LTKM BERHAD (442942-H)
102, Batu 1 1/2, Jalan Meru, 41050 Klang
Selangor Darul Ehsan, Malaysia
Tel : 03 3342 2830 Fax : 03 3341 1967

LTK

LTKM BERHAD (442942-H)

www.ltkm.com.my

2007 ANNUAL REPORT

Have a LTK Omega Plus a day keep doctor away!

Omega-3 polyunsaturated fatty acids are found naturally in some food. Egg is one of them. LTK Omega Plus, produced from **100% natural vegetarian feed** and **100% natural colouring**, have **5 times more Omega-3** and **4 times more vitamin E** compare to an ordinary egg. LTK Omega Plus, a healthier egg, your preferred choice.

LTK (Melaka) Sdn Bhd (156852-X) *A wholly-owned subsidiary of LTKM Berhad*
Head Office : 102, Batu 1½, Jalan Meru, 41050 Klang, Selangor, Malaysia
Tel : 03-3342 2831 Fax : 03-3341 1967

LTK Omega Plus

Omega-3 Pill

- With all the 3 Major Omega-3 fatty acids - DHA, EPA & ALA.
- 100% natural vegetarian feed, soyabean, corn, flaxseed etc. No animal by-product.
- 5 times more Omega-3 & 4 times more vitamin E.
- No synthetic colouring. Only richer natural carotenoids in the yolk.
- Very little effect on cholesterol for most healthy people.
- Contain highest nutritional quality protein of any food.
- The only egg produce under license by MARDITECH.

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Tel : 03-3342 2831 Fax : 03-3341 1967

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NOTICE OF TENTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Tenth Annual General Meeting of the Company will be held at Kelab Golf Sultan Abdul Aziz Shah, 1 Rumah Kelab, Jalan Kelab Golf 13/6, 40100 Shah Alam, Selangor Darul Ehsan on Tuesday, 28 August 2007 at 10.00 a.m. for the purpose of transacting the following business:

AGENDA

ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 March 2007 together with the Directors' and Auditors' Reports thereon.

2. To approve a final dividend of 7% less 27% income tax for the financial year ended 31 March 2007. ***Resolution 1***

3. To approve the payment of Directors' fees for the financial year ended 31 March 2007. ***Resolution 2***

4. To re-elect the following Directors who are retiring in accordance with Article 83 of the Company's Articles of Association:

   a) Encik Ahmad Khairuddin bin Ilias ***Resolution 3***
   b) Encik Kamarudin bin Md Derom ***Resolution 4***

5. To re-appoint Messrs. Ernst & Young as Auditors, and to authorise the Board of Directors to fix their remuneration. ***Resolution 5***

SPECIAL BUSINESS

6. To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

   "THAT pursuant to Section 132D of the Companies Act, 1965, the Directors be and are hereby authorised to 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 6***

ANY OTHER BUSINESS

7. To transact any other business of the Company of which due notice shall have been given in accordance with the Company's Articles of Association and the Companies Act, 1965.

NOTICE OF DIVIDEND ENTITLEMENT

NOTICE IS HEREBY GIVEN THAT a final dividend of 7% less 27% income tax in respect of the financial year ended 31 March 2007, if approved by the members, will be payable on 8 October 2007 to Depositors registered in the Record of Depositors at the close of business on 10 September 2007.

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 10 September 2007 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
OOI HOY BEE @ OOI HOOI BEE
Company Secretaries

Selangor Darul Ehsan
Dated: 6 August 2007

Notes:

a) A member of the Company entitled to attend and vote at the meeting is entitled to appoint Proxy(Proxies) to attend and vote on his(her) behalf. Where a member appoints two or more Proxies to attend the same meeting, the appointment shall be invalid unless he(she) specifies the proportion of his(her) holdings to be represented by each Proxy.

b) A Proxy may but need not be a member of the Company and the provision of Section 149(1)(b) of the Companies Act, 1965 shall not apply.

c) 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.

d) The instrument appointing a Proxy must be deposited at the Registered Office of the Company at Unit 07-02, Level 7, Menara Luxor, 6B Persiaran Tropicana, 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.

Explanatory Notes On Special Business

The Ordinary Resolution No. 6 proposed under item (6) above, if passed, will give powers to the Directors to issue ordinary shares in the capital of the Company up to an aggregate amount not exceeding 10% of the issued share capital of the Company for the time being. This authority unless revoked or varied at a general meeting will expire at the next Annual General Meeting.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

Details of Directors who are standing for re-election in Agenda 4 (a) (Encik Ahmad Khairuddin bin Ilias) and Agenda 4 (b) (Encik Kamarudin bin Md Derom) of the Notice of the Tenth Annual General Meeting are laid out in page 4 of this Annual Report.

PROFILE OF DIRECTORS

Ahmad Khairuddin bin Ilias

Chairman, Independent Non-Executive Director, Chairman of Audit Committee & Member of Nomination Committee

A Malaysian, aged 49, he was appointed to the Board on 23 December 1999. He graduated with a Diploma in Architecture from University Teknologi Malaysia. Prior to joining the Company, he had his own business related to oil palm industry. Currently, he also sits on the board of several private limited companies.

Tan Kok

Managing Director, Chairman of Remuneration Committee & Chairman of Employees' Share Option Scheme (ESOS) Committee

A Malaysian, aged 56, he was appointed to the Board on 23 December 1999. He has more than 30 years of experience in poultry sector, particularly in the layer farming. He participated actively in the development of the layer industry and was appointed as the Chairman of the Sub-Committee of Layer Division of the Selangor Livestock Farmers' Association. He is also a Committee Member of the Selangor Livestock Farmers' Association. He also sits on the Board of several private limited companies.

He does not hold any directorships in other public companies

Tan Kark Bin

Executive Director, Member of Audit Committee & Member of ESOS Committee

A Malaysian, aged 57, he was appointed to the Board on 24 December 1999. He graduated with a degree in Accounting from the University of Western Australia and is a Chartered Accountant with the Malaysian Institute of Accountants and with the Institute of Chartered Accountants in Australia. He has his own public accounting firm and also sits on the Board of several private companies.

Lim Hooi Tin

Non-Independent Non-Executive Director

A Malaysian, aged 55, she was appointed to the Board on 23 December 1999. She has wide experience in the administration and management of layer farm. She also sits on the Board of several private limited companies.

Kamarudin bin Md Derom

Independent Non-Executive Director, Chairman of Nomination Committee, Member of Audit Committee & Member of Remuneration Committee

A Malaysian, aged 49, he 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. Currently, he is also the Executive Chairman of Haisan Resources Berhad and sits on the Board of several private limited companies.

Ooi Chee Seng

Independent Non-Executive Director, Member of Audit Committee, Member of Remuneration Committee & Member of Nomination Committee

A Malaysian, aged 61, he was appointed to the Board on 20 June 2001. He graduated with a degree in Science (Hons.) and Master in Agriculture Science from University of Malaya. Prior to joining the Company, he was an Associate Professor in the Institute of Biological Sciences, University of Malaya. He has wide technical knowledge in animal breeding and improvement, population and quantitative genetics, ecological and evolutionary genetics.

General Information

Madam Lim Hooi Tin is the wife of Mr Tan Kok, who are also the substantial shareholders 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.

All Directors attended all the five Board meetings held during the financial year ended 31 March 2007 except for En Kamarudin bin Md Derom who did not attend one meeting for which he had extended his apology.

CHAIRMAN'S STATEMENT

On behalf of the Board of Directors of LTKM Berhad, I am pleased to present to you our Annual Report and the Audited Financial Statements of the Company and its subsidiaries (the Group) for the financial year ended 31 March 2007.

FINANCIAL REVIEW

The Group completed its financial year with a turnover of RM85.5 million, a reduction of 4.6% from the previous year's RM89.7 million. Profit before tax was down to RM5.7 million, a significant drop of 66% from the previous year's RM16.8 million. The unfavourable drop in profit was mainly due to a major increase in feed costs and lower average selling prices of eggs more than offset the increase in egg production.

Profit after tax was RM5.4 million, as compared to RM14.8 million achieved in the previous year. The Group's net earnings per share decreased to 13.3 sen as against 36.8 sen achieved in the financial year ended 2006. The net tangible asset backing per share rose to RM2.10 as compared to RM2.04 as at 31 March 2006. The Group's net borrowings continue to remain low, at only 9.2% of shareholders' funds as at 31 March 2007.

Our premium eggs, branded under LTK Omega Plus, continued to receive favourable response from our consumers, as reflected by a 17% increase in the sales of such eggs over the 2006 figures. The number of eggs exported to Singapore remained the same, but in terms of sales value, it was a reduction of about 16%. To ensure the quality and of Omega 3 in our eggs, periodic tests were conducted by an independent third party in Singapore. In addition, samples of certain feed components undergo laboratory tests in Singapore to ensure that those ingredients are free from artificial colouring. Continuous efforts are being carried out periodically to ensure that the quality of our eggs is not compromised.

DIVIDEND

The Board has recommended a final dividend of 7 sen per share, less 27% tax for the financial year ended 31 March 2007. This is subject to the approval of the shareholders at the forthcoming Annual General Meeting. An interim tax – exempt dividend of 3 sen was paid on 15 May 2007, which meant that upon the Board's recommendation being approved at the forthcoming Annual General Meeting, the Company would have declared a total gross dividend payout of 10 sen for the financial year ended 2007 (same amount as 2006). The Board would like to continue to maintain a good dividend policy and as can be seen, the Group has been paying dividends since 2000 when it was listed on Bursa Malaysia.

PROSPECTS FOR THE FINANCIAL YEAR ENDING 2008

The Board expects the Group's operational environment to remain competitive and challenging. The challenges face by the poultry farmers and the authorities will continue to be intense as long as there are cases of the outbreak of Avian Flu. The Board is very pleased with the efficient and effective measures taken by the relevant authorities.

CHAIRMAN'S STATEMENT

Feed costs, especially corn, are expected to remain high, at early 2007 levels. The Board expects the average selling prices of eggs to adjust upward accordingly. In such situation, the Board is also confident of performing more favourably in the forthcoming financial year. The Board also like to assure its investors that its farm in Melaka has in place a very effective and efficient bio-security system and the Group will make every attempt to ensure maximum operational efficiency in every sector of its organization.

NOTE OF APPRECIATION

On behalf of the Board of Directors, I wish to express my sincere appreciation and gratitude to the Management and Staff, whose tireless contribution, dedication and commitment have resulted in the Group's excellent achievement. I would also like to thank Tan Wah and Tan Kim Hock, who had resigned as directors of the Group, for their past valuable services.

