

LTKM Berhad (Company No: 442942-H)
Condensed Consolidated Statement of Comprehensive Income
For the period ended 30 June 2023

	Note	Individual Quarter 3 months ended		Cumulative Quarter 3 months ended	
		30/06/2023 RM'000	30/06/2022 RM'000	30/06/2023 RM'000	30/06/2022 RM'000
Revenue		64,757	62,642	64,757	62,642
Cost of sales		(57,996)	(56,367)	(57,996)	(56,367)
Gross profit		6,761	6,275	6,761	6,275
Other income		3,064	3,741	3,064	3,741
Administrative expenses		(2,043)	(2,366)	(2,043)	(2,366)
Distribution expenses		(1,081)	(1,070)	(1,081)	(1,070)
Finance costs		(966)	(810)	(966)	(810)
Other expenses		(1,315)	(1,067)	(1,315)	(1,067)
Profit before tax		4,420	4,703	4,420	4,703
Taxation	B5	(1,813)	189	(1,813)	189
Profit net of tax attributable to owners of the parent		2,607	4,892	2,607	4,892
Other comprehensive loss, net of tax :					
Net change on FVOCI reserves :					
- changes in fair value		(166)	(1,716)	(166)	(1,716)
Total comprehensive income attributable to owners of the parent		2,441	3,176	2,441	3,176
Basic earnings per share attributable to owners of the parent (sen) :	B11	1.82	3.42	1.82	3.42

The condensed consolidated income statement should be read in conjunction with the audited financial statements for the year ended 31 March 2023 and the accompanying explanatory notes attached to the interim financial statements.

LTKM Berhad (Company No: 442942-H)
Condensed Consolidated Statement of Financial Position
As at 30 June 2023

	Note	As at 30 June 2023 RM'000	As at 31 Mar 2023 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		73,401	74,552
Investment properties		88,800	88,800
Land held for development		33,746	33,746
Right of use asset		5,610	5,898
Deferred tax assets		502	502
Investment securities		20,273	20,230
Other investments		911	911
		<u>223,243</u>	<u>224,639</u>
Current assets			
Biological assets		7,844	7,901
Inventories		18,572	13,576
Tax recoverables		302	302
Trade receivables		9,720	10,024
Other receivables		2,730	1,888
Prepayments		1,519	2,060
Cash and bank balances		95,390	79,602
		<u>136,077</u>	<u>115,353</u>
TOTAL ASSETS		<u>359,320</u>	<u>339,992</u>
EQUITY AND LIABILITIES			
Attributable to equity holders of the parent			
Share capital		76,696	76,696
Reserves		161,478	159,037
Total equity		<u>238,174</u>	<u>235,733</u>
Non-current liabilities			
Borrowings	B7	25,317	27,225
Lease liabilities		4,736	5,000
Deferred tax liabilities		1,796	1,867
		<u>31,849</u>	<u>34,092</u>
Current liabilities			
Borrowings	B7	43,609	43,710
Trade payables		22,917	9,669
Other payables		19,315	14,006
Lease liabilities		1,054	1,044
Hire purchase payable		18	24
Taxation		2,384	1,714
		<u>89,297</u>	<u>70,167</u>
Total liabilities		121,146	104,259
TOTAL EQUITY AND LIABILITIES		<u>359,320</u>	<u>339,992</u>

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 31 March 2023 and the accompanying explanatory notes attached to the interim financial statements.

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

	3 months ended	
	30/06/2023	30/06/2022
	RM'000	RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	4,420	4,703
Adjustments for non-cash flow:		
Depreciation of property, plant and equipment	1,161	1,128
Gain on disposal of of property, plant and equipment	-	(38)
Depreciation of right of use assets	288	296
Fair value changes in biological assets	361	929
Fair value changes in produce inventories	(59)	138
Dividend income	(95)	(304)
Interest expense	966	810
Interest income	(272)	(158)
Operating profit before working capital changes	6,770	7,504
Working capital changes in:		
Property development costs	-	(38)
Biological assets	(304)	(482)
Inventories	(4,937)	(4,068)
Receivables	3	(1,329)
Payables	18,557	4,123
Cash generated from operating activities	20,089	5,710
Net taxes paid	(1,213)	(138)
Interest paid	(966)	(742)
Net cash generated from operating activities	17,910	4,830
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of:		
Property, plant & equipment	(10)	(188)
Investment securities	(235)	-
Proceeds from disposal of:		
Property, plant and equipment	-	85
Investment securities	26	1,913
Interest received	272	158
Dividend received	95	304
Net cash generated from investing activities	148	2,272
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of term loans	(2,103)	(776)
Net drawdown of other bank borrowings	94	37
Repayment of hire purchase	(7)	(7)
Payment of lease liabilities	(254)	(341)
Net cash used in financing activities	(2,270)	(1,087)
Net change in cash and cash equivalents	15,788	6,015
Cash and cash equivalents at 1 April	79,602	49,444
Cash and cash equivalents at end of the year	95,390	55,459
Cash and cash equivalents comprise the following amounts:-		
Deposits with licensed banks	24,154	26,486
Cash on hand and at bank	71,236	28,973
Cash and bank balances	95,390	55,459
	95,390	55,459

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 March 2023 and the accompanying explanatory notes attached to the interim financial statements.

