ooi Hooi Bee).

(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 10(b).

31. OPERATING LEASE ARRANGEMENTS

The Group has entered into a non-cancellable operating lease on its farm and certain properties. These leases have non-cancellable lease term of 3 years. The future minimum lease payments and receivable under non-cancellable operating lease contracted for as at the reporting date but not recognised as liability and asset are as follows:

	Group	
	2018	2017
	RM	RM
Future minimum rental payments:		
Not later than 1 year	768,000	690,000
Later than 1 year and not later than 3 years	1,536,000	-
	2,304,000	690,000

32. CAPITAL COMMITMENTS

	Group	
	2018	2017
	RM	RM
Approved and contracted for:		
Property, plant and equipment	183,915	2,316,040
Approved and not contracted for:		
Property, plant and equipment	7,959,000	45,000

33. FINANCIAL GUARANTEES

	Company	
	2018	2017
	RM	RM
Guarantees to licensed financial institutions in respect of credit facilities granted to subsidiaries:		
LTK (Melaka) Sdn. Bhd.	58,582,528	50,282,770
LTK Properties Sdn. Bhd.	24,144,434	25,368,344
LTK Development Sdn. Bhd.	5,000,000	5,000,000
Jarom Firstville Sdn. Bhd.	3,399,700	3,799,900
	91,126,662	84,451,014

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 collateralised by fixed charges over certain properties, plant and equipment and other assets of the Group.

34. 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
Trade and other receivables (current)	21
Amount due from subsidiaries (non-current)	
- with floating rate	21
Loans and borrowings (current)	25
Loans and borrowings (non-current)	
- with floating rate	25
Trade and other payables (current)	24

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.

35. 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.

35. 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 2018					
Assets measured at fair value:					
Investment properties (Note 15)	9 March 2018, 16 March 2018	-	-	103,295,000	103,295,000
Property, plant and equipment (Note 14)					
- Production and sale of poultry and related products	15 February 2015	-	-	57,015,142	57,015,142
- Extraction and sale of sand	5 March 2015, 9 March 2018	-	-	19,660,000	19,660,000
- Investment holding	27 February 2015	-	-	1,202,252	1,202,252
Investment securities					
Available-for sale (Note 18)					
Quoted shares:					
- In Malaysia	31 March 2018	23,375,435	-	-	23,375,435
- Outside of Malaysia	31 March 2018	225,281	-	-	225,281
Fair value through profit or loss (Note 18)					
Quoted shares:					
- In Malaysia	31 March 2018	3,562,555	-	-	3,562,555
- Outside of Malaysia	31 March 2018	260,429	-	-	260,429
Company- At 31 March 2018					
Assets measured at fair value:					
Property, plant and equipment (Note 14)	27 February 2015	-	-	1,202,252	1,202,252

35. FAIR VALUE MEASUREMENT *cont'd*

	Date of valuation	(Level 1) RM	(Level 2) RM	(Level 3) RM	Total RM
Group - At 31 March 2017					
Assets measured at fair value:					
Investment properties (Note 15)	10 March 2017, 22 March 2017	-	-	103,295,000	103,295,000
Property, plant and equipment					
- Production and sale of poultry and related products	15 February 2015	-	-	57,015,142	57,015,142
- Extraction and sale of sand	5 March 2015, 23 March 2017	-	-	19,660,000	19,660,000
- Investment holding	27 February 2015	-	-	1,202,252	1,202,252
Investment securities					
Available-for sale (Note 18)					
Quoted shares:					
- In Malaysia	31 March 2017	30,998,625	-	-	30,998,625
- Outside of Malaysia	31 March 2017	318,518	-	-	318,518
Fair value through profit or loss (Note 18)					
Quoted shares:					
- In Malaysia	31 March 2017	3,941,707	-	-	3,941,707
- Outside of Malaysia	31 March 2017	445,800	-	-	445,800
Company- At 31 March 2017					
Assets measured at fair value:					
Property, plant and equipment (Note 14)	27 February 2015	-	-	1,202,252	1,202,252

There have been no transfers between Level 1, Level 2 and Level 3 during 2018.

