

LTKM Berhad (Company No: 442942-H)
Condensed Consolidated Statement of Comprehensive Income
For the quarter ended 30 June 2014

	Note	Individual Quarter 3 months ended		Cumulative Quarter 3 months ended	
		30/6/2014 RM'000	30/6/2013 RM'000	30/6/2014 RM'000	30/6/2013 RM'000
Revenue		45,248	43,540	45,248	43,540
Cost of sales		(33,876)	(33,841)	(33,876)	(33,841)
Gross profit		11,372	9,699	11,372	9,699
Other income		889	901	889	901
Administrative expenses		(1,429)	(1,343)	(1,429)	(1,343)
Distribution expenses		(636)	(698)	(636)	(698)
Finance costs		(265)	(270)	(265)	(270)
Other expenses		(44)	-	(44)	-
Profit before tax		9,887	8,289	9,887	8,289
Taxation	B5	(2,755)	(2,229)	(2,755)	(2,229)
Profit net of tax attributable to owners of the parent		7,132	6,060	7,132	6,060
Other comprehensive income:-					
Net gain on fair value changes of :-					
- Available for sale assets		660	-	660	-
Total comprehensive income attributable to owners of the parent		7,792	6,060	7,792	6,060

LTKM Berhad (Company No: 442942-H)
Condensed Consolidated Statement of Financial Position
As at 30 June 2014

	Note	As at 30 June 2014 RM'000	As at 31 Mar 2014 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		68,516	69,822
Investment properties		40,500	40,500
Biological assets		336	336
Other receivables		-	1,324
Investment securities		31,004	29,299
		<u>140,356</u>	<u>141,281</u>
Current assets			
Biological assets		13,843	13,180
Inventories		12,821	17,501
Tax recoverables		162	35
Trade and other receivables		14,131	12,018
Cash and bank balances		22,261	21,335
		<u>63,218</u>	<u>64,069</u>
TOTAL ASSETS		<u>203,574</u>	<u>205,350</u>
EQUITY AND LIABILITIES			
Attributable to equity holders of the parent			
Share capital		43,368	43,368
Reserves		122,558	114,767
Total equity		<u>165,926</u>	<u>158,135</u>
Non-current liabilities			
Borrowings	B7	5,090	5,770
Deferred tax liabilities		5,963	5,963
		<u>11,053</u>	<u>11,733</u>
Current liabilities			
Trade and other payables		11,414	8,382
Dividend payable		-	3,469
Hire purchase payables		171	340
Borrowings	B7	13,191	21,798
Taxation		1,819	1,493
		<u>26,595</u>	<u>35,482</u>
Total liabilities		37,648	47,215
TOTAL EQUITY AND LIABILITIES		<u>203,574</u>	<u>205,350</u>

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 31 March 2014 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 June	
	2014	2013
	RM'000	RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax from continuing operations	9,887	8,289
Adjustment for non-cash flow		
Depreciation of property, plant & equipment	2,206	2,100
Amortisation of biological assets	9	3
Gain on disposal of property, plant and equipment	(38)	-
Fair value (gain)/loss on investment securities	55	(469)
Gain on disposal of investment securities	(40)	(18)
Unrealised exchange gain	16	(31)
Operating profit before changes in working capital	12,095	9,874
Increase in biological assets	(672)	(465)
Decrease in property development costs	-	3,444
Decrease in inventories	4,680	2,086
Increase in receivables	(789)	(984)
Increase/(decrease) in payables	3,032	(4,399)
Cash generated from operating activities	18,346	9,556
Net taxes paid	(2,556)	(448)
Net cash flows generated from operating activities	15,790	9,108
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant & equipment	(902)	(798)
Purchase of marketable securities	(1,531)	(4,071)
Proceeds from disposal of property, plant & equipment	40	-
Proceeds from disposal of marketable securities	454	203
Withdrawal of long-term fixed deposits	106	1,018
Net cash flows used in investing activities	(1,833)	(3,648)
CASH FLOW FROM FINANCING ACTIVITIES		
Dividends paid	(3,469)	(1,735)
Repayment of term loans	(1,575)	(1,431)
Net (repayment)/drawdown of other bank borrowings	(7,416)	12
Repayment of hire purchase	(169)	(160)
Net cash flows used in financing activities	(12,629)	(3,314)
Net change in cash and cash equivalents	1,328	2,146
Cash and cash equivalents at 1 April	20,933	17,365
Cash and cash equivalents at end of the period	22,261	19,511
Cash and cash equivalents comprise the following amounts:-		
Fixed deposits with licensed banks	11,850	10,298
Cash on hand and at bank	10,411	9,213
Cash and bank balances	22,261	19,511
	22,261	19,511

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 March 2014 and the accompanying explanatory notes attached to the interim financial statements.