LTKM Berhad (Company No: 442942-H)
Condensed Consolidated Statements of Changes in Equity
For the period ended 30 June 2023

	<-----Attributable to equity holders of the parent----->			
	Share capital RM'000	Fair Value Through Other Comprehensive Income Reserve RM'000	Retained earnings RM'000	Total equity RM'000
3 months ended 30 June 2023				
At 1 April 2023	76,696	(6,091)	165,128	235,733
Total comprehensive (loss)/profit	-	(166)	2,607	2,441
Profit net of tax	-	-	2,607	2,607
Other comprehensive loss, net of tax	-	(166)	-	(166)
At 30 June 2023	<u>76,696</u>	<u>(6,257)</u>	<u>167,735</u>	<u>238,174</u>
3 months ended 30 June 2022				
1 April 2022	76,696	(4,433)	144,185	216,448
Total comprehensive loss	-	(1,716)	4,892	3,176
Loss net of tax	-	-	4,892	4,892
Other comprehensive income, net of tax	-	(1,716)	-	(1,716)
At 30 June 2022	<u>76,696</u>	<u>(6,149)</u>	<u>149,077</u>	<u>219,624</u>

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 March 2023 and the accompanying explanatory notes attached to the interim financial statements.

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

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

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 March 2023. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 March 2023.

The accounting policies and methods of computation adopted in the interim financial statements are consistent with those of the audited financial statements for the year ended 31 March 2023, except for the adoption of the following new and revised Malaysian Financial Reporting Standards (“MFRS”) and Amendments to MFRSs that have become effective for the financial periods beginning 1 April 2023:

MFRS 17: Insurance Contracts	1 January 2023
Amendments to MFRS 17: Insurance Contracts – Initial Application of MFRS 17 and MFRS 9 – Comparative Information	1 January 2023
Amendments to MFRS 101: Classification of Liabilities as Current or Non-Current and Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023

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

Description	Effective date for financial periods beginning on or after
Amendments to MFRS 16: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101: Non-Current Liabilities with Covenants	1 January 2024
Amendments to MFRS 107: Statement of cash Flows and MFRS 7: Financial Instruments: Disclosure – Supplier Finance Arrangement	1 January 2024
Amendments to MFRS 10 and MFRS 128: Sale of Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

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

A2. Audit Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the year ended 31 March 2023 was not qualified.

A3. Segmental Information

	3 months ended		
	30-Jun-23	30-Jun-22	Change
	RM'000	RM'000	%
Segment revenue			
Poultry & related products	62,819	61,033	3%
Extraction & sale of sand	1,848	1,519	22%
Investment holdings	90	90	0%
Total	<u>64,757</u>	<u>62,642</u>	<u>3%</u>
Segment results			
Poultry & related products	4,776	5,289	-10%
Extraction & sale of sand	320	83	286%
Investment holdings	(563)	(638)	12%
Property development	(113)	(31)	-264%
Profit before tax	<u>4,420</u>	<u>4,703</u>	<u>-6%</u>
Less: Taxation	(1,813)	189	-1059%
Profit net of tax	<u>2,607</u>	<u>4,892</u>	<u>-47%</u>

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

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the financial quarter ended 30 June 2023.

A5. Changes in Estimate

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

A6. Comments about Seasonal or Cyclical Factors

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

A7. Dividends Paid

There was no dividend paid for the quarter under review.

A8. Carrying Amount of Fixed Assets

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

A9. Debt and Equity Securities

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

A10. Changes in Composition of the Group

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

A11. Changes in Contingent Liabilities and Contingent Assets

There were no changes in other contingent liabilities or contingent assets since the last annual balance sheet as at 31 March 2023.

A12. Profit for the Period

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

	Current Quarter	
	3 months ended	
	30-Jun-23	30-Jun-22
	(RM'000)	(RM'000)
Interest income	272	158
Other income including investment income	2,647	3,462
Interest expense	(966)	(810)
Depreciation & amortisation	(1,449)	(1,424)
Fair value changes on biological assets	(302)	(1,067)
Provision for and write off of receivables	-	-
Provision for and write off of inventories	-	-
Gain on disposal of :		
Quoted shares	-	-
Unquoted investments	-	-
Properties	-	-
Impairment of assets	-	-
Foreign exchange (loss)/gain:-		
Realised gain	145	121
Unrealised gain/(loss)	(953)	-
Gain/(loss) on derivatives	-	-
Exceptional items	-	-