I would also like to extend our sincere appreciation and gratitude to the dedicated staff at the Department of Veterinary Services, Malaysian Agriculture Research and Development Institute (MARDI), Marditech Corporation Sdn Bhd, and SIRIM Berhad, including those at the various other government authorities for their continuing support and guidance. Last but not least, I would like to thank our valued customers, suppliers, financiers and our shareholders for their confidence and continued support to our Group.

Thank you,

AHMAD KHAIRUDDIN BIN ILIAS
Chairman

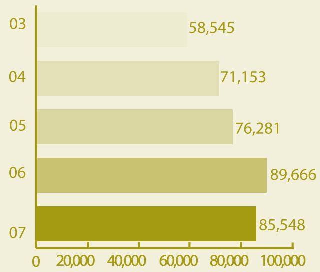
FINANCIAL HIGHLIGHTS

Year Ended 31 March		2007		2006	2005	2004	2003
		RM000		RM000	RM000	RM000	RM000
Revenue		85,548		89,666	76,281	71,153	58,545
Operating profits		6,770		17,413	6,148	8,996	2,637
Finance costs		(1,095)		(662)	(600)	(794)	(744)
Profit before tax		5,675		16,751	5,548	8,202	1,893
Profit attributable to equity holders		5,436		14,827	4,806	7,249	1,221
Share capital		40,992		40,962	40,116	40,116	40,116
Total equity		86,036		83,636	70,867	64,600	58,957
Net earnings per share - basic	sen	13.26		36.83	11.98	18.07	3.04
Net dividend per share	sen	8.11	#	8.04	4.32	5.60	2.00
Dividend yield	%	7.58	#	6.81	4.50	5.28	2.27
Net tangible asset	RM	2.10		2.04	1.77	1.61	1.47
Price-earnings ratio *	times	8.07		3.20	8.01	5.87	28.95
Net debt / total equity **	%	9.23		14.20	8.43	18.28	15.63
Closing share price	RM	1.07		1.18	0.96	1.06	0.88

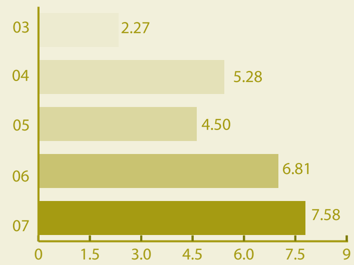
include final dividend which is subject to the approval of shareholders at the forthcoming Annual General Meeting.
* represents share price as at 31 Mar / net earnings per share.
** net debt represents total borrowings (incl. Hire purchase payables) from financial institutions - cash and bank balances - short term deposits.

FINANCIAL HIGHLIGHTS

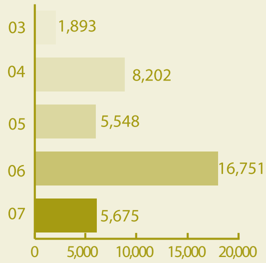
Revenue
(RM000)



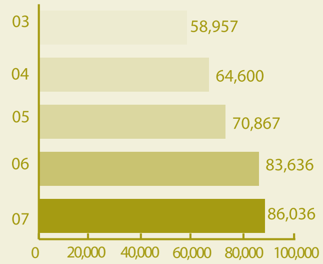
Dividend
Yield (%)



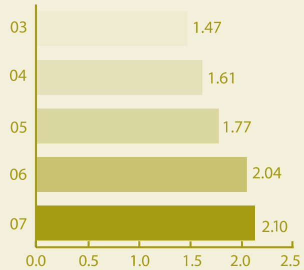
Profit Before
Tax (RM000)



Total Equity
(RM000)



Net Tangible Asset
(RM)



CORPORATE INFORMATION

BOARD OF DIRECTORS

Ahmad Khairuddin bin Ilias
(Chairman)

Tan Kok
(Managing Director)

Tan Kark Bin
(Executive Director)

Lim Hooi Tin

Kamarudin bin Md Derom

Ooi Chee Seng

AUDIT COMMITTEE

Ahmad Khairuddin bin Ilias
(Chairman & Independent Non-Executive Director)

Kamarudin bin Md Derom
(Independent Non-Executive Director)

Ooi Chee Seng
(Independent Non-Executive Director)

Tan Kark Bin
(Executive Director)

REMUNERATION COMMITTEE

Tan Kok
(Chairman & Managing Director)

Ooi Chee Seng
(Independent Non-Executive Director)

Kamarudin bin Md Derom
(Independent Non-Executive Director)

NOMINATION COMMITTEE

Kamarudin bin Md Derom
(Chairman & Independent Non-Executive Director)

Ahmad Khairuddin bin Ilias
(Independent Non-executive Director)

Ooi Chee Seng
(Independent Non-Executive Director)

EMPLOYEES' SHARE OPTION SCHEME COMMITTEE

Tan Kok *(Chairman)*
Loo Leng Fong *(Secretary)*
Tan Kark Bin *(Member)*
Tan Boon In *(Member)*

COMPANY SECRETARIES

Ng Yim Kong
Ooi Hoy Bee @ Ooi Hooi Bee

REGISTERED OFFICE

Unit 07-02, Level 7, Menara Luxor
6B Persiaran Tropicana
47410 Petaling Jaya
Selangor Darul Ehsan
Tel : 03-7804 5929
Fax : 03-7805 2559

REGISTRAR

PFA Registration Services Sdn Bhd
Level 13, Uptown 1, 1 Jalan SS21/58,
Damansara Uptown
47400 Petaling Jaya
Selangor Darul Ehsan
Tel: 03 - 7718 6000
Fax: 03 - 7722 2311

CORPORATE OFFICE & PLACE WHERE REGISTER OF OPTIONS IS KEPT

102, Batu 1 1/2 Jalan Meru
41050 Klang
Selangor Darul Ehsan
tel : 03-3342 2830
fax : 03-3341 1967
www.ltkm.com.my

AUDITORS

Ernst & Young

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad

AUDIT COMMITTEE REPORT

COMPOSITION

Members of The Committee	Designation in The Company
Ahmad Khairuddin bin Ilias *(Chairman)*	Chairman / Independent Non-Executive Director
Kamarudin bin Md Derom *(Member)*	Independent Non-Executive Director
Ooi Chee Seng *(Member)*	Independent Non-Executive Director
Tan Kark Bin *(Member)*	Executive Director

TERMS OF REFERENCE

Objective

The 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
d) determine the adequacy of the Group's administrative, operating and accounting controls.

Members

a) The 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 a majority shall be independent directors.
b) At least one member of the Committee:
   i) must be a member of the Malaysian Institute of Accountants; or
   ii) if he is not a member of the Malaysian Institute of Accountants, 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.
c) No alternate director shall be appointed as a member of the Committee.
d) The members of the Committee shall elect a Chairman from among their number who shall be an independent director.
e) The Board of Directors shall review the term of office and performance of the Committee and each of its members at least once every three years to determine whether such Committee and members have carried out their duties in accordance with their terms of reference.
f) If a member of the 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 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
f) be able to convene meetings with the external auditors, excluding the attendance of the executive members of the Committee, 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 auditor, the audit plan
   ii) with the external auditor, his evaluation of the system of internal controls
   iii) with the external auditor, his audit report
   iv) the assistance given by the employees of the Group to the external auditor
   v) the adequacy of the scope, functions 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 audit function
   vii) the quarterly results and year end financial statements focusing particularly on the changes in accounting policy, significant unusual events, and compliance with the requirements of the applicable Financial Reporting Standards, Bursa Malaysia Securities Berhad (BMSB) and other statutory authorities
   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 Group
   x) whether there is reason (supported by grounds) to believe that the Group 's external auditor is 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 the BMSB where the 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) any other functions as may be agreed to by the Committee and the Board of Directors.

Attendance and Meeting

a) The quorum of the Committee shall be two of whom the majority of members present shall be independent directors.
b) Apart from the members of the Committee who will be present at the meetings, the Committee may invite any member of the management, employees, other directors and representatives of the external auditors to be present at meetings of the Committee.
c) The Committee shall meet at least four times a year and such additional meetings as the Chairman shall decide in order to fulfill its duties. In addition, the Chairman may call a meeting of the Committee if a request is made by any Committee member, the Company's Managing Director, or the internal or external auditors.

Minutes

Minutes of each Committee meeting are to be prepared and sent to its members. The Secretary shall also circulate the minutes of meetings of the Committee to all members of the Board of Directors.

Secretary

The Company Secretary or his assistant shall be the Secretary of the Committee.

Statement on ESOS

There was no additional options allocated during the financial year under review.

General Information

The Committee, through the assistance of the Group internal audit department, has carried out the above functions during the year under review.

Please refer to the Statement of Corporate Governance for the Group internal audit department's functions and activities during the year under review.

Summary of attendance of Audit Committee meetings for the financial year ended 31 March 2007.

Member	No. of meetings attended
Ahmad Khairuddin bin Ilias	5 of 5
Kamarudin bin Md Derom	4 of 5
Ooi Chee Seng	5 of 5
Tan Kark Bin	5 of 5

CORPORATE GOVERNANCE 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. Set out herewith is the manner in which the Board has applied the Principles (the Principles) and Best Practices (the Best Practices) of the Malaysian Code on Corporate Governance (the Code).

A. BOARD OF DIRECTORS

(i) The Board

The Board consists of persons of various professional fields, business and commercial experience. The information of all the Directors is set out in the Profile of Directors.

The Board has six Directors, three of whom are 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 Board has nominated Mr. Ooi Chee Seng, a senior Independent Non-Executive Director, to whom any concern may be conveyed.

(ii) Board Responsibilities

The Board is responsible for the following:

- Reviewing and adopting a strategic plan 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.

The role of Chairman and the Managing Director are distinct and separate; the Chairman being the non-executive, is not involved in the management and day-to-day operations of the Company.

(iii) Appointments of the Board and Re-election

The Board has appointed a Nomination Committee comprising three Independent Non-Executive Directors.

The Nomination Committee's function, amongst others, is to recommend to the Board candidates for all directorship to be filled. In addition, the Committee reviews the profile of the required skills of each individual Director and assesses the effectiveness of the Board as a whole. This is to ensure that the Board has an appropriate balance of expertise and abilities.

One-third of the Board members are required to retire at every Annual General Meeting (AGM) and be subject to re-election by shareholders. Newly appointed Directors shall hold office until the next 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.