Notes to the Financial Statements

For the financial year ended 31 March 2018
cont'd

35. FAIR VALUE MEASUREMENT *cont'd*

Description of valuation techniques used and key inputs to valuation on property, plant and equipment categorised within Level 3:

Segment category	Valuation technique	Significant unobservable inputs	Range
At 31 March 2018			
Production and sales of poultry and related products	Market comparable approach	Difference in location, time factor, size, land usage, shape, tenure and main road frontage	-35% to 20%
	Depreciated replacement cost	Estimated replacement cost per square feet	RM8 to RM75
		Depreciation rate	30 to 90%
Extraction and sale of sand	Market comparable approach	Difference in location, time factor, size, land usage, shape, tenure and main road frontage	-20% to 5%
At 31 March 2017			
Production and sales of poultry and related products	Market comparable approach	Difference in location, time factor, size, land usage, shape, tenure and main road frontage	-35% to 25%
	Depreciated replacement cost	Estimated replacement cost per square feet	RM8 to RM75
		Depreciation rate	30 to 90%
Extraction and sale of sand	Market comparable approach	Difference in location, time factor, size, land usage, shape, tenure and main road frontage	-30% to 9%

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 2018		
Market comparable approach	Difference in location, time factor, size and shape, land usage, tenure, zoning and main road frontage	-20% to 15%
At 31 March 2017		
Market comparable approach	Difference in location, time factor, size, land usage,zoning and main road frontage	-20% to 15%

35. FAIR VALUE MEASUREMENT *cont'd*

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, and freehold and leasehold land classified as property, plant and equipment are valued using the comparison method.

Depreciated replacement cost method

Completed buildings are valued by reference to the current estimates on construction costs to erect equivalent buildings, taking into consideration of similar accommodation in terms of size, construction, finishes contractors' overheads, fees and profits. Appropriate adjustments are then made for the factors of obsolescence and existing physical condition of the building.

36. 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.

It is, and has been throughout the current and previous financial year, 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.

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

(a) Credit risk *cont'd*

Exposure to credit risk

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 RM91,126,748 (2017: RM84,451,014) relating to corporate guarantees provided by the Company to licensed financial institutions on certain subsidiaries' bank loans and credit facilities (Note 33).

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

Credit risk concentration profile

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			
	2018		2017	
	RM	% of total	RM	% of total
By industry sectors:				
Poultry and related products	10,358,496	97%	9,309,235	96%
Sand extraction and sale	337,022	3%	434,440	4%
	10,695,518	100%	9,743,675	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 (2017: 5) customers representing approximately 37% (2017: 47%) of the subsidiaries' trade receivables.

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).

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

(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 funding and flexibility through the 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 31% (2017: 23%) 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.

	2018			
	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	11,958,620	-	-	11,958,620
Loans and borrowings	31,963,722	41,732,487	34,938,694	108,634,903
Total undiscounted financial liabilities	43,922,342	41,732,487	34,938,694	120,593,523

	2017			
	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	11,452,761	-	-	11,452,761
Loans and borrowings	23,041,814	40,013,973	42,388,970	105,444,757
Total undiscounted financial liabilities	34,494,575	40,013,973	42,388,970	116,897,518

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

(b) Liquidity risk *cont'd*

	On demand or within one year	
	2018	**2017**
	RM	**RM**
Company		
Financial liabilities:		
Trade and other payables, representing total undiscounted financial liabilities	174,716	263,575

(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.

<u>Sensitivity analysis for interest rate risk</u>

At the reporting date, if interest rates had been 25 basis points lower/higher, with all other variables held constant, the Group's profit net of tax would have been RM180,679 (2017: RM122,296) higher/lower, arising mainly as a result of lower/higher 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 Malaysian Ringgit ("RM"). The foreign currencies in which these transactions are denominated are mainly Singapore Dollar ("SGD"), US Dollar ("USD") and European Dollar ("EURO").