LTKM Berhad (Company No: 442942-H)
Condensed Consolidated Statements of Changes in Equity
For the quarter ended 30 June 2014

	<-----Attributable to equity holders of the parent----->					Total Equity RM'000
	[------(Non- distributable)-----]			(Distributable)		
	Share capital RM'000	Share premium RM'000	Revaluation Reserve RM'000	Asset Available-for- sale Reserve RM'000	Retained profits RM'000	
3 months ended 30 June 2014						
At 1 April 2014	43,368	2,467	14,430	1,751	96,118	158,134
Total comprehensive income	-	-	-	660	7,132	7,792
At 30 June 2014	43,368	2,467	14,430	2,411	103,250	165,926
3 months ended 30 June 2013						
At 1 April 2013	43,368	2,467	12,697	-	74,794	133,326
Total comprehensive income	-	-	-	-	6,060	6,060
At 30 June 2013	43,368	2,467	12,697	-	80,854	139,386

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 March 2014 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 FRS 134: Interim Financial Reporting and Amendments to FRS 134: Interim Financial Reporting (Improvements to FRSs (2012)) and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 March 2014. 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 2014.

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 2014, except for the adoption of the following new and revised Financial Reporting Standards (“FRS”) and Amendments to FRSs that have become effective for the financial periods beginning 1 April 2014:-

Amendments to FRS 10, FRS 12 and FRS 127: Investment Entities
 Amendments to FRS 132: Offsetting Financial Assets and Financial Liabilities
 Amendments to FRS 136: Recoverable Amount Disclosures for Non-Financial Assets
 Amendments to FRS 139: Novation of Derivatives and Continuation of Hedge Accounting
 IC Interpretation 21: Levies
 Amendments to FRS 119: Defined Benefit Plans: Employee Contributions

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

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

	Effective date for financial periods beginning on or after
Amendments to FRS 119: Defined Benefit Plans: Employee Contributions	1 July 2014
Annual Improvements to FRSs 2010–2012 Cycle	1 July 2014
Annual Improvements to FRSs 2011–2013 Cycle	1 July 2014
FRS 9: Financial Instruments (IFRS 9 issued by IASB in November 2009)	To be announced
FRS 9: Financial Instruments (IFRS 9 issued by IASB in October 2010)	To be announced
FRS 9: Financial Instruments: Hedge Accounting and amendments to FRS 9, FRS 7 and FRS 139	To be announced

The above new FRSs and Amendments to FRSs will be adopted by the Group when they become effective and that the initial applications of these Standards will have no material impact on the financial

statements of the Group, except as disclosed below.

FRS 9: Financial Instruments - Classification and Measurement

FRS 9 reflects the first phase of work on the replacement of FRS 139 and applies to classification and measurement of financial assets and financial liabilities as defined in FRS 139. The standard was initially effective for annual periods beginning on or after 1 January 2013, but Amendments to FRS 9: Mandatory Effective Date of FRS 9 and Transition Disclosures, issued in March 2012, moved the mandatory effective date to 1 January 2015. Subsequently, on 14 February 2014, it was announced that the new effective date will be decided when the project is closer to completion. The adoption of the first phase of FRS 9 will have an effect on the classification and measurement of the Group's financial assets, but will not have an impact on classification and measurements of the Group's financial liabilities. The Group will quantify the effect in conjunction with the other phases, when the final standard including all phases is issued.

Malaysian Financial Reporting Standards

The Group falls within the Transitioning Entities of the Malaysian Accounting Standards Board (MASB)'s new approved accounting framework, the Malaysian Financial Reporting Standards ("MFRS"); and accordingly, will only be issuing its first MFRS compliant financial statements for the period beginning 1 April 2015.

A2. Audit Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the year ended 31 March 2014 was not qualified.

A3. Segmental Information

	3 months ended		Increase/
	30-Jun-14	30-Jun-13	(decrease)
	RM'000	RM'000	%
Segment revenue			
Poultry & related products	44,148	39,805	11%
Extraction & sale of sand	1,100	986	12%
Others	-	2,749	-100%
Total	45,248	43,540	4%
Segment results			
Poultry & related products	9,068	6,833	33%
Investment holdings	202	460	-56%
Extraction & sale of sand	649	361	80%
Others	(32)	635	-105%
Profit before tax	9,887	8,289	19%
Less: Tax expense	(2,755)	(2,229)	24%
Profit net of tax	7,132	6,060	18%

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 2014.

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

On 4 April 2014, the Company has paid an interim dividend of 8%, single-tier, in respect of the financial year ended 31 March 2014, amounted to RM3.47 million.

A8. Carrying Amount of Revalued Assets

There were other changes in the valuation of property, plant and equipment brought forward from the previous annual financial statements.

A9. Debt and Equity Securities

There were no other 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 2014.

A12. Subsequent Events

There were no material events subsequent to the end of the interim period that have not been reflected in the financial statements for the interim period.

