

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			9 months ended		
	31-Dec-23 RM'000	31-Dec-22 RM'000	Change %	31-Dec-23 RM'000	31-Dec-22 RM'000	Change %
Segment revenue						
Poultry & related products	62,240	64,437	-3%	189,332	187,188	1%
Extraction & sale of sand	2,508	1,560	61%	6,811	5,008	36%
Investment holdings	90	90	0%	270	270	0%
Total	64,838	66,087	-2%	196,413	192,466	2%
Segment results						
Poultry & related products	33,891	6,000	465%	47,917	15,819	203%
Extraction & sale of sand	699	127	450%	1,700	610	179%
Investment holdings	(1,153)	(951)	-21%	(2,283)	(1,443)	-58%
Property development	(29)	(1,600)	98%	(161)	(1,660)	90%
Profit before tax	33,408	3,576	834%	47,172	13,326	254%
Less: Taxation	(2,521)	(1,415)	-78%	(6,462)	(2,035)	-218%
Profit net of tax	30,887	2,161	1329%	40,710	11,291	261%

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 December 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		Cumulative Quarter	
	3 months ended		9 months ended	
	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Interest income	300	229	859	523
Other income including investment income	23,623	1,233	26,522	9,610
Interest expense	(1,043)	(1,000)	(3,026)	(2,788)
Depreciation & amortisation	(1,533)	(1,407)	(4,403)	(4,202)
Fair value changes on biological assets	805	170	1,255	(2,931)
Provision for and write off of receivables	-	(49)	-	(49)
Provision for and write off of inventories	-	-	-	-
Gain on disposal of :				-
Quoted shares	-	-	-	-
Unquoted investments	-	-	-	-
Properties	-	-	-	-
Impairment of assets	-	(1,540)	-	(1,540)
Foreign exchange (loss)/gain:-				
Realised gain/(loss)	64	80	187	248
Unrealised gain/(loss)	-	-	(954)	-
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 %	Current Year To date RM'000	Preceding Year Corresponding Period RM'000	Change %
Segment revenue						
Poultry & related products	62,240	64,437	-3%	189,332	187,188	1%
Extraction & sale of sand	2,508	1,560	61%	6,811	5,008	36%
Investment holdings	90	90	0%	270	270	0%
Total	64,838	66,087	-2%	196,413	192,466	2%
Segment result						
Poultry & related products	33,891	6,000	465%	47,917	15,819	203%
Extraction & sale of sand	699	127	450%	1,700	610	179%
Investment holdings	(1,153)	(951)	21%	(2,283)	(1,443)	-58%
Property development	(29)	(1,600)	98%	(161)	(1,660)	90%
Profit before tax	33,408	3,576	834%	47,172	13,326	254%
Less: Taxation	(2,521)	(1,415)	-78%	(6,462)	(2,035)	-218%
Profit net of tax	30,887	2,161	1329%	40,710	11,291	261%

The Group registered a revenue of RM64.84 million and a profit net of tax of RM30.89 million for the current quarter as compared to a revenue of RM66.09 million and a profit net of tax of RM2.16 million in the same quarter of previous financial year. Revenue for the Group decreased by 2% due to lower average selling price of eggs. However, the poultry segment's result increased by 465% mainly contributed by subsidies received from government and lower cost of major raw materials particularly corn.

For the financial year-to-date, the Group recorded a revenue of RM196.41 million and a profit net of tax of RM40.71 million as compared to revenue of RM192.47 million and profit net of tax of RM11.29 million in the corresponding period of previous financial year. Revenue increased marginally by 2%. However, the profit net of tax increased by 261% contributed mainly by subsidies received from Government and lower cost of corn and soybean which are its major raw materials.

Extraction and sale of sand segment recorded higher earnings in tandem with higher revenue due to increase in volume of sand sold.

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	62,240	64,274	-3%
Extraction & sale of sand	2,508	2,454	2%
Investment holdings	90	90	0%
Total	64,838	66,818	-3%
Segment result			
Poultry & related products	33,891	9,250	266%
Extraction & sale of sand	699	681	3%
Investment holdings	(1,153)	(568)	-103%
Property development	(29)	(19)	-55%
Profit before tax	33,407	9,344	258%

The Group posted profit before tax of RM33.41 million for the current quarter as compared to profit before tax RM9.34 million in the preceding quarter. The Group recorded higher profit before tax in the current quarter as compared to previous quarter mainly contributed by subsidies received from Government and lower cost of major raw materials particularly corn.

B3. Commentary on Prospects

The Board foresees the next period to be volatile due to fallen export prices and uncertainty of price control continuity in the local market. 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

	9 months ended 31.12.23 RM'000	9 months ended 31.12.22 RM'000
Income tax expense	6,161	2,738
Deferred tax expense/(reversal)	301	(703)
Total	6,462	2,035

The effective tax rate is lower than the statutory rate of 24% due mainly to exempted income in the current period where else the comparative period had utilized business losses brought forward.

B6. Corporate Proposals

(a) Status of Corporate Proposals

On 5 October 2023, LTKM and the Vendors had entered into a termination letter agreement to mutually terminate the Proposed Acquisition in accordance with the terms of the Acquisition SSA which also culminated to the termination of the entire Proposals which was first announced on 8 April 2022 (and its subsequent announcements). The reasons of the termination were due to both parties, LTKM and Local Assembly having experienced contrasting financial performance as opposed to their respective financial performance at the inception of the Proposals.

Other than professional fees incurred for the Proposals, the termination of the Proposals did not have material financial impact to LTKM.

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 31.12.2023 RM'000	As at 31.12.2022 RM'000
Short term		
<i>Secured:-</i>		
Revolving credit	14,250	9,000
Banker acceptance	3,758	1,718
Bank term loans	8,882	9,212
	26,890	19,930
<i>Unsecured:-</i>		
Revolving credit	8,000	11,250
Banker acceptance	12,006	8,215
	20,006	19,465
	46,896	39,395
Long term		
<i>Secured:-</i>		
Bank term loans	21,296	27,422
	21,296	27,422
Total borrowings	68,192	66,817

b) There were no borrowings in foreign currency as at 31 December 2023.

c) Effective average cost of borrowings based on exposure as at 31 December 2023 was 5.28% (31 December 2022: 5.26%).

B8. Off Balance Sheet Financial Instrument

There were no off-balance sheet financial instruments as at 31 December 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

On 22 February 2024, the Board of Directors has declared a special dividend of 10 sen per ordinary share in respect of the financial year 31 March 2024, to be paid on 2 April 2024. The entitlement date for the dividend payment is 13 March 2024.

B11. Earnings per share (“EPS”)

	3 months ended		9 months ended	
	31-Dec-23 RM'000	31-Dec-22 RM'000	31-Dec-23 RM'000	31-Dec-22 RM'000
Profit attributable to ordinary shareholders of the parent	30,887	2,161	40,710	11,291
Number of shares in issue ('000)	143,114	143,114	143,114	143,114
Basic EPS (sen per share)	21.58	1.51	28.45	7.89

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 22 February 2024.

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
37	2024	Special dividend	143,114	10 sen per share, single tier	14,311	2.4.2024
36	2020	Interim dividend	130,104	0.5 sen per share, single tier	650	3.4.2020