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

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

(d) Foreign currency risk *cont'd*

The net unhedged financial assets and financial liabilities of the Group as at 31 March that are not denominated in their functional currencies are as follows:

	EURO RM	SGD RM	USD RM	HKD RM	Total RM
Functional currency in Ringgit Malaysia					
At 31 March 2018					
Trade and other receivables	-	2,537,440	2,541	706,062	3,246,043
Trade and other payables	-	-	(7,262)	-	(7,262)
Investment securities	-	-	-	485,710	485,710
	-	2,537,440	(4,721)	1,191,772	3,724,491
At 31 March 2017					
Trade and other receivables	-	2,454,143	-	1,022,959	3,477,102
Trade and other payables	(1,177)	-	(16,603)	-	(17,780)
Investment securities	-	-	-	764,318	764,318
	(1,177)	2,454,143	(16,603)	1,787,277	4,223,640

Sensitivity analysis for foreign currency risk

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

		Group Increase/(Decrease) in profit, net of tax 2018 RM	 2017 RM
SGD/RM	- strengthened 3%	76,123	73,624
	- weakened 3%	(76,123)	(73,624)
USD/RM	- strengthened 3%	(142)	(498)
	- weakened 3%	142	498
EURO/RM	- strengthened 3%	-	(35)
	- weakened 3%	-	35
HKD/RM	- strengthened 3%	35,753	53,618
	- weakened 3%	(35,753)	(53,618)

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

(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 fair value through profit and loss or available-for-sale financial assets. The Group is also exposed to commodity price risk.

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 profit net of tax would have been RM178,128 (2017: RM197,085) higher/lower, arising as a result of higher/lower fair value gains on investments in equity instruments classified as fair value through profit and loss, and the Group's other reserve in equity would have been RM1,168,772 (2017: RM1,549,931) higher/lower, arising as a result of an increase/decrease in the fair value of equity instruments classified as available-for-sale.

At the reporting date, if the HSI had been 5% higher/lower, with all other variables held constant, the Group's profit net of tax would have been RM13,021 (2017: RM22,290) higher/lower, arising as a result of higher/lower fair value gains on investments in equity instruments classified as fair value through profit and loss, and the Group's other reserve in equity would have been RM11,264 (2017: RM15,926) higher/lower, arising as a result of an increase/decrease in the fair value of equity instruments classified as available-for-sale.

(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

At the reporting date, 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 RM3,039,264 (2017: RM2,808,258) lower/higher.

37. 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 and organic fertilisers.

(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.

There is no disclosure of geographical segment as the Group operates principally within Malaysia.

37. SEGMENT INFORMATION *cont'd*

	Production and Sale of Poultry and Related Products		Extraction and Sale of Sand		Investment Holding		Property Development		Elimination		Group	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	RM		RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
Revenue												
External sales	171,613,336	166,382,142	3,058,904	2,371,378	360,000	120,000	-	-	-	-	175,032,240	168,873,520
Inter-segment sales	378,440	343,260	23,218	35,535	3,516,000	10,583,200	-	-	(3,917,658)	(10,961,995)	-	-
Total revenue	171,991,776	166,725,402	3,082,122	2,406,913	3,876,000	10,703,200	-	-	(3,917,658)	(10,961,995)	175,032,240	168,873,520
Result												
Segment results	12,663,719	23,308,327	832,428	508,558	2,546,836	2,721,164	(3,496,015)	(4,014,735)	-	-	12,546,968	22,523,314
Inter-segment net (income)/ expense	(701,238)	(1,145,063)	48,075	87,644	(1,986,981)	(1,147,494)	2,640,144	2,204,913	-	-	-	-
	11,962,481	22,163,264	880,503	596,202	559,855	1,573,670	(855,871)	(1,809,822)	-	-	12,546,968	22,523,314
Finance costs	(1,498,771)	(1,556,729)	-	-	(3,691,279)	(2,316,736)	(277,034)	(46,541)	-	-	(5,467,084)	(3,920,006)
Segment profit before tax	10,463,710	20,606,535	880,503	596,202	(3,131,424)	(743,066)	(1,132,905)	(1,856,363)	-	-	7,079,884	18,603,308
Income tax expense											(3,885,539)	(6,135,218)
Profit for the year											3,194,345	12,468,090
Assets												
Segment assets	156,199,562	148,755,079	21,855,014	22,290,320	229,851,331	240,028,499	33,600,583	36,765,884	(98,140,063)	(105,038,114)	343,366,427	342,801,668
Liabilities												
Segment liabilities	36,135,174	39,522,273	937,388	1,673,038	64,981,354	82,855,806	52,916,029	34,313,945	(50,583,623)	(60,509,727)	104,386,322	97,855,335
Unallocated corporate liabilities											7,348,033	7,304,450
Consolidated total liabilities											111,734,355	105,159,785
Other Information												
Capital expenditure	7,619,025	10,093,758	6,790	514,098	3,800	1,558	-	4,849	-	-	7,629,615	10,614,263
Depreciation and amortisation	7,180,386	6,401,026	180,259	128,404	130,584	135,532	1,200	1,307	(106,009)	(106,009)	7,386,420	6,560,260
Impairment losses	-	36,904	-	-	795,936	1,639,552	-	-	-	-	795,936	1,676,456
Non-cash expenses other than depreciation amortisation and impairment loss	494,233	32,853	16,069	-	71,593	45,725	4,731	11,158	-	-	586,626	89,736

The above eliminations were made for related company transactions.