(iv) Board Meeting and Supply of Information

The Board held five meetings during the financial year to control and monitor the development of the Group. The agenda for each Board meeting is circulated to all the Directors for their perusal well in advance of the Board meeting date. They 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 Secretaries. This is augmented by regular informal dialogue between Independent Directors and management on matters pertaining to the state of the Group's affair. Where necessary, the Directors may engage independent professionals in discharging their duties at the Group's expense, provided that the Director concerned seek the Board's prior consent before incurring such expense.

(v) **Directors' Training**

All existing Directors have completed the Mandatory Accreditation Programme and accumulated the Continuing Educational Programme requisite points pursuant to the requirements of Bursa Malaysia. Directors do attend training, from time to time, to keep abreast with current issues and new statutory and regulatory requirements.

B. BOARD COMMITTEES

The Board has set up Board Committees with clear terms of reference and specific authority delegated by the Board.

Board Committees

Audit Committee (AC)
The terms of reference of the AC are set out under the AC Report. The AC meets at least four times a year.

Remuneration Committee (RC)
The responsibilities of the RC are set out in this Statement on Corporate Governance. The RC meets whenever necessary.

Nomination Committee (NC)
The responsibilities of NC are set out in this Statement on Corporate Governance. The NC meets whenever necessary.

ESOS Committee(EC)
The EC is responsible for the administration of the Company's ESOS in accordance with its approved By-Laws. The EC comprises the Managing Director, an Executive Director and two senior management staff. The EC meets whenever necessary.

C. DIRECTORS' REMUNERATION

The Board has appointed the RC comprising two Independent Non-Executive Directors and the Managing Director. The RC reviews and recommends to the Board the remuneration of the Executive and Non-Executive Directors. The respective Director would abstain from participating in decisions regarding his/her own remuneration package.

The remuneration of Executive Director is linked to corporate and individual performance. The remunerations of Non-Executive Directors are related to their experience and level of responsibilities and would be subject to the approval of the Board.

The details of the remuneration of Directors for the financial year ended 31 March 2007 are disclosed in Note 5 to the Financial Statements.

D. ACCOUNTABILITY AND AUDIT

(i) **Internal Control**

Internal Control Statement in respect of the state of Internal Control of the Company pursuant to Paragraph 15.27 (b) of the Listing Requirements

The Board acknowledges its responsibilities for establishing a sound system of internal control to safeguard shareholders' investment and the Group's assets, and to provide reasonable assurance on the reliability of the financial statements. However, any such system can only provide reasonable but not absolute assurance against material misstatement or loss. The components of the Group's internal financial control include:

- **Business system**
  The information systems operated within the Group have been developed with controls to safeguard the integrity of financial data.

- **Financial and operational reporting**
  The Group undertakes a detailed budgeting process each year. Financial and operational reports are reported monthly to the Executive Directors and to the Board on a quarterly basis. The Group's management team communicates regularly to monitor performance.

- **Authorisation limits**
  The Group has a well-defined organizational structure with a clear line of accountability, segregation of duties and strict authorization, approval and control procedures within which senior management operate.

CORPORATE GOVERNANCE STATEMENT

- **Financial controls and procedural compliance reporting**
  The Group Internal Audit regularly reports on the compliance with the internal financial control and procedures to the AC. The department also ensures that recommendations to improve controls are followed through by management.

The AC, through the Group internal audit department, regularly reviews and reveals to the Board on the adequacy and effectiveness of the accounting and operating control systems. There were no material internal control failures nor have any of the reported weaknesses resulted in material losses or contingencies during the financial year.

(ii) Financial Reporting

Directors' Responsibility Statement in respect of Audited Financial Statements pursuant to Paragraph 15.27 (a) of the Listing Requirements

The Board of Directors is responsible for preparing 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 Financial Reporting 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) Relationship with Auditors

The Company has always maintained a transparent relationship with both the internal and external auditors in seeking professional advice and towards ensuring compliance with the accounting standards in Malaysia.

E. RELATIONSHIP WITH SHAREHOLDERS

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 21 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, prior to seeking approval from the shareholders. During the meeting, the Managing Director and the Executive Director are prepared to provide responses to queries and to receive feedback from the shareholders during the meeting. The external auditors are also present to provide their professional and independent clarification on issues of concern raised by the shareholders, if any.

F. OTHER INFORMATION

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.

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 2007.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and provision of management services.

The principal activities of the subsidiaries are the operation of a poultry farm for the production and sale of chicken eggs, chickens and organic fertilizers.

There have been no significant changes in the nature of the principal activities during the financial year under review.

RESULTS

	Group RM	Company RM
Net profit for the year	5,435,757	1,697,802

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the statements of changes in equity.

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.

DIVIDEND

The dividends paid by the Company since 31 March 2006 were as follows:

	RM
In respect of the financial year ended 31 March 2006 as reported in the directors' report of that year:	
Final dividend of 7% less 28% taxation, on 40,987,002 ordinary shares, declared on 28 August 2006 and paid on 15 September 2006	2,065,745
In respect of the financial year ended 31 March 2007:	
Interim dividend of 3% tax exempt, on 40,992,002 ordinary shares, declared on 27 February 2007 and payable on 15 May 2007	1,229,760
	3,295,505

At the forthcoming Annual General Meeting, a final dividend in respect of the financial year ended 31 March 2007, of 7% less 27% taxation on 40,992,002 ordinary shares, amounting to a dividend payable of RM2,094,691 (5.11 sen net per ordinary share) 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 2008.

DIRECTORS

Ahmad Khairuddin bin Ilias
Tan Kok
Tan Kark Bin
Lim Hooi Tin
Kamarudin bin Md Derom
Ooi Chee Seng
Tan Kim Hock (Resigned on 28 February 2007)
Tan Wah (Resigned on 16 October 2006)

DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during that 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 the share options granted under the Company's Employee Share Options Scheme.

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 5 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 he is a member, or with a company in which he has a substantial financial interest, except as disclosed in Note 26 to the financial statements.

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors in office at the end of the financial year in shares and options over shares in the Company and its related corporations during the financial year were as follows:

	Number of Ordinary Shares of RM1 Each			
	1.4.2006	Acquired	Sold	31.3.2007
The Company				
Direct Interest:				
Ahmad Khairuddin bin Illias	801,000	-	-	801,000
Tan Kark Bin	533,000	-	-	533,000
Lim Hooi Tin	200,000	-	-	200,000
Indirect Interest:				
Tan Kok*	23,854,902	-	-	23,854,902
Lim Hooi Tin^	23,854,902	-	-	23,854,902
Holding Company - Ladang Ternakan Kelang Sdn. Berhad.				
Direct Interest:				
Tan Kok	5,579,200	6,732,000	-	12,311,200
Lim Hooi Tin	1,152,800	-	-	1,152,800

DIRECTORS' REPORT

DIRECTORS' INTERESTS (CONTD.)

	Number of Options Over Ordinary Shares of RM1 Each			
	1.4.2006	Granted	Forfeited	31.3.2007
The Company				
Tan Kok	400,000	-	-	400,000
Tan Kark Bin	105,000	-	-	105,000

* Deemed interest by virtue of Section 6A(4) of the Companies Act, 1965 held through his substantial shareholdings in holding company, Ladang Ternakan Kelang Sdn. Berhad.

^ Deemed interest by virtue of being the spouse of Mr. Tan Kok, a substantial shareholder of Ladang Ternakan Kelang Sdn. Berhad., which is a substantial shareholder of LTKM Berhad.

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

The LTKM Berhad Employees' Share Option Scheme ("ESOS") is governed by the by-laws approved by the shareholders at an Extraordinary General Meeting held on 25 September 2001. The ESOS was in force for a period of 5 years and was to expires on 17 October 2006.

At an Extraordinary General Meeting held on 23 February 2006, the shareholders have approved to extend the duration of the said ESOS for an additional 5 years from 17 October 2006 to 17 October 2011, without changing its salient features and other terms.

The salient features and other terms of the ESOS are disclosed in Note 19(a) to the financial statements.

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

OTHER STATUTORY INFORMATION

(a) Before the income statements and balance sheets 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 had 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 value 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.

(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 in the financial statements of the Group and of the Company 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.

Signed on behalf of the Board in accordance with a resolution of the directors dated 17 July 2007.

TAN KOK **TAN KARK BIN**

Klang, Selangor Darul Ehsan

STATEMENT BY DIRECTORS
PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT, 1965

We, **TAN KOK** and **TAN KARK BIN**, 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 22 to 66 are drawn up in accordance with applicable Financial Reporting Standards in Malaysia and the provisions of the Companies Act, 1965 so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2007 and of the results and the cash flows of the Group and of the Company for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors dated 17 July 2007.

TAN KOK **TAN KARK BIN**

Klang, Selangor Darul Ehsan

STATUTORY DECLARATION
PURSUANT TO SECTION 169(16) OF THE COMPANIES ACT, 1965

I, TAN KARK BIN, being the Director primarily responsible for the financial management of LTKM BERHAD, do solemnly and sincerely declare that the accompanying financial statements set out on pages 22 to 66 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 TAN KARK BIN at
Klang in the State of Selangor
Darul Ehsan on 17 July 2007

TAN KARK BIN

Before me,

LEE PEI NAM (B 186)
Commissioner of Oaths
Klang

AUDITORS' REPORT
TO THE MEMBERS OF LTKM BERHAD

We have audited the financial statements set out on pages 22 to 66. These financial statements are the responsibility of the Company's directors.

It is our responsibility to form an independent opinion, based on our audit, on the financial statements and to report our opinion to you, as a body, in accordance with Section 174 of the Companies Act, 1965 and for no other purpose. We do not assume responsibility to any other person for the content of this report.

We conducted our audit in accordance with applicable Approved Standards on Auditing in Malaysia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

(a) the financial statements have been properly drawn up in accordance with the provisions of the Companies Act, 1965 and applicable Financial Reporting Standards in Malaysia so as to give a true and fair view of:

  (i) the financial position of the Group and of the Company as at 31 March 2007 and of the results and the cash flows of the Group and of the Company for the year then ended; and

  (ii) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements; and

(b) the accounting and other records and the registers required by the Act to be kept by the Company and by its subsidiaries have been properly kept in accordance with the provisions of the Act.

We are satisfied that the financial statements of the subsidiaries that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification material to the consolidated financial statements and did not include any comment required to be made under Section 174(3) of the Act.

