

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 2016.

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		12 months ended	
	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14
	RM'000	RM'000	RM'000	RM'000
Segment revenue				
Poultry & related products	48,928	43,735	188,686	169,569
Extraction & sale of sand	1,058	990	3,951	3,776
Others	-	-	-	4,719
Total	49,986	44,725	192,637	178,064
Segment results				
Poultry & related products	13,518	8,219	46,188	29,508
Investment holdings	12,421	4,194	11,321	4,852
Extraction & sale of sand	860	286	2,059	810
Others	(24)	(69)	(130)	1,001
Profit before tax	26,775	12,630	59,438	36,171
Less: Tax expense	(3,425)	(1,250)	(13,304)	(7,908)
Profit net of tax	23,350	11,380	46,134	28,263

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

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the financial quarter ended 31 March 2015.

A5. Changes in Estimate

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

A6. Comments about Seasonal or Cyclical Factors

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

A7. Dividends Paid

There was no dividend paid during the quarter under review.

A8. Carrying Amount of Revalued Assets

During the quarter under review, a revaluation exercise was carried out on land and buildings classified under properties, plant and equipment in accordance with the Group's accounting policy. The revaluation resulted in a surplus of RM21.73 million (RM15.20 million has been taken up as prior year adjustments) being included in asset revaluation reserve. Revaluation was also carried out on properties classified as investment properties, giving rise to RM11.73 million net gain included in profit or loss. The valuations were carried out by professional independent valuers i.e Jordan Lee & Jaafar (M'cca) Sdn Bhd and Henry Butcher Malaysia (Selangor) Sdn Bhd respectively.

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

A9. Debt and Equity Securities

There were no 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):-

	Current Quarter 3 months ended		Current Quarter 12 months ended	
	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14
Interest income	181,752	132,868	478,591	457,143
Other income including investment income	13,489,581	4,895,451	14,260,541	6,994,122
Interest expense	(166,826)	(325,901)	(842,062)	(1,194,060)
Depreciation & amortisation	(1,605,516)	(1,992,879)	(7,822,809)	(8,826,978)
Provision for and write off of receivables	(391,839)	(1,176,566)	(391,839)	(1,176,566)
Provision for and write off of inventories	-	-	-	-
Gain on disposal of :				
Quoted shares	33,406	(4,845)	112,435	34,717
Unquoted investments	-	-	-	-
Properties	-	-	-	-
Impairment of assets	(674,680)	(259,807)	(1,277,930)	(675,419)
Foreign exchange gain:-				
Realised gain	253,302	233,453	958,788	896,373
Unrealised (loss)/gain	43,016	2,700	185,045	53,474
Gain/(loss) on derivatives	-	-	-	-
Exceptional items	-	-	-	-

A14. Realised and Unrealised Profits Disclosure

	Group		Company	
	As at 31.3.2015 (RM'000)	As at 31.3.2014 (RM'000)	As at 31.3.2015 (RM'000)	As at 31.3.2014 (RM'000)
Total retained profits of the Company and its subsidiaries :-				
Realised profits	99,304	85,734	40,089	33,876
Unrealised profits	15,397	3,617	0.2	0.2
	<u>114,701</u>	<u>89,351</u>	<u>40,089</u>	<u>33,876</u>
Add : Consolidation adjustments	18,878	6,767	-	-
Retained profits as per consolidated accounts	<u>133,579</u>	<u>96,118</u>	<u>40,089</u>	<u>33,876</u>

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

The Group registered a revenue of RM49.99 million and a net profit of RM23.35 million for the current quarter as compared to RM44.73 million and a net profit of RM11.38 million in preceding year corresponding quarter. The increase in revenue was primarily contributed by strong egg prices which resulted in an increase of 12% in the poultry segment revenue. The poultry segment profit increased by 64% while the RM11.73 million arising from the revaluation of investment properties resulted in the Group's net profit to increase by 105% as compared to preceding year corresponding period.

For the full financial year, the Group recorded a revenue of RM192.64 million and a net profit of RM46.13 million as compared to a revenue of RM178.06 million and net profit of RM28.26 million in the previous financial year. The strong egg prices resulted in increase in poultry segment revenue by 11% and its segment profit by over 57%. In addition, the revaluation gain of RM11.73 million from investment properties caused the Group's net profit to jump by 63% as compared to previous financial year.