38. 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 2018 and 31 March 2017.

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 asset revaluation reserve, ESOS reserve and available-for-sale reserve.

	Group		Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Loans and borrowings	91,126,662	84,451,014	-	-
Trade and other payables	11,958,620	11,452,761	174,716	263,575
Less: Cash and bank balances	(30,884,734)	(26,489,676)	(9,378,843)	(7,272,877)
Net debt/(cash)	72,200,548	69,414,099	(9,204,127)	(7,009,302)
Equity attributable to the owners of the parent	231,632,072	237,641,883	97,029,463	96,009,950
Less:				
Asset revaluation reserve	(37,295,117)	(37,309,899)	(233,531)	(233,531)
ESOS reserves	(399,000)	-	(399,000)	-
Available for sale reserve	(1,080,452)	(7,416,226)	-	-
Total capital	192,857,503	192,915,758	96,396,932	95,776,419
Capital and net debt	265,058,051	262,329,857	87,192,805	88,767,117
Gearing ratio	27%	26%	-	-

List of Properties

As at 31 March 2018

Location	Existing use & description	Approximate Area	Tenure	Remaining Lease Period (Expiry Date)	Age of buildings	Net Book Value As At 31.3.18 (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	-	Approx 30 years	56.47*	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	-	-	15.95	March 2017 (Revaluation)
Lot Nos. 270, 271 and 272, Mukim Jus, District of Jasin, Melaka	Oil palm plantation	32.3 acres	Leasehold	39 years (21.03.2057)	-	2.09	February 2015 (Revaluation)
Lot No. 165, Mukim Jus, District of Jasin, Melaka	Oil palm plantation	8.51 acres	Freehold	-	-	1.45	February 2015 (Revaluation)
Lot No. 1729, Mukim of Kapar, Klang, Selangor	Land held for development	1.76 acres	Freehold	-	-	3.90	March 2017 (Revaluation)
No. 100, Batu 1 ½, Jalan Meru 41050 Klang, Selangor	3 storey shop house for own use	1,430 sq. ft	Freehold	-	37 years	1.01	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	-	-	23.06	March 2016 (Revaluation)
Lot 1061, Pekan Jenjarum, District of Kuala Langat and State of Selangor	Land held for development	2.0486 hectare (5.062 acres)	Freehold	-	-	6.70	April 2016 (Acquisition)
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	73 years 11.10.2091	-	61.20	March 2018 (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	-	-	42.10	March 2018 (Revaluation)

* Net book value of both land and building

ISSUED AND PAID-UP SHARE CAPITAL	:	RM65,052,003 divided into 130,104,006 Ordinary Shares
CLASS OF SHARES	:	Ordinary Shares
VOTING RIGHTS	:	One (1) Vote per Ordinary Share

ANALYSIS BY SIZE OF SHAREHOLDINGS
AS AT 29 JUNE 2018

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
Less than 100	57	2.81	1,136	0.00
100 to 1,000	179	8.82	109 ,598	0.09
1,001 to 10,000	1,216	59.93	5,617,750	4.32
10,001 to 100,000	508	25.04	15,186,300	11.67
100,001 to 6,505,199 *	68	3.35	29,404,216	22.60
6,505,200 and above **	1	0.05	79,785,006	61.32
Total	**2,029**	**100.00**	**130,104,006**	**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 29 JUNE 2018

	Shareholdings			
Name	**Direct**	**%**	**Indirect**	**%**
Ladang Ternakan Kelang Sdn Berhad	79,785,006	61.32	-	-
Datuk Tan Kok	3,458,116	2.66	84,353,906 (1)	64.84
Datin Lim Hooi Tin	600,000	0.46	84,353,906 (2)	64.84

(1) *Deemed interested by virtue of his substantial 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 substantial 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.*