ERNST & YOUNG
AF: 0039
Chartered Accountants

Yap Seng Chong
No. 2190/12/07(J)
Partner

Kuala Lumpur, Malaysia
17 July 2007

INCOME STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2007

	Note	Group 2007 RM	Group 2006 RM	Company 2007 RM	Company 2006 RM
Revenue	3	**85,548,577**	89,666,464	**2,360,000**	9,360,000
Cost of sales		**(73,992,774)**	(65,623,087)	**-**	-
Gross profit		**11,555,803**	24,043,377	**2,360,000**	9,360,000
Other income		**664,447**	358,528	**341,052**	320,401
Distribution expenses		**(2,030,846)**	(1,875,228)	**-**	-
Administrative expenses		**(3,419,184)**	(5,113,275)	**(379,231)**	(496,462)
Operating profit		**6,770,220**	17,413,402	**2,321,821**	9,183,939
Finance costs	4	**(1,095,390)**	(661,959)	**-**	-
Profit before tax	5	**5,674,830**	16,751,443	**2,321,821**	9,183,939
Income tax expense	6	**(239,073)**	(1,924,137)	**(624,019)**	(1,152,015)
Profit attributable to equity holders of the Company		**5,435,757**	14,827,306	**1,697,802**	8,031,924
Earnings per share (sen)					
- Basic	7	**13.3**	36.8		
- Diluted	7	**13.2**	36.7		

The accompanying notes form an integral part of the financial statements.

BALANCE SHEETS
AS AT 31 MARCH 2007

		Group		Company	
	Note	2007 RM	2006 RM	2007 RM	2006 RM
ASSETS					
Non-current assets					
Property, plant and equipment	9	**67,228,711**	78,326,570	**74,693**	42,087
Investment properties	10	**10,131,688**	-	**-**	-
Prepaid lease payments	11	**1,674,082**	1,713,675	**-**	-
Investments in subsidiaries	12	**-**	-	**31,003,002**	31,003,002
Marketable securities	13	**6,175,587**	10,010,633	**5,185,229**	6,210,633
Other investment	14	**300,000**	300,000	**-**	-
		85,510,068	90,350,878	**36,262,924**	37,255,722
Current assets					
Biological assets	15	**11,543,787**	10,716,377	**-**	-
Inventories	16	**5,520,186**	4,075,520	**-**	-
Trade and other receivables	17	**6,367,720**	5,779,600	**8,789,233**	6,687,484
Dividend receivable		**-**	-	**1,460,000**	2,880,000
Cash and bank balances	18	**7,403,177**	7,347,236	**5,707,531**	4,939,135
		30,834,870	27,918,733	**15,956,764**	14,506,619
TOTAL ASSETS		**116,344,938**	118,269,611	**52,219,688**	51,762,341
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the Company					
Share capital	19	**40,992,002**	40,962,002	**40,992,002**	40,962,002
Share premium		**2,055,151**	2,053,251	**2,055,151**	2,053,251
Asset revaluation reserve	20	**3,053,904**	2,904,965	**-**	-
Retained profits	21	**39,934,594**	37,715,814	**7,020,096**	8,617,799
Total equity		**86,035,651**	83,636,032	**50,067,249**	51,633,052
Non-current liabilities					
Borrowings	22	**7,433,199**	10,574,142	**-**	-
Deferred taxation	24	**6,581,933**	7,497,992	**6,950**	-
		14,015,132	18,072,134	**6,950**	-
Current liabilities					
Trade and other payables	25	**7,149,168**	7,452,651	**915,729**	129,289
Dividend payable	8	**1,229,760**	-	**1,229,760**	-
Borrowings	22	**7,910,802**	8,647,484	**-**	-
Taxation		**4,425**	461,310	**-**	-
		16,294,155	16,561,445	**2,145,489**	129,289
Total liabilities		**30,309,287**	34,633,579	**2,152,439**	129,289
TOTAL EQUITY AND LIABILITIES		**116,344,938**	118,269,611	**52,219,688**	51,762,341

The accompanying notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2007

	Note	Share Capital RM	(Non-Distributable) Share Premium RM	Asset Revaluation Reserve RM	(Distributable) Retained Profits RM	Total RM
At 1 April 2005		40,116,002	2,008,551	2,904,965	25,837,749	70,867,267
Issue of ordinary shares	19	846,000	44,700	-	-	890,700
Net profit for the year		-	-	-	14,827,306	14,827,306
Dividends	8	-	-	-	(2,949,241)	(2,949,241)
At 31 March 2006		40,962,002	2,053,251	2,904,965	37,715,814	83,636,032
At 1 April 2006		40,962,002	2,053,251	2,904,965	37,715,814	83,636,032
Issue of ordinary shares	19	30,000	1,900	-	-	31,900
Derecognition of revaluation reserve upon disposal of revalued property, plant and equipment		-	-	(78,528)	78,528	-
Effect of adopting FRS140		-	-	(410,809)	-	(410,809)
Transfer from deferred tax		-	-	638,276	-	638,276
Net profit for the year		-	-	-	5,435,757	5,435,757
Dividend	8	-	-	-	(3,295,505)	(3,295,505)
At 31 March 2007		**40,992,002**	**2,055,151**	**3,053,904**	**39,934,594**	**86,035,651**

The accompanying notes form an integral part of the financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2007

	Note	Share Capital RM	(Non-Distributable) Share Premium RM	(Distributable) Retained Profits RM	Total RM
At 1 April 2005		40,116,002	2,008,551	3,535,116	45,659,669
Issue of ordinary shares	19	846,000	44,700	-	890,700
Net profit for the year		-	-	8,031,924	8,031,924
Dividends	8	-	-	(2,949,241)	(2,949,241)
At 31 March 2006		40,962,002	2,053,251	8,617,799	51,633,052
At 1 April 2006		40,962,002	2,053,251	8,617,799	51,633,052
Issue of ordinary shares	19	30,000	1,900	-	31,900
Net profit for the year		-	-	1,697,802	1,697,802
Dividend	8	-	-	(3,295,505)	(3,295,505)
At 31 March 2007		**40,992,002**	**2,055,151**	**7,020,096**	**50,067,249**

The accompanying notes form an integral part of the financial statements.

CASH FLOW
STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2007

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before taxation	**5,674,830**	16,751,443	**2,321,821**	9,183,939
Adjustments for:				
Depreciation of property, plant and equipment	**6,788,502**	6,019,483	**21,089**	11,104
Amortisation of prepaid lease payments	**39,593**	39,593	**-**	-
Bad debts written off	**-**	65,677	**-**	-
Write off of property, plant and equipment	**905**	694	**905**	-
Gain on disposal of property, plant and equipment	**(264,792)**	(70,473)	**-**	-
Gain on disposal of marketable securities	**(106,957)**	(140,505)	**(96,363)**	(127,634)
Reversal of provision for doubtful debt	**(2,000)**	-	**-**	-
Interest expense	**1,095,390**	661,959	**-**	-
Interest income	**(208,811)**	(121,143)	**(236,288)**	(184,367)
Operating profit before working capital changes	**13,016,660**	23,206,728	**2,011,164**	8,883,042
Increase in biological assets	**(827,410)**	(1,668,509)	**-**	-
Increase in inventories	**(1,444,666)**	(585,915)	**-**	-
Increase in receivables	**(330,242)**	(1,291,297)	**(3,591,234)**	(5,594,616)
(Decrease)/increase in payables	**(303,483)**	1,341,252	**786,440**	32,574
Cash generated from/(used in) operations	**10,110,859**	21,002,259	**(793,630)**	3,321,000
Dividend paid	**(2,065,745)**	(2,949,241)	**(2,065,745)**	(2,949,241)
Income tax paid	**(1,229,619)**	(745,209)	**(587,584)**	(1,180,500)
Income tax recovered	**-**	83,470	**-**	-
Interest paid	**(1,095,390)**	(926,125)	**-**	-
Interest received	**208,811**	121,143	**236,288**	184,367
Net cash generated from/(used in) operating activities	**5,928,916**	16,586,297	**(3,210,671)**	(624,374)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment (Note A)	**(4,699,151)**	(11,823,204)	**(54,600)**	-
Additions on prepaid lease payments	**-**	(29,779)	**-**	-
Purchase of investment property	**(1,686,602)**	-	**-**	-
Purchase of marketable securities	**(5,542,040)**	(16,500,000)	**(5,361,716)**	(7,700,000)
Proceeds from disposal of property, plant and equipment	**416,500**	70,500	**-**	-
Proceeds from disposal of marketable securities	**9,484,043**	7,629,872	**6,483,483**	2,617,001
Dividend received	**-**	-	**2,880,000**	5,000,000
Net cash (used in)/generated from investing activities	**(2,027,250)**	(20,652,611)	**3,947,167**	(82,999)

	Group 2007 RM	Group 2006 RM	Company 2007 RM	Company 2006 RM
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from issue of shares	**31,900**	890,700	**31,900**	890,700
Drawdown of term loan	**-**	8,000,000	**-**	-
Repayment of term loans	**(1,988,892)**	(2,173,137)	**-**	-
Net drawndown/(repayment) of other bank borrowings	**155,000**	(1,503,000)	**-**	-
Repayment of hire purchase	**(1,617,574)**	(1,173,787)	**-**	-
Net cash (used in)/generated from financing activities	**(3,419,566)**	4,040,776	**31,900**	890,700
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**482,100**	(25,538)	**768,396**	183,327
CASH AND CASH EQUIVALENTS AT 1 APRIL	**6,522,413**	6,547,951	**4,939,135**	4,755,808
CASH AND CASH EQUIVALENTS AT 31 MARCH (Note 18)	**7,004,513**	6,522,413	**5,707,531**	4,939,135

Note to the Cash Flow Statements

(A) Property, plant and equipment acquired during the year were financed by:

	Group 2007 RM	Group 2006 RM	Company 2007 RM	Company 2006 RM
Cash	**4,699,151**	11,823,204	**-**	-
Hire purchase	**-**	2,723,912	**-**	-
	4,699,151	14,547,116	**-**	-
Add: Interest expense capitalised in freehold land (Note 9(d))	**-**	264,166	**-**	-
	4,699,151	14,811,282	**-**	-

The accompanying notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2007

1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Second Board of the Bursa Malaysia Securities Berhad. The registered office of the Company is located at Unit 7-02, Level 7, Menara Luxor, 6B Persiaran Tropicana, 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 company of the Company is Ladang Ternakan Kelang Sdn. Berhad., a company incorporated in Malaysia.