A13. Profit for the Period

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

	3 months ended	
	30-Jun-14	30-Jun-13
Interest income	85,103	90,293
Other income including investment income	780,023	761,325
Interest expense	(265,367)	(270,438)
Depreciation & amortisation	(2,215,652)	(2,103,201)
Provision for and write off of receivables	-	-
Provision for and write off of inventories	-	-
Gain on disposal of :		
Quoted shares	39,944	18,105
Unquoted investments	-	-
Properties	-	-
Impairment of assets	-	-
Foreign exchange gain:-		
Realised gain	126,928	142,934
Unrealised (loss)/gain	(15,860)	31,397
Gain/(loss) on derivatives	-	-
Exceptional items	-	-

A14. Realised and Unrealised Profits Disclosure

	GROUP		COMPANY	
	As at 30.6.2014 (RM'000)	As at 31.3.2014 (RM'000)	As at 30.6.2014 (RM'000)	As at 31.3.2014 (RM'000)
Total retained profits of the Company and its subsidiaries :-				
Realised profits	92,464	85,734	33,930	33,876
Unrealised profits	3,928	3,617	0.2	0.2
	<u>96,392</u>	<u>89,351</u>	<u>33,930</u>	<u>33,876</u>
Add : Consolidation adjustments	6,858	6,767	-	-
Retained profits as per consolidated accounts	<u>103,250</u>	<u>96,118</u>	<u>33,930</u>	<u>33,876</u>

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

The Group registered a revenue of RM45.25 million and a net profit of RM7.13 million for the current quarter as compared to RM43.54 million and a net profit of RM6.06 million respectively, in preceding year corresponding quarter. The increase in net profit came mainly from higher margins of eggs sold.

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

B2. Comment on Material Change in Profit Before Tax

The Group posted a net profit of RM7.13 million for the current quarter as against a net profit of RM11.38 million in the preceding quarter. The Group's revenue for this quarter at RM45.25 million is marginally higher than the RM44.73 million in the preceding quarter. The drop in net profit was mainly due to other income in the preceding quarter. The preceding quarter had RM4.37 million in other income arising from fair valuation of investment properties.

The changes in contributions from other segments were not material to the Group.

B3. Commentary on Prospects

The Board sees the next period as positive as the prices of major raw materials particularly corn and soybean continue to be stable. Contributions from the Extraction and Sale of Sand and Investment Holdings segments are not expected to significantly affect the results of the Group. The other segment which comprised of Property Development is not expected to have any contributions in the current financial year as there is no development project in progress.

B4. Profit Forecast or Profit Guarantee

This is not applicable.

B5. Tax Expenses

	3 months ended 30.06.14 RM'000	3 months ended 30.06.13 RM'000
Income tax expense	2,755	2,229
Total	2,755	2,229

The effective tax rate for the current period approximates the statutory rate of 25%.

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

There were no corporate proposals announced but not completed as at 21 August 2014.

- (b) Status of Utilisation of Proceeds
Not applicable as there was no corporate proposal to raise funds.

B7. Borrowings

The total Group borrowings as at 30 June 2014 were as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
Short term borrowings			
Term loan	5,176	-	5,176
Other bank borrowings	1,500	6,515	8,015
Hire Purchase Payables	171	-	171
	6,847	6,515	13,362
Long term borrowings			
Term loan	2,042	3,048	5,090
Total borrowings	8,889	9,563	18,452

There were no borrowings in any foreign currency as at 30 June 2014.

B8. Off Balance Sheet Financial Instrument

There were no off balance sheet financial instruments as at 21 August 2014.

B9. Changes in Material Litigations

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

B10. Dividend Payable

No dividend has been declared for the financial period ended 30 June 2014 (30 June 2013 : Nil).

B11. Earnings per share (“EPS”)

	3 months ended	
	30-Jun-14 RM'000	30-Jun-13 RM'000
Profit attributable to ordinary shareholders of the parent	7,132	6,060
Number of shares	43,368,002	43,368,002
Basic EPS (sen per share)	16.45	13.97

Diluted earnings per share is 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 28 August 2014.

B13. Dividends Paid / Declared

Dividend paid and declared since the financial year 2011 up to the date of this report.

Dividend No.	Financial Year	Type	Rate	Payment Date
18	2011	Interim dividend	5% per share, single-tier	14.4.2011
19	2011	Final dividend	8% per share, single-tier	6.10.2011
20	2012	Interim dividend	5% per share, single tier	3.4.2012
21	2012	Final dividend	5% per share, single tier	4.10.2012
22	2013	Interim dividend	4% per share, single tier	8.4.2013
23	2013	Final dividend	8% per share, single tier	4.10.2013
24	2014	Interim dividend	8% per share, single tier	8.4.2014
25	2014	Final dividend*	10% per share, single tier	3.10.2014

*subject to shareholders approval at forthcoming AGM.