Analysis of Shareholdings

As at 29 June 2018
cont'd

DIRECTORS' SHAREHOLDINGS
AS AT 29 JUNE 2018

	Shareholdings			
Name	**Direct**	**%**	**Indirect**	**%**
Datuk Tan Kok	3,458,116	2.66	84,353,906 (1)	64.84
Datin Lim Hooi Tin	600,000	0.46	84,353,906 (2)	64.84
Tan Chee Huey	312,000	0.24	4,076,900 (3)	3.13
Ooi Hoy Bee @ Ooi Hooi Bee	150,000	0.12	-	-
Datuk Ir. Kamarudin bin Md Derom	-	-	-	-
Tan Kah Poh	-	-	-	-
Goh Kean Hoe	-	-	-	-

(1) Deemed interested by virtue of his substantial 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 substantial 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 59(11)(c) of the Companies Act 2016.

THIRTY (30) LARGEST SHAREHOLDERS AS PER THE RECORD OF DEPOSITORS
AS AT 29 JUNE 2018

No.	Name	No. of Shares	%
1.	Ladang Ternakan Kelang Sdn Berhad	79,785,006	61.32
2.	Phuah Chai Tin	3,591,200	2.76
3.	Tan Kok	3,458,116	2.66
4.	YBJ Capital Sdn Bhd	2,634,000	2.02
5.	Tiew Lee Lee	1,407,600	1.08
6.	Phuah Siew Wah	1,293,600	0.99
7.	Kok Chiew Heng	1,148,500	0.88
8.	Ng Chew Kee	1,004,800	0.77
9.	Tan Yee Boon	930,100	0.71
10.	Yong Nget Min	785,400	0.60
11.	Maybank Nominees (Tempatan) Sdn Bhd - *Chooi Heong Yeng*	775,800	0.60
12.	Lee Tong Choo	762,900	0.59
13.	Maybank Nominees (Tempatan) Sdn Bhd - *Lim Hooi Tin*	600,000	0.46
14.	Hup Hong Lee Trading Sdn Bhd	531,900	0.41
15.	Tan Yee Boon	502,800	0.39
16.	Chia Song Kang	500,800	0.38
17.	Yew Ah Kow	500,000	0.38

THIRTY (30) LARGEST SHAREHOLDERS AS PER THE RECORD OF DEPOSITORS *cont'd*
AS AT 29 JUNE 2018

No.	Name	No. of Shares	%
18.	Tan Yee Siong	341,700	0.26
19.	Tan Chee Huey	312,000	0.24
20.	Teh Kim Lan	303,500	0.23
21.	K & H Luxury Transport Sdn. Bhd.	301,000	0.23
22.	Public Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Tan Soon Hui (E-SJA)*	296,700	0.23
23.	Hock Soon Poultry Farm Sdn Bhd	282,000	0.22
24.	Cimsec Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Lee Chee Gaip (TMLKRAYA-CL)*	270,600	0.21
25.	Kenanga Nominees (Tempatan) Sdn Bhd *- Quek Chong Ai @ Kuek Chong Ai (PCS)*	264,700	0.20
26.	Lee Tong Choo	261,000	0.20
27.	Chong Thin Tuck	251,400	0.19
28.	Chia Seong Pow	212,800	0.16
29.	Phur Hock Beng	211,300	0.16
30.	Chai Koon Khow	196,300	0.15
	Total	**103,717,522**	**79.68**

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

1. Introduction

LTKM had on 3 July 2018 announced its intention to seek shareholders' approval of the "Proposed Renewal of Authority for Share Buy-Back" at the forthcoming Twenty-First Annual General Meeting ("21st 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 21st 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 3 July 2018, the total number of issued shares of the Company is 130,104,006 ordinary shares. Up to 3 July 2018, 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 2018, the Retained Profits of the Company and the Group stood at RM31,344,929 and RM127,805,500 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-First 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 29 June 2018 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 13,010,400 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 29 June 2018				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	2.66	84,353,906	64.84	3,458,116	2.42	84,353,906	72.04
Datin Lim Hooi Tin	600,000	0.46	84,353,906	64.84	600,000	0.42	84,353,906	72.04
Tan Chee Huey	312,000	0.24	4,076,900	3.13	312,000	0.22	4,076,900	3.48
Ooi Hoy Bee @ Ooi Hooi Bee	150,000	0.12	-	-	150,000	0.10	-	-
Datuk Ir. Kamarudin bin Md Derom	-	-	-	-	-	-	-	-
Tan Kah Poh	-	-	-	-	-	-	-	-
Goh Kean Hoe	-	-	-	-	-	-	-	-