The principal activities of the Company are investment holding and provision of management services. The principal activities of the subsidiaries are the operation of a poultry farm for the production and sale of chicken eggs, chickens and organic fertilizers.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 17 July 2007.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

The financial statements comply with the provisions of the Companies Act, 1965 and applicable Financial Reporting Standards in Malaysia. At the beginning of the current financial year, the Group and the Company had adopted new and revised Financial Reporting Standards (FRSs) which are mandatory for financial periods beginning on or after 1 January 2006 as described fully in Note 2.3.

The financial statements of the Group and of the Company have been prepared under the historical cost basis, except for lands and farm buildings included within property, plant and equipment that have been measured at their fair values.

The financial statements are presented in Ringgit Malaysia (RM).

2.2 Summary of Significant Accounting Policies

(a) Subsidiaries and Basis of Consolidation

(i) Subsidiaries

Subsidiaries are entities over which the Group has the ability to control the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has such power over another entity.

In the Company's separate financial statements, investments in subsidiaries are stated at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts will be included in profit or loss.

(ii) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiary companies as at the balance sheet date. The financial statements of the subsidiary companies are prepared for the same reporting date as the Company.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 Summary of Significant Accounting Policies (contd.)

(a) Subsidiaries and Basis of Consolidation (contd.)

(ii) Basis of consolidation (contd.)

Subsidiary companies are consolidated using the acquisition method of accounting except for certain subsidiary companies, as disclosed in Note 12, which were consolidated prior to 1 January 2002 using the merger method of accounting in accordance with Malaysian Accounting Standard No. 2, Accounting for Acquisitions and Mergers, the generally accepted accounting principles prevailing at that time. These subsidiary companies continue to be consolidated using the merger method of accounting. In the Company's separate financial statements, the cost of investment in subsidiary companies continues to be stated at the nominal value of the shares issued as consideration as the fair value of the shares at their respective dates of acquisition could not be determined with reasonable certainty.

(i) Under the acquisition method of accounting, the results of subsidiary companies acquired or disposed of during the year are included from the date of acquisition or up to the effective date of disposal. At the date of acquisition, the fair values of the subsidiary companies' net assets are determined and these values are reflected in the consolidated financial statements. The difference between the acquisition costs and these values is reflected as goodwill or negative goodwill as appropriate. Goodwill on consolidation is stated at cost less accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 2.2(l). Negative goodwill is recognised immediately in profit or loss.

(ii) Under the merger method of accounting, the results of the subsidiary companies are presented as if the companies had been combined throughout the current and previous financial years. The difference between the cost of acquisition over the nominal value of the share capital of the subsidiary companies is written off against reserves.

Intragroup transactions, balances and resulting unrealised gains are eliminated on consolidation and the consolidated financial statements reflect external transactions only. Unrealised losses are eliminated on consolidation unless costs cannot be recovered.

The gain or loss on disposal of a subsidiary company is the difference between net disposal proceeds and the Group's share of its net assets together with any balance of goodwill and exchange differences which were not previously recognised in consolidated financial statements.

(b) Revenue Recognition

Revenue is recognised when it is probable that the economic benefits associated with the transaction will flow to the enterprise and the amount of the revenue can be measured reliably. The following specific recognition criteria must also be met before revenue is recognised:

(i) Sales of produce inventories, livestocks, organic fertilizers and consumable goods

Revenue from sales of produce inventories, livestocks, organic fertilizers and consumable goods is recognised when goods are delivered based on the invoiced value of goods sold less returns and discounts allowed.

(ii) Interest income

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

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2007

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 Summary of Significant Accounting Policies (contd.)

(b) Revenue Recognition (contd.)

(iii) Dividend income

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

(iv) Rental income

Rental income is recognised on an accrual basis.

(v) Management fee income

Management fee income from subsidiaries is recognised on an accrual basis.

(c) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in the income statement in the period in which they are incurred.

(d) Income Tax

Income tax on the income statement for the year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted at the balance sheet date.

Deferred tax is provided for, using the liability method, on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary difference arises from goodwill or negative goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is recognised as income or an expense and included in the income statement for the period, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also recognised directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or the amount of any excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of the combination.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 Summary of Significant Accounting Policies (contd.)

(e) Property, Plant and Equipment, and Depreciation

All items of property, plant and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Subsequent to recognition, property, plant and equipment except for freehold land are stated at cost less accumulated depreciation and any accumulated impairment losses.

Freehold land and buildings are stated at revalued amount, which is the fair value at the date of the revaluation less any impairment losses. Fair value is determined from market-based evidence by appraisal that is undertaken by professionally qualified valuers at least once every five years. Revaluations are performed with sufficient regularity to ensure that the fair value of a revalued asset does not differ materially from that which would be determined using fair values at the balance sheet date. Any revaluation surplus is credited to the revaluation reserve included within equity, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in income statement, in which case the increase is recognised in income statement to the extent of the decrease previously recognised. A revaluation deficit is first offset against unutilised previously recognised revaluation surplus in respect of the same asset and the balance is thereafter recognised in income statement. Upon disposal or retirement of an asset, any revaluation reserve relating to the particular asset is transferred directly to retained earnings.

Freehold land has an unlimited useful life and therefore is not depreciated. Capital work-in-progress is also not depreciated as these assets are not available for use. 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:

Farm buildings	2% - 7%
Renovation	10%
Plant and machinery	10%
Furniture, fittings and equipment	10% - 20%
Motor vehicles	20%

The residual values, useful lives and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefit is expected from its use or disposal. The difference between the net disposal proceed, if any and the net carrying amount is recognised in income statement and the unutilised portion of the revaluation surplus on that item is taken directly to retained earnings.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

NOTES TO THE
FINANCIAL STATEMENTS
31 MARCH 2007

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 Summary of Significant Accounting Policies (contd.)

(f) Investment Properties

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and impairment losses.

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 gains or losses on the retirement or disposal of an investment property are recognised in the income statement in the year in which they arise.

(g) Leases

(i) Classification

A lease is recognised as a finance lease if it transfers substantially to the Group all the risks and rewards incidental to ownership. Leases of land and buildings are classified as operating or finance leases in the same way as leases of other assets and the land and buildings elements of a lease of land and buildings are considered separately for the purposes of lease classification. All leases that do not transfer substantially all the risks and rewards are classified as operating leases, with the following exceptions:

- Property held under operating leases that would otherwise meet the definition of an investment property is classified as an investment property on a property-by-property basis and, if classified as investment property, is accounted for as if held under a finance lease; and

- Land held for own use under an operating lease, the fair value of which cannot be measured separately from the fair value of a building situated thereon at the inception of the lease, is accounted for as being held under a finance lease, unless the building is also clearly held under an operating lease.

(ii) Finance Leases - the Group as Lessee

Assets acquired by way of hire purchase or finance leases are stated at an amount equal to the lower of their fair values and the present value of the minimum lease payments at the inception of the leases, less accumulated depreciation and impairment losses. The corresponding liability is included in the balance sheet as borrowings. In calculating the present value of the minimum lease payments, the discount factor used is the interest rate implicit in the lease, when it is practicable to determine; otherwise, the Group's incremental borrowing rate is used. Any initial direct costs are also added to the carrying amount of such assets.

Lease payments are apportioned between the finance costs and the reduction of the outstanding liability. Finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are recognised in the profit or loss over the term of the relevant lease so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

The depreciation policy for leased assets is in accordance with that for depreciable property, plant and equipment as described in Note 2.2(e).

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 Summary of Significant Accounting Policies (contd.)

(g) Leases (contd.)

(iii) Operating Leases - the Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the term of the relevant lease. 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.

In the case of a lease of land and buildings, the minimum lease payments or the up-front payments made are allocated, whenever necessary, between the land and the buildings elements in proportion to the relative fair values for leasehold interests in the land element and buildings element of the lease at the inception of the lease. The up-front payment represents prepaid lease payments and are amortised on a straightline basis over the lease term.

(h) Financial Instruments

Financial instruments are recognised in the balance sheet when the Group has become a party to the contractual provisions of the instrument.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends and gains and losses relating to a financial instrument classified as a liability, are reported as expense or income. Distributions to holders of financial instruments classified as equity are recognised directly in equity. Financial instrument is offset when the Group has a legal enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

(i) Cash and Cash Equivalents

For the purposes of the cash flow statements, cash and cash equivalents include cash on hand and at bank, deposit at call and short-term highly liquid investments which have an insignificant risk of changes in value, net of outstanding bank overdrafts.

(ii) Other Non-Current Investments

Non-current investments other than investments in subsidiary companies are stated at cost less impairment losses. On disposal of an investment, the difference between the net disposal and its carrying amount is recognised in the income statement. Impairment losses are recognised for all declines in value other than temporary.

(iii) Marketable Securities

Marketable securities are carried at the lower of cost and market value, determined on an aggregate basis. Cost is determined on the weighted average basis while market value is determined based on quoted market values. On disposal of marketable securities, the difference between net disposal proceeds and the carrying amounts is recognised in income statement.

Marketable securites are held on a long term basis.

(iv) Receivables

Receivables are carried at anticipated realisable values. Bad debts are written off when identified. An estimate is made for doubtful debts based on a review of all outstanding amounts as at the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2007

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 Summary of Significant Accounting Policies (contd.)

(h) Financial Instruments (contd.)

(v) Payables

Payables are stated at cost which is the fair value of the consideration to be paid in the future for goods and services received.

(vi) Interest-Bearing Borrowings

All borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Borrowing costs are charged to the income statement as an expense in the period in which they are incurred.

(vii) Equity Instruments

Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

The transaction costs of an equity transaction are accounted for as a deduction from equity, net of tax. Equity transaction costs comprise only those incremental external costs directly attributable to the equity transaction which would otherwise have been avoided.

(i) Biological assets

Livestocks are valued at the original cost of purchase, plus all attributable costs including overheads incurred in bringing the stocks to the point of lay, and such costs are then amortised over the estimated economic lives of 65 weeks.

With effect from 1 April 2006, livestocks are classified as biological assets.

(j) Inventories

Consumable goods, produce inventories and spare parts are valued at the lower of cost and net realisable value on the weighted average basis.

Cost includes actual cost of materials and incidentals in bringing the items to its present location and condition. In arriving at net realisable value, due allowance has been made for obsolete and slow moving items.

(k) Employee Benefits

(i) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group. 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 are recognised when the absences occur.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 Summary of Significant Accounting Policies (contd.)

(k) Employee Benefits (contd.)

(ii) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Company pays fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contibutions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. Such contributions are recognised as an expense in the income statement as incurred. As required by law, companies in Malaysia make contributions to the Employees Provident Fund ("EPF").