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

B2. Comment on Material Change in Profit Before Tax

The Group posted a profit before tax of RM26.78 million for the current quarter as against a profit before tax of RM11.62 million in the preceding quarter. The Group's revenue for this quarter at RM49.99 million is similar to the RM49.28 million recorded in the preceding quarter. The higher profit was mainly from the RM11.73 million other income arising from the revaluation of investment properties in the current quarter.

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

B3. Commentary on Prospects

The Board views the next period as challenging due to the lower selling prices of eggs even though the costs of major raw materials such as corn and soybean are expected to be sustainable. Contributions from the Extraction and Sale of Sand is not expected to significantly differ whilst the other segments are not expected to generate material contributions in the near future.

B4. Profit Forecast or Profit Guarantee

This is not applicable.

B5. Tax Expenses

	12 months ended 31.3.15 RM'000	12 months ended 31.3.14 RM'000
Income tax expense	13,048	8,894
Deferred tax	256	(986)
Total	13,304	7,908

The effective tax rate for the current period is lower than the statutory rate due primarily to untaxable and unrealized income.

B6. Corporate Proposals

(a) Status of Corporate Proposals

On 7 April 2015, LTKM has announced to undertake the following proposals:

- (i) bonus issue of 21,684,001 Bonus Shares to be credited as fully paid-up, on the basis of 1 Bonus Share for every 2 existing LTKM Shares held on the Bonus Issue Entitlement Date;
- (ii) share split involving the subdivision of every 1 LTKM Share held into 2 Subdivided Shares on the Share Split Entitlement Date;
- (iii) establishment of an employees' share option scheme of up to 10% of the issued and paid-up ordinary share capital (excluding treasury shares, if any) of LTKM at any point in time during the duration of the Scheme for the Eligible Persons; and
- (iv) amendments to the M&A of LTKM to facilitate the Proposed Share Split.

Bursa Securities had via its letter dated 13 May 2015 approved the following:

- (i) listing of and quotation for the Bonus Shares and new ordinary shares in LTKM to be issued from time to time pursuant to the exercise of the Options on the Main Market of Bursa Securities; and
- (ii) the Proposed Share Split and listing of and quotation for the Subdivided Shares to be issued pursuant to the Proposed Share Split.

Notice of an Extraordinary General Meeting and Circular to the shareholders in relation to the proposal was released on 20 May 2015 and 21 May 2015 respectively. The EGM is scheduled to be held on 12 June 2015.

(b) Status of Utilisation of Proceeds

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

B7. Borrowings

The total Group borrowings as at 31 March 2015 were as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
Short term borrowings			
Term loan	1,238	1,690	2,928
Other bank borrowings	-	6,651	6,651
	<u>1,238</u>	<u>8,342</u>	<u>9,580</u>
Long term borrowings			
Term loan	1,265	4,600	5,865
Total borrowings	<u>2,503</u>	<u>12,942</u>	<u>15,445</u>

There were no borrowings in any foreign currency as at 31 March 2015.

B8. Off Balance Sheet Financial Instrument

There were no off balance sheet financial instruments as at 31 March 2015.

B9. Changes in Material Litigations

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

B10. Dividend Payable

On 26 February 2015, the Board of Directors had declared a single-tier interim dividend of 10% per share in respect of the financial year ended 31 March 2015, amounting to RM4.34 million. It was paid on 8 April 2015 to depositors registered in the Record of Depositors at the close of business on 18 March 2015.

B11. Earnings per share ("EPS")

	3 months ended		12 months ended	
	31-Mar-15 RM'000	31-Mar-14 RM'000	31-Mar-15 RM'000	31-Mar-14 RM'000
Profit attributable to ordinary shareholders of the parent	23,350	11,380	46,134	28,263
Number of shares	43,368,002	43,368,002	43,368,002	43,368,002
Basic EPS (sen per share)	53.84	26.24	106.38	65.17

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 May 2015.

B13. Dividends Paid / Declared

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

Dividend No.	Financial Year	Type	Rate	Payment Date
22	2013	Interim dividend	4% per 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
26	2015	Interim dividend	10% per share, single tier	8.4.2015