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

6. Directors and Substantial Shareholders' Interest *cont'd*

Substantial Shareholders

	As At 29 June 2018				After the Proposed Share Buy-Back			
	Direct		Indirect		Direct		Indirect	
Substantial Shareholders	**No. of Shares**	**%**	**No. of Shares**	**%**	**No. of Shares**	**%**	**No. of Shares**	**%**
Ladang Ternakan Kelang Sdn Bhd	79,785,006	61.32	-	-	79,785,006	55.75	-	-
Datuk Tan Kok	3,458,116	2.66	84,353,906	64.84	3,458,116	2.42	84,353,906	72.04
Datin Lim Hooi Tin	600,000	0.46	84,353,906	64.84	600,000	0.42	84,353,906	72.04

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 2018, the issued and paid-up share capital of the Company is RM65,052,003 comprising of 130,104,006 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.

7. Financial Effects *cont'd*

(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 29 June 2018, the public shareholding spread of the Company was 30.35%.

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

cont'd

11. Directors' Statement

This Statement has been seen and approved by the Board on 3 July 2018 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-First Annual General Meeting.

Notice of Twenty-First Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Twenty-First Annual General Meeting of the Company will be held at Merrida Hotel, No. 18A, Lebuh Enggang, Off Persiaran Sultan Ibrahim, 41050 Klang, Selangor Darul Ehsan on Thursday, 6th September 2018 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 2018 together with the Directors' and Auditors' Reports thereon. ***Please refer to Note B of this Notice.***

2. To approve a single-tier Final Dividend of 1 sen per ordinary share for the financial year ended 31 March 2018. ***Resolution 1***

3. To approve the Directors' Fees of up to RM380,000 and benefits payable in respect of the eighteen (18) months from 1 April 2018 up to the next Annual General Meeting of the Company to be held in 2019. ***Resolution 2***

4. To re-elect Datuk Ir. Kamarudin bin Md Derom who is retiring in accordance with Article 83 of the Company's Constitution. ***Resolution 3***

5. To re-elect Datuk Tan Kok who is retiring in accordance with Article 83 of the Company's Constitution. ***Resolution 4***

6. To re-elect Mr. Goh Kean Hoe who is retiring in accordance with Article 87 of the Company's Constitution. ***Resolution 5***

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

SPECIAL BUSINESS

To consider and, if thought fit, to pass with or without modifications, the following Resolutions:-

8. **Ordinary Resolution**
   - **Authority For Directors To Allot And Issue Shares**

     "**THAT** pursuant to Section 75 and 76 of the Companies Act, 2016, the Directors be and are hereby authorized to allot and issue shares in the Company at any time until the conclusion of the next Annual General Meeting and 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 10% of the issued and paid-up share capital of the Company for the time being, subject always to the approvals of the relevant regulatory authorities." ***Resolution 7***

9. **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 and paid-up share capital of the Company;

(b) the maximum amount of funds to be allocated by the Company for the purpose of purchasing its shares shall not exceed the retained profits of the Company based on the latest audited financial statements;

(c) upon completion of the purchase(s) of the shares by the Company, the shares shall be dealt with in the following manner;

(i) to cancel the shares so purchased; or

(ii) to retain the shares so purchased in treasury, either to be distributed as dividends to the shareholders of the Company and/or to be resold on the market of Bursa Securities; or

(iii) to retain part of the shares so purchased as treasury shares and cancel the remainder; or

(iv) any combination of the three.

AND THAT the authority conferred by this resolution will be effective upon the passing of this resolution and will continue to be in force until:-

(a) the conclusion of the next Annual General Meeting ("**AGM**") of the Company at which time it will lapse, unless the authority is renewed by a resolution passed at a general meeting, either unconditionally or subject to conditions; or

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

(c) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting;

whichever occurs first, but not as to prejudice the completion of purchase(s) by the Company before the aforesaid expiry date, and in any event, in accordance with the provisions of the guidelines issued by Bursa Securities or any other relevant authorities, relevant requirements and guidelines.