(iii) Share-based Compensation

The LTKM Berhad Employee Share Options Scheme ("ESOS"), an equity-settled, share-based compensation plan, allows the Group's employees to acquire ordinary shares of the Company. The total fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in the share option reserve within equity over the vesting period and taking into account the probability that the options will vest. The fair value of share options is measured at grant date, taking into account, if any, the market vesting conditions upon which the options were granted but excluding the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable on vesting date.

The proceeds received net of any directly attributable transaction costs are credited to equity when the options are exercised.

Prior to 1 April 2006, no compensation expense was recognised in profit or loss for share options granted. The Group and the Company recognised an increase in share capital and share premium when the options were exercised. Upon the adoption of FRS 2, the total fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in the share option reserve within equity over the vesting period.

The Group has applied FRS 2 in accordance with its transitional provisions which allow this change in accounting policy to be applied to share options that were granted after 31 December 2004 but had not yet vested on 1 January 2006. The change has had no impact on the current year financial statements as the Company's last share options were granted and vested on 15 December 2005.

(l) Impairment of Non-financial Assets

The carrying amounts of assets, other than biological assets and inventories, are reviewed at each financial year end to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated to determine the amount of impairment loss.

For the purpose of impairment testing of these assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit ("CGU") to which the asset belongs to.

An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows 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 considered impaired and 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 assets in the unit or groups of units on a pro-rata basis.

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2007

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 Summary of Significant Accounting Policies (contd.)

(l) Impairment of Non-financial Assets (contd.)

An impairment loss is recognised in the income statement in the period in which it arises, unless the asset is carried at a revalued amount, in which case the impairment loss is accounted for as a revaluation decrease to the extent that the impairment loss does not exceed the amount held in the asset revaluation reserve for the same asset.

An impairment loss for an asset is reversed if, and 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. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset is recognised in the income statement, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase.

(m) 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.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded in the functional currencies using the exchange rates prevailing at the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are translated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

(ii) Foreign Currency Transactions

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in profit or loss for the period except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operation. Exchange differences arising on monetary items that form part of the Group's net investment in foreign operation, where that monetary item is denominated in either the functional currency of the reporting entity or the foreign operation, are initially taken directly to the foreign currency translation reserve within equity until the disposal of the foreign operations, at which time they are recognised in profit or loss. Exchange differences arising on monetary items that form part of the Group's net investment in foreign operation, where that monetary item is denominated in a currency other than the functional currency of either the reporting entity or the foreign operation, are recognised in profit or loss for the period. Exchange differences arising on monetary items that form part of the Company's net investment in foreign operation, regardless of the currency of the monetary item, are recognised in profit or loss in the Company's financial statements or the individual financial statements of the foreign operation, as appropriate.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 Summary of Significant Accounting Policies (contd.)

(m) Foreign Currencies (contd.)

(ii) Foreign Currency Transactions (contd.)

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.

2.3 Changes in Accounting Policies, Effects and Changes in Comparatives Arising from Adoption of New and Revised FRSs

On 1 April 2006, the Group and the Company adopted the following FRSs mandatory for financial periods beginning on or after 1 January 2006 :-

FRS 2	Share-based Payment
FRS 3	Business Combinations
FRS 5	Non-current Assets Held for Sale and Discontinued Operations
FRS 101	Presentation of Financial Statements
FRS 102	Inventories
FRS 108	Accounting Policies, Changes in Estimates and Errors
FRS 110	Events after the Balance Sheet Date
FRS 116	Property, Plant and Equipment
FRS 121	The Effects of Changes in Foreign Exchange Rates
FRS 127	Consolidated and Separate Financial Statements
FRS 128	Investments in Associates
FRS 131	Interests in Joint Ventures
FRS 132	Financial Instruments : Disclosure and Presentation
FRS 133	Earnings Per Share
FRS 136	Impairment of Assets
FRS 138	Intangible Assets
FRS 140	Investment Property

In addition to the above, the Group and the Company have also taken the option of early adoption of the following new and revised FRSs for the financial periods beginning 1 April 2006:

(i) FRS 117 Leases
(ii) FRS 124 Related Party Disclosures

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2007

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.3 Changes in Accounting Policies, Effects and Changes in Comparatives Arising from Adoption of New and Revised FRSs (contd.)

The adoption of the above new/revised FRSs does not result in significant changes in accounting policies of the Group and of the Company except as follows:-

(a) FRS 2 - Share-based Payment

Prior to 1 April 2006, no compensation expense was recognised in profit or loss for share options granted. The Group and the Company recognised an increase in share capital and share premium when the options were exercised. Upon the adoption of FRS 2, the total fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in the share option reserve within equity over the vesting period.

The Group has applied FRS 2 in accordance with its transitional provisions which allow this change in accounting policy to be applied to share options that were granted after 31 December 2004 but had not yet vested on 1 January 2006. The change has had no effect on the consolidated income statement for the year ended 31 March 2007 as the Company last share options were granted and vested on 15 December 2005.

(b) FRS 101 - Presentation of Financial Statements

In the previous years, biological assets were included in the inventories. Following the adoption of revised FRS101, biological assets are now classified separately. This reclassification is applied retrospectively as disclosed in Note 2.3 (f), the comparatives have been restated. The effects on the consolidated balance sheet as at 31 March 2007 are set out in Note 2.3(e).

(c) FRS 117 : Leases

The adoption of the revised FRS 117 has resulted in a retrospective change in the accounting policy relating to the classification of leasehold land. The up-front payments made for the leasehold land represents prepaid lease payments and are amortised on a straight-line basis over the lease term. Prior to 1 April 2006, leasehold land was classified as property, plant and equipment and was stated at valuation less accumulated depreciation and impairment losses. The leasehold land was last revalued in 2005.

Upon adoption of the revised FRS 117 at 1 April 2006, the unamortised revalued amount of leasehold land is retained as the surrogate carrying amount of prepaid lease payment as allowed by the transitional provision of FRS 117. The reclassification of leasehold land as prepaid lease payments have been accounted for retrospectively and as disclosed in Note 2.3 (f), the comparative has been restated. There was no effect on the consolidated income statement for the year ended 31 March 2007.

(d) FRS 140 - Investment Property

In the previous years, investment property was included in the property, plant and equipment and was stated at valuation less impairment losses. Following the adoption of FRS140, this investment property is now classified separately. As the Group has adopted the cost model in accordance with FRS140, the revalued investment property has been restated to cost as at 31 March 2007. This reclassification is applied prospectively and the comparatives as at 31 March 2006 are not restated. The effects on the consolidated balance sheet as at 31 March 2007 are set out in Note 2.3 (e).

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.3 Changes in Accounting Policies, Effects and Changes in Comparatives Arising from Adoption of New and Revised FRSs (contd.)

(e) Summary of effects of adopting new and revised FRSs on the current year's balance sheet

	Increase/(decrease)	
	FRS 101 RM	FRS 140 RM
Group		
Property, plant and equipment	-	(8,855,895)
Investment property	-	8,445,086
Asset revaluation reserve	-	(410,809)
Inventories	(11,543,787)	-
Biological assets	11,543,787	-

(f) Restatement of comparatives

The following comparative amounts have been restated as a result of adopting the new and revised FRSs:

As at 31 March 2006

	Previously stated RM	FRS 101 RM	FRS 117 RM	Restated RM
Group				
Property, plant and equipment	80,040,245	-	(1,713,675)	78,326,570
Prepaid lease payments	-	-	1,713,675	1,713,675
Inventories	14,791,897	(10,716,377)	-	4,075,520
Biological assets	-	10,716,377	-	10,716,377

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2007

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.4 Standards and Interpretations Issued but Not Yet Effective

At the date of authorisation of these financial statements, the following FRSs and amendments to FRSs and Interpretations were issued but not yet effective and have not been applied by the Company:

FRS, Amendments to FRS and Interpretations	**Effective for financial periods beginning on or after**
FRS 139: Financial Instruments: Recognition and Measurement	Deferred
FRS 6 - Exploration for and Evaluation of Mineral Resources	1 Janury 2007
Amendment to FRS 119_{2004}:Employee Benefits - Actuarial Gains and Losses, Group Plans and Disclosures	1 Janury 2007
Amendment to FRS 121: The Effects of Changes in Foreign Exchange Rates - Net Investment in a Foreign Operation	1 July 2007
IC Interpretation 1: Changes in Existing Decommissioning, Restoration and Similar Liabilities	1 July 2007
IC Interpretation 2: Members' Shares in Co-operative Entities and Similar Instruments	1 July 2007
IC Interpretation 5: Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	1 July 2007
IC Interpretation 6: Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment	1 July 2007
IC Interpretation 7: Applying the Restatement Approach under FRS129_{2004} - Financial Reporting in Hyperinflationary Economies	1 July 2007
IC Interpretation 8: Scope of FRS 2 - Share-based Payment	1 July 2007

The above FRSs, amendments to FRSs and Interpretations, except for FRS 139 - Financial Instruments: Recognition and Measurement, are expected to have no significant impact on the financial statements of the Group and of the Company upon their initial application.

The Group and the Company are exempted from disclosing the possible impact, if any, to the financial statements upon the initial application of FRS 139.

2.5 Significant Accounting Estimates and Judgements

(a) Critical Judgements Made in Applying Accouting Policies

There are no critical judgements made by management in the process of applying the Company's accounting policies that have significant effect on the amounts recognised in the financial statements.