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

	Current Quarter RM'000	Preceding Year Corresponding Quarter RM'000	Change %
Segment revenue			
Poultry & related products	62,819	61,033	3%
Extraction & sale of sand	1,848	1,519	22%
Investment holdings	90	90	0%
Total	64,757	62,642	3%
Segment result			
Poultry & related products	4,776	5,289	-10%
Extraction & sale of sand	320	83	286%
Investment holdings	(563)	(638)	12%
Property development	(113)	(31)	-264%
Profit before tax	4,420	4,703	-6%
Less: Taxation	(1,813)	189	-1059%
Profit net of tax	2,607	4,892	-47%

The Group registered a revenue of RM64.76 million and a profit net of tax of RM2.61 million for the current quarter as compared to a revenue of RM62.64 million and a profit net of tax of RM4.89 million in the same quarter of previous year. Revenue for the Group increased by 3% due to higher average selling price of eggs. The poultry segment's result decreased by 10% due to lower other income and higher other expenses as compared to the same quarter of previous year.

Extraction and sale of sand segment recorded higher earnings in tandem with higher revenue due to increase in sand mining activities and lower fuel cost incurred.

There are no other material earnings contribution from the other segments.

B2. Variation of result Against Preceding Quarter

	Current Quarter	Immediate Preceding Quarter	Change
	RM'000	RM'000	%
Segment revenue			
Poultry & related products	62,819	62,629	0%
Extraction & sale of sand	1,848	2,087	-11%
Investment holdings	90	90	0%
Total	64,757	64,806	0%
Segment result			
Poultry & related products	4,776	18,592	-74%
Extraction & sale of sand	320	(700)	146%
Investment holdings	(563)	(653)	14%
Property development	(113)	(41)	-175%
Profit before tax	4,420	17,198	-74%

The Group posted profit before tax of RM4.42 million for the current quarter as compared to profit before tax RM17.20 million in the preceding quarter. The Group recorded lower profit before tax in the current quarter as compared to previous quarter mainly due to higher government subsidies received in the previous quarter.

B3. Commentary on Prospects

The Board foresees the next period to continue to be profitable due to strong export eggs prices. Nonetheless management shall continue to focus on efficiencies at the farm to minimise any volatilities and disruption to the business operations.

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

B4. Profit Forecast or Profit Guarantee

This is not applicable.

B5. Tax Expenses

	3 months ended	3 months ended
	30.6.23	30.6.22
	RM'000	RM'000
Income tax expense	1,885	65
Deferred tax (reversal)/expense	(72)	(254)
Total	1,813	(189)

The effective tax rate is higher than the statutory rate of 24% due mainly to the effects of unallowable expenses.

B6. Corporate Proposals

(a) Status of Corporate Proposals

There were no corporate proposals announced but not completed as at 11 August 2023 except for the Proposals as announced by the Company on 8 April 2022 and its subsequent announcements.

On 18 May 2023, the applications in relation to the Proposals which incorporated the variations to the Proposals as announced on 10 March 2023 and amended salient terms of the Proposed Disposals and Proposed Acquisition as announced on 10 May 2023 were submitted to Securities Commission Malaysia.

b) Status of Utilisation of Proceeds

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

B7. Borrowings

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

	As at 30.6.2023 RM'000	As at 30.6.2022 RM'000
Short term		
<i>Secured:-</i>		
Revolving credit	9,000	9,000
Banker acceptance	2,793	3,033
Bank term loans	9,557	7,795
	21,350	19,828
<i>Unsecured:-</i>		
Revolving credit	10,750	14,500
Banker acceptance	11,509	9,667
	22,259	24,167
	43,609	43,995
Long term		
<i>Secured:-</i>		
Bank term loans	25,317	32,105
	68,926	76,100
Total borrowings	68,926	76,100

b) There were no borrowings in foreign currency as at 30 June 2023.

c) Effective average cost of borrowings based on exposure as at 30 June 2023 was 5.34% (30 June 2022: 4.30%).

B8. Off Balance Sheet Financial Instrument

There were no off-balance sheet financial instruments as at 30 June 2023.

B9. Changes in Material Litigations

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

B10. Dividend Payable

No dividend has been declared in the financial period ended 30 June 2023.

B11. Earnings per share (“EPS”)

	3 months ended	
	30-Jun-23	30-Jun-22
	RM'000	RM'000
Profit attributable to ordinary shareholders of the parent	2,607	4,892
Number of shares in issue ('000)	143,114	143,114
Basic EPS (sen per share)	1.82	3.42

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

B12. Authorisation for Issue

The interim financial statements were authorized for issue by the Board of Directors in accordance with resolution of the directors on 18 August 2023.

B13. Dividends Paid / Declared

Dividend paid / declared since the financial year 2020 up to the date of this report.

Dividend No.	Financial Year	Type	No. of shares (000)	Rate	RM ('000)	Payment Date
36	2020	Interim dividend	130,104	0.5 sen per share, single tier	650	3.4.2020