AND FURTHER THAT authority be and is hereby given to the Directors of the Company to do all such acts, deeds and things as they may consider expedient or necessary in the best interest of the Company (including executing all such documents as may be required) to give full effect to the 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 8***

10. **Ordinary Resolution**
- **Proposed Allocation of An Employees' Share Option Scheme to Tan Kah Poh**

"THAT pursuant to the LTKM Employees' Share Option Scheme ("Scheme") approved at the Extraordinary General Meeting held on 12 June 2015, the Board of Directors of the Company be and is hereby authorized at any time and from time to time during the duration of the Scheme, to offer and allocate to Tan Kah Poh, the Independent Non-Executive Director of LTKM, options to subscribe for new shares under the Scheme that has not yet been allocated at the point in time when the Offer is made in accordance with the By-Laws of the Scheme;

AND THAT the Board be and is hereby authorized to issue such number of new shares from time to time pursuant to the exercise of the options." ***Resolution 9***

11. **Ordinary Resolution**
    - **Authority for Datuk Ir. Kamarudin bin Md Derom To Continue In Office as Independent Non-Executive Director**

      "THAT Datuk Ir. Kamarudin bin Md Derom who has served as an Independent Non-Executive Director of the Company for a cumulative term of nineteen (19) years, be and is hereby authorized to continue to act as Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting subject to his re-election in accordance with Article 83 of the Company's Constitution in Resolution 3 above." ***Resolution 10***

ANY OTHER BUSINESS

12. 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.

NOTICE OF DIVIDEND ENTITLEMENT

NOTICE IS HEREBY GIVEN THAT a single-tier Final Dividend of 1 sen per ordinary share in respect of the financial year ended 31 March 2018, if approved by the members, will be payable on 5th October 2018 to Depositors registered in the Record of Depositors as at the close of business on 14th September 2018.

A Depositor shall qualify for entitlement only in respect of:-

a) Shares transferred to the Depositor's Securities Account before 4.00 p.m. on 14th September 2018 in respect of ordinary transfers; and

b) Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

By Order Of the Board
LTKM BERHAD

NG YIM KONG
Company Secretary

Dated: 27 July 2018
Selangor Darul Ehsan

NOTES:

A: Appointment of Proxy

a) A member of the Company entitled to attend 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 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.

b) 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.

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

d) 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.

e) 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.

f) The instrument appointing a Proxy must be deposited at the Registered Office of the Company at Unit 07-02, Level 7, Persoft Tower, 6B Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan not less than forty-eight hours before the time appointed for holding the meeting or any adjournment thereof at which the person named in the instrument proposes to vote, and in default the instrument of Proxy shall not be treated as valid.

B: Audited Financial Statements

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 votings.

C: Explanatory Notes on Special Business

a) Resolution 7 - Authority for Directors to Allot and Issue Shares

The proposed Resolution 7 under item 8 of the Agenda, if passed, will empower the Directors of the Company, from the date of the above Annual General Meeting, with the authority to allot and issue shares in the Company of up to an amount not exceeding 10% of the issued and paid-up capital of the Company for the time being for such purposes as the Directors consider would be in the best interest of the Company. This authority, unless revoked or varied at a general meeting, will expire at the next Annual General Meeting.

The general mandate sought to grant authority to Directors to allot and issue shares is a renewal of the mandate that was approved by the shareholders at the Twentieth Annual General Meeting held on 20 September 2017. The renewal of the general mandate is to provide flexibility to the Company to issue new shares without the need to convene a separate general meeting to obtain shareholders' approval so as to avoid incurring additional cost and time. The purpose of this general mandate is for possible fund raising exercises including but not limited to further placement of shares for purpose of funding current and/or future investment projects, working capital and/or acquisitions.

Up to the date of this Notice, the Company did not issue any shares pursuant to the mandate granted to the Directors at the Twentieth Annual General Meeting because there was no need for any fund raising activity for the purpose of investment, acquisition or working capital.

b) Resolution 8 - Proposed Renewal of Authority for Share Buy-Back

The proposed Resolution 8, if passed will empower the Company to purchase and/or hold up to 10 % of the issued and paid-up 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 conclusion of the next AGM of the Company.

Please refer to the Statement to Shareholders in relation to the Proposed Renewal of Authority for Share Buy-Back on pages 120 to 124 of the Annual Report 2018 for further information.

c) ***Resolution 10 - Authority for Datuk Ir. Kamarudin bin Md Derom to continue in office as Independent Non-Executive Director of the Company***

Datuk Ir. Kamarudin bin Md Derom was appointed as an Independent Non-Executive Director of the Company on 23 December 1999 and has, therefore, served the Company for nineteen (19) years as at the forthcoming Twenty-First Annual General Meeting. However, he has continued to be independent of management and free from any business or other relationship which could interfere with the exercise of independent judgement or the ability to act in the best interest of the Company; and continues to meet all the independence criteria as set out in Chapter 1 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("MMLR"). The Board based on the review and recommendation made by the Nomination Committee, has considered him to be independent and recommends that he should continue to act as Independent Non-Executive Director. Further rationale for his retention as Independent Non-Executive Director can be found on page 22 of the Annual Report.

GENERAL MEETING RECORD OF DEPOSITORS

For the purpose of determining a member who shall be entitled to attend the Twenty-First Annual General Meeting, the Company will request Bursa Malaysia Depository Sdn Bhd in accordance with Article 33 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 29 August 2018. Only depositors whose name appears on the Records of Depositors as at 29 August 2018 shall be entitled to the Twenty-First Annual General Meeting or appoint proxy/proxies to attend and/or vote in his/her stead.

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Form of Proxy

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

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

of ____
(Full Address)

being a Member of **LTKM BERHAD** hereby appoint ______________________________

______________________________ (NRIC No./Passport No.) ______________
(Full Name in Capital Letters)

of ____
(Full Address)

or failing him/(her) ______________________________ (NRIC No./Passport No.) ______________
(Full Name in Capital Letters)

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-First Annual General Meeting to be held at Merrida Hotel, No. 18A, Lebuh Enggang, Off Persiaran Sultan Ibrahim, 41050 Klang, Selangor Darul Ehsan on Thursday, 6th September 2018 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 a single-tier Final Dividend of 1 sen per ordinary share for the financial year ended 31 March 2018.		
2	Resolution 2 – To approve the Directors' Fees of up to RM380,000 and benefits payable in respect of the eighteen (18) months from 1 April 2018 up to the next Annual General Meeting of the Company to be held in 2019.		
3	Resolution 3 – To re-elect Datuk Ir. Kamarudin bin Md Derom who is retiring in accordance with Article 83 of the Company's Constitution.		
4	Resolution 4 – To re-elect Datuk Tan Kok who is retiring in accordance with Article 83 of the Company's Constitution.		
5	Resolution 5 – To re-elect Mr. Goh Kean Hoe who is retiring in accordance with Article 87 of the Company's Constitution.		
6	Resolution 6 – To re-appoint Messrs. Ernst & Young as External Auditors and to authorize the Board of Directors to fix their remuneration.		
7	**Special Business** Resolution 7 – Authority for Directors to allot and issue shares under Section 75 and 76 of the Companies Act 2016.		
8	Resolution 8 – Proposed Renewal of Authority for Share Buy-Back.		
9	Resolution 9 – Proposed Allocation of An Employees' Share Option Scheme to Tan Kah Poh.		
10	Resolution 10 – To approve Datuk Ir. Kamarudin bin Md Derom to continue in office as Independent Non-Executive Director.		

* *Strike out whichever is not applicable.*

Dated this __________ day of ______________________, 2018

Number of shares held

____
Signature of Member/Common Seal

Notes:

a) A member of a Company entitled to attend and vote at a meeting of a 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 and vote instead of the member at the meeting. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.

b) 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 thousand (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) ordinary shares.

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

d) 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.

e) 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.

f) The instrument appointing a Proxy must be deposited at the Registered Office of the Company at Unit 07-02, Level 7, Persoft Tower, 6B Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan not less than forty-eight hours before the time appointed for holding the meeting or any adjournment thereof at which the person named in the instrument proposes to vote, and in default the instrument of Proxy shall not be treated as valid.

Fold This Flap For Sealing

Then Fold Here

AFFIX
STAMP

The Company Secretary

LTKM BERHAD
(Company No. 442942-H)
Unit 07-02, Level 7, Persoft Tower
6B Persiaran Tropicana
Tropicana Golf & Country Resort
47410 Petaling Jaya
Selangor Darul Ehsan

1st Fold Here

LTKM BERHAD (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