(b) Key Sources of Estimation Uncertainty

Depreciation of plant and machinery

The cost of plant and machinery is depreciated on a straight-line basis over the assets' useful lives. Management estimates the useful lives of these plant and machinery to be 10 years. These are common life expectancies applied in the industry. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

3. REVENUE

	Group 2007 RM	Group 2006 RM	Company 2007 RM	Company 2006 RM
Sales of produce inventories, livestocks and consumable goods, less returns and discounts allowed	**85,548,577**	89,666,464	**-**	-
Dividend income from a subsidiary company	**-**	-	**2,000,000**	9,000,000
Management fee from a subsidiary company	**-**	-	**360,000**	360,000
	85,548,577	89,666,464	**2,360,000**	9,360,000

4. FINANCE COSTS

	Group 2007 RM	Group 2006 RM	Company 2007 RM	Company 2006 RM
Interest				
- bank overdrafts	**12,757**	11,273	**-**	-
- bankers' acceptances	**161,982**	102,470	**-**	-
- revolving credits	**52,492**	81,766	**-**	-
- bank term loans	**719,067**	618,567	**-**	-
- hire purchase	**149,092**	112,049	**-**	-
	1,095,390	926,125	**-**	-
Less: Interest expense capitalised in freehold land (Note 9(d))	**-**	(264,166)	**-**	-
	1,095,390	661,959	**-**	-

5. PROFIT BEFORE TAX

Profit from operations is stated after charging/(crediting):

	Group 2007 RM	Group 2006 RM	Company 2007 RM	Company 2006 RM
Staff costs (excluding directors) (Note a)	**6,192,655**	6,891,410	**134,673**	241,765
Directors' remuneration (Note b)	**705,970**	1,143,746	**69,000**	69,000
Auditors' remuneration	**40,500**	32,000	**12,000**	9,000
Depreciation of property, plant and equipment	**6,788,502**	6,019,483	**21,089**	11,104
Amortisation of prepaid lease payments	**39,593**	39,593	**-**	-
Bad debts written off	**-**	65,677	**-**	-
Rental of farm paid to holding company	**288,288**	262,080	**-**	-
Rental of office	**40,800**	38,400	**40,800**	38,400
Write off of property, plant and equipment	**905**	694	**905**	-
Realised gain on foreign exchange	**(200,009)**	(244,589)	**-**	-
Reversal of provision for doubtful debts	**(2,000)**	-	**-**	-
Gain on disposal of marketable securities	**(106,957)**	(140,505)	**(96,363)**	(127,634)
Gain on disposal of property, plant and equipment	**(264,792)**	(70,473)	**-**	-
Rental income	**(11,600)**	(23,560)	**(8,400)**	(8,400)
Interest income on:				
- fixed deposits	**(208,811)**	(121,143)	**(206,503)**	(118,466)
- loan to subsidiary companies	**-**	-	**(29,785)**	(65,901)

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5. PROFIT BEFORE TAX (CONTD.)

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
(a) Staff costs				
Wages and salaries	**5,315,622**	5,924,108	**113,561**	209,410
Social security costs	**47,477**	47,186	**1,240**	1,205
EPF	**401,151**	515,876	**14,093**	25,596
Other staff related expenses	**428,405**	404,240	**5,779**	5,554
	6,192,655	6,891,410	**134,673**	241,765
(b) Directors' remuneration				
Executive directors' remuneration				
Fees	**60,000**	100,000	**-**	-
Salaries and other emoluments	**466,200**	814,900	**-**	-
EPF	**55,944**	97,788	**-**	-
Social security costs	**620**	602	**-**	-
Total executive directors' remuneration (Note 26(b))	**582,764**	1,013,290	**-**	-
Benefits-in-kind	**54,206**	61,456	**-**	-
Total executive directors' remuneration inluding benefits-in-kind	**636,970**	1,074,746	**-**	-
Non-Executive directors' remuneration				
Fees	**69,000**	69,000	**69,000**	69,000
Total of directors' remuneration	**705,970**	1,143,746	**69,000**	69,000

The number of directors of the Group whose total remuneration during the year fell within the following bands is analysed below:

	Number of Directors	
	2007	**2006**
Executive directors		
RM50,001 - RM100,000	**2**	-
RM100,001 - RM150,000	**2**	1
RM150,001 - RM200,000	**-**	1
RM200,001 - RM250,000	**1**	2
RM350,001 - RM400,000	**-**	1
Non-executive directors		
Below RM50,000	**3**	3

6. INCOME TAX EXPENSE

	Group 2007 RM	Group 2006 RM	Company 2007 RM	Company 2006 RM
Income tax:				
Malaysian income tax	**517,224**	1,153,209	**609,200**	1,150,000
(Over)/underprovision in prior years:				
Malaysian income tax	**(368)**	(19,770)	**7,869**	2,015
	516,856	1,133,439	**617,069**	1,152,015
Deferred tax (Note 24):				
Relating to origination and reversal of temporary differences	**189,230**	1,108,316	**5,098**	-
Relating to reduction in Malaysia income tax rate	**(427,269)**	-	**(346)**	-
(Over)/underprovision in prior years	**(39,744)**	(317,618)	**2,198**	-
	(277,783)	790,698	**6,950**	-
	239,073	1,924,137	**624,019**	1,152,015

Domestic income tax is calculated at the Malaysian statutory tax rate of 27% (2006: 28%) of the estimated assessable profit for the year, except for the tax rate of 20% for the first RM500,000 taxable profit of a subsidiary company, where an incentive of 7% (2006: 8%) exemption on the first RM500,000 taxable profit is granted by the authority. The domestic statutory tax rate will be reduced to 26% from the current year's rate of 27%, effective year of assessment 2008. The computation of deferred tax as at 31 March 2007 has reflected these changes.

A reconciliation of income tax expense applicable to profit before taxation 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 2007 RM	Group 2006 RM	Company 2007 RM	Company 2006 RM
Profit before taxation	**5,674,830**	16,751,443	**2,321,821**	9,183,939
Taxation at Malaysian statutory tax rate of 27% (2006: 28%)	**1,532,204**	4,690,404	**626,891**	2,571,503
Effect of different tax rate for qualified small and medium enterprises	**(45,063)**	(41,679)	**-**	-
Effect on opening deferred tax due to reduction in Malaysia income tax rate	**(419,742)**	-	**(157)**	-
Deferred tax recognised at different tax rates	**(7,527)**	-	**(189)**	-
Effect of income not subject to tax	**(26,018)**	(44,959)	**(26,018)**	(1,435,738)
Effect of expenses not deductible for tax purposes	**333,426**	217,672	**13,425**	14,235
Utilisation of tax incentives	**(1,088,095)**	(2,559,913)	**-**	-
(Over)/underprovision of income tax expense in prior years	**(368)**	(19,770)	**7,869**	2,015
(Over)/underprovision of deferred tax expense in prior years	**(39,744)**	(317,618)	**2,198**	-
Tax expense for the year	**239,073**	1,924,137	**624,019**	1,152,015

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7. EARNINGS PER SHARE

(a) Basic earnings per share

Basic earnings per share is calculated by dividing the net profit for the year by the weighted average number of ordinary shares in issue during the financial year.

	Group	
	2007	**2006**
Profit attributable to ordinary equity holders of the Company (RM)	**5,435,757**	14,827,306
Weighted average number of ordinary shares in issue	**40,982,413**	40,249,147
Basic earnings per share (sen)	**13.3**	36.8

(b) Diluted earnings per share

The Group's diluted earnings per ordinary share is calculated by dividing the Group's net profit after taxation by the weighted average number of ordinary shares that would be in issue at the end of the financial year had all the exercisable share options as at the end of the financial year under the Company's Employees' Share Option Scheme been exercised.

	Group	
	2007	**2006**
Profit attributable to ordinary equity holders of the Company (RM)	**5,435,757**	14,827,306
Weighted average number of ordinary shares in issue		
- as above	**40,982,413**	40,249,147
- adjusted for assumed exercise of share options	**175,456**	205,730
Weighted average number of ordinary shares for diluted earnings per share	**41,157,869**	40,454,877
Diluted earnings per share (sen)	**13.2**	36.7

8. DIVIDENDS

	Dividends in respect of financial year			Dividends recognised in financial year	
	2007 RM	2006 RM	2005 RM	2007 RM	2006 RM
Recognised during the year					
Interim dividend of 3%, tax exempt, on 40,992,002 ordinary shares, declared on 27 February 2007 and payable on 15 May 2007	**1,229,760**	-	-	**1,229,760**	-
Interim dividend of 3%, tax exempt, on 40,541,002 ordinary shares, declared on 11 January 2006 and paid on 15 February 2006	**-**	1,216,230	-	**-**	1,216,230
Final dividend of 6% less 28% taxation, on 40,116,002 ordinary shares, declared on 29 August 2005 and paid on 15 September 2005	**-**	-	1,733,011	**-**	1,733,011
Final dividend of 7% less 28% taxation, on 40,987,002 ordinary shares, declared on 28 August 2006 and paid on 15 September 2006	**-**	2,065,745	-	**2,065,745**	-
Proposed for approval at AGM (not recognised as at 31 March) :					
Final dividend of 7% less 27% taxation on 40,992,002 ordinary shares	**2,094,691**	-	-	**-**	-
	3,324,451	3,281,975	1,733,011	**3,295,505**	2,949,241

At the forthcoming Annual General Meeting, a final dividend in respect of the financial year ended 31 March 2007, of 7% less 27% taxation on 40,992,002 ordinary shares, amounting to a dividend payable of RM2,094,691 (5.11sen net per ordinary share) 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 2008.

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9. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land RM	Farm Buildings RM	Renovation RM	Plant and Machinery RM	Furniture, Fittings and Equipment RM	Motor Vehicles RM	Capital Work-in-Progress RM	Total RM
Group								
At 31 March 2007								
Cost or valuation								
At 1 April 2006								
At cost	1,911,908	11,619,788	73,334	15,386,687	1,900,015	3,645,480	2,981,916	37,519,128
At Valuation	24,311,357	33,723,375	-	-	-	-	-	58,034,732
	26,223,265	45,343,163	73,334	15,386,687	1,900,015	3,645,480	2,981,916	95,553,860
Additions	-	-	-	675,236	146,224	501,116	3,376,575	4,699,151
Reclassifications	44,244	348,240	-	3,301,140	744,400	38,622	(4,476,646)	-
Write-offs	-	-	-	-	(3,100)	-	-	(3,100)
Transfer to investment properties	(8,855,895)	-	-	-	-	-	-	(8,855,895)
Disposals	-	(171,428)	-	-	-	(397,854)	-	(569,282)
At 31 March 2007	**17,411,614**	**45,519,975**	**73,334**	**19,363,063**	**2,787,539**	**3,787,364**	**1,881,845**	**90,824,734**
Representing:								
At cost	111,614	11,968,028	73,334	19,363,063	2,787,539	3,787,364	1,881,845	39,972,787
At Valuation	17,300,000	33,551,947	-	-	-	-	-	50,851,947
At 31 March 2007	**17,411,614**	**45,519,975**	**73,334**	**19,363,063**	**2,787,539**	**3,787,364**	**1,881,845**	**90,824,734**
Accumulated Depreciation								
At 1 April 2006	-	4,417,871	43,999	8,848,905	1,116,790	2,799,725	-	17,227,290
Charge for the year	-	4,440,019	7,336	1,647,024	238,515	455,608	-	6,788,502
Write-offs	-	-	-	-	(2,195)	-	-	(2,195)
Disposals	-	(19,723)	-	-	-	(397,851)	-	(417,574)
At 31 March 2007	**-**	**8,838,167**	**51,335**	**10,495,929**	**1,353,110**	**2,857,482**	**-**	**23,596,023**
Net carrying amount								
At cost	111,614	9,693,094	21,999	8,867,134	1,434,429	929,882	1,881,845	22,939,997
At valuation	17,300,000	26,988,714	-	-	-	-	-	44,288,714
At 31 March 2007	**17,411,614**	**36,681,808**	**21,999**	**8,867,134**	**1,434,429**	**929,882**	**1,881,845**	**67,228,711**

9. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

	Freehold Land RM	Farm Buildings RM	Renovation RM	Plant and Machinery RM	Furniture, Fittings and Equipment RM	Motor Vehicles RM	Capital Work-in-Progress RM	Total RM
Group								
At 31 March 2006								
Cost or valuation								
At 1 April 2005								
At cost	-	-	73,334	13,022,414	1,487,716	3,377,392	4,907,344	22,868,200
At Valuation	24,311,357	33,723,375	-	-	-	-	-	58,034,732
	24,311,357	33,723,375	73,334	13,022,414	1,487,716	3,377,392	4,907,344	80,902,932
Additions	1,539,228	315,436	-	1,767,424	225,405	331,553	10,632,236	14,811,282
Reclassifications	372,680	11,304,352	-	596,849	188,720	95,063	(12,557,664)	-
Write-offs	-	-	-	-	(1,826)	(25,000)	-	(26,826)
Disposals	-	-	-	-	-	(133,528)	-	(133,528)
At 31 March 2006	26,223,265	45,343,163	73,334	15,386,687	1,900,015	3,645,480	2,981,916	95,553,860
Representing:								
At cost	1,911,908	11,619,788	73,334	15,386,687	1,900,015	3,645,480	2,981,916	37,519,128
At Valuation	24,311,357	33,723,375	-	-	-	-	-	58,034,732
At 31 March 2006	26,223,265	45,343,163	73,334	15,386,687	1,900,015	3,645,480	2,981,916	95,553,860
Accumulated Depreciation								
At 1 April 2005	-	278,099	36,666	7,543,556	963,203	2,545,916	-	11,367,440
Charge for the year	-	4,139,772	7,333	1,305,349	154,720	412,309	-	6,019,483
Write-offs	-	-	-	-	(1,133)	(24,999)	-	(26,132)
Disposals	-	-	-	-	-	(133,501)	-	(133,501)
At 31 March 2006	-	4,417,871	43,999	8,848,905	1,116,790	2,799,725	-	17,227,290
Net carrying amount								
At cost	1,911,908	10,765,645	29,335	6,537,782	783,225	845,755	2,981,916	23,855,566
At valuation	24,311,357	30,159,647	-	-	-	-	-	54,471,004
At 31 March 2006	26,223,265	40,925,292	29,335	6,537,782	783,225	845,755	2,981,916	78,326,570

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9. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

	Renovation RM	Furniture, Fittings and Equipment RM	Total RM
Company			
At 31 March 2007			
Cost			
At 1 April 2006	73,334	31,119	104,453
Additions	-	54,600	54,600
Write-offs	-	(3,100)	(3,100)
As at 31 March 2007	**73,334**	**82,619**	**155,953**
Accumulated Depreciation			
At 1 April 2006	43,999	18,367	62,366
Charge for the year	7,336	13,753	21,089
Write-offs	-	(2,195)	(2,195)
At 31 March 2007	**51,335**	**29,925**	**81,260**
Net carrying amount	**21,999**	**52,694**	**74,693**
At 31 March 2006			
Cost			
At 1 April 2005/31 March 2006	73,334	31,119	104,453
Accumulated Depreciation			
At 1 April 2005	36,666	14,596	51,262
Charge for the year	7,333	3,771	11,104
At 31 March 2006	43,999	18,367	62,366
Net carrying amount	**29,335**	**12,752**	**42,087**

9. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

(a) Freehold land and buildings were revalued on 28 February 2005 by Lee Thiam Sing, a partner with Colliers Jordan Lee & Jaafar (M'cca) Sdn Bhd, an independant professional valuer. Fair value is determined by reference to open market values on existing use basis.

Had the revalued property, plant and equipment been carried at historical cost less accumulated depreciation and impairment losses, the net book value of each class of property, plant and equipment that would have been included in the financial statements of the Group as at 31 March 2007 would be as follows:

	Group	
	2007 RM	2006 RM
Freehold land	**6,218,443**	14,619,284
Buildings	**21,914,778**	25,101,482
	28,133,221	39,720,766

(b) Net book values of property, plant and equipment held under hire purchase arrangements are as follows:

	Group	
	2007 RM	2006 RM
Buildings	**1,468,872**	3,034,421
Plant and machinery	**1,488,966**	1,640,103
	2,957,838	4,674,524

(c) The net book values of property, plant and equipment pledged for borrowings (Note 22(c)(i) and 22(c)(ii)) are as follows:

	Group	
	2007 RM	2006 RM
Freehold land	**17,411,614**	25,888,515
Buildings	**4,651,088**	8,321,200
	22,062,702	34,209,715

(d) Interest expense capitalised during the financial year under freehold land of the Group amounted to Nil (2006: RM264,166), as disclosed in Note 4.

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10. INVESTMENT PROPERTIES

	Group 2007 RM	Group 2006 RM
At 1 April	-	-
Transfer from property, plant and equipment	8,855,895	-
Additions during the year	1,686,602	-
Transfer from asset revaluation reserve	(410,809)	-
	10,131,688	-
Estimated fair value of investment properties	10,550,000	-

One parcel of the freehold land included in the investment properties is pledged as security by way of a fixed charge for bank borrowings of the Company, as disclosed in Note 22(c)(i).

11. PREPAID LEASE PAYMENTS

	Group 2007 RM	Group 2006 RM
At 1 April	1,713,675	1,723,489
Additions	-	29,779
Amortisation for the year (Note 5)	(39,593)	(39,593)
	1,674,082	1,713,675
Analysed as:		
Long term leasehold land	1,142,214	1,164,463
Short term leasehold land	531,868	549,212
	1,674,082	1,713,675

Short leasehold land was revalued on 28 February 2005 by Lee Thiam Sing, a partner with Colliers Jordan Lee & Jaafar (M'cca) Sdn Bhd, an independant professional valuer. Fair value is determined by reference to open market values on existing use basis.

No revaluation was carried out on the long term leasehold land as it was acquired on October 2004.

12. INVESTMENTS IN SUBSIDIARIES

	Group 2007 RM	Group 2006 RM
Unquoted shares, at cost	31,003,002	31,003,002

12. INVESTMENTS IN SUBSIDIARIES (CONTD.)

(a) Details of the subsidiary companies, which are all incorporated and domiciled in Malaysia, are as follows:-

Name of Company	Equity Interest Held 2007 %	2006 %	Principal Activities
+LTK (Melaka) Sdn. Bhd.	**100**	100	Production and sale of chicken eggs and chickens
+LTK Bio-Fer Sdn. Bhd.	**100**	100	Manufacturing and trading of organic fertilizers
LTK Development Sdn. Bhd. (formerly known as LTK Breeder Farm Sdn. Bhd.)	**100**	100	Dormant
LTK Omega Plus Sdn. Bhd.	**100**	100	Dormant
LTK Properties Sdn. Bhd. (formerly known as LTK Bukit Senggeh Sdn. Bhd.)	**100**	100	Dormant

+ Consolidated using merger accounting.

13. MARKETABLE SECURITIES

	Group 2007 RM	Group 2006 RM	Company 2007 RM	Company 2006 RM
In Malaysia :				
Quoted shares, at cost	**180,325**	-	**-**	-
Quoted unit trusts, at cost	**5,995,262**	10,010,633	**5,185,229**	6,210,633
	6,175,587	10,010,633	**5,185,229**	6,210,633
Market value of quoted shares	**180,000**	-	**-**	-
Market value of quoted unit trusts	**6,216,179**	10,075,793	**5,379,355**	6,273,016

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14. OTHER INVESTMENT

	Group 2007 RM	Group 2006 RM	Company 2007 RM	Company 2006 RM
Guaranteed return savings plan	**300,000**	300,000	**-**	-

This is a non-participating endowment policy with a guaranteed return at a rate of 5.25% per annum at the end of ten (10) years, maturing on 2 September 2014. The capital value of the single premium is guaranteed throughout the term of the policy. A withdrawal benefit is payable from the first year onwards based on a prescribed accumulated value provided no withdrawal is made before the expiry date.

15. BIOLOGICAL ASSETS

The biological assets of the Group consist of livestocks, stated at lower of cost and net realisable value.

16. INVENTORIES

	Group 2007 RM	Group 2006 RM	Company 2007 RM	Company 2006 RM
Cost:				
Consumable goods	**5,010,995**	3,645,015	**-**	-
Produce inventories	**509,191**	430,505	**-**	-
	5,520,186	4,075,520	**-**	-

17. TRADE AND OTHER RECEIVABLES

	Group 2007 RM	Group 2006 RM	Company 2007 RM	Company 2006 RM
Trade receivables				
Third parties	**5,875,591**	5,461,037	**-**	-
Less: Provision for doubtful debts	**(470,993)**	(472,993)	**-**	-
Trade receivables, net	**5,404,598**	4,988,044	**-**	-
Other receivables				
Amount due from subsidiaries	**-**	-	**8,684,332**	6,608,996
Deposits	**180,720**	160,743	**104,677**	48,779
Prepayments	**398,494**	541,903	**-**	-
Tax recoverable	**312,562**	56,684	**224**	29,709
Other receivables	**71,346**	32,226	**-**	-
	963,122	791,556	**8,789,233**	6,687,484
Total	**6,367,720**	5,779,600	**8,789,233**	6,687,484

17. TRADE AND OTHER RECEIVABLES (CONTD.)

(a) Credit risk

The Group's primary exposure to credit risk arises through its trade receivables. The Group's trading terms with its customers are mainly on credit, except for new customers, where cash payment is normally required. The Group maintains a strict control over its outstanding receivables. Overdue balances are reviewed regularly by the credit control department. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of customers, there is no significant concentration of credit risk. Trade receivables are non-interest bearing.

(b) Amount due from subsidiaries

The amounts due from LTK (Melaka) Sdn. Bhd. and LTK Development Sdn. Bhd. are unsecured, have no fixed term of repayment and interest is charged at a rate of 2% (2006: 2%) per annum.

18. CASH AND CASH EQUIVALENTS

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Cash on hand and at bank	**1,741,349**	1,569,912	**117,941**	631,984
Deposits with licensed banks	**5,661,828**	5,777,324	**5,589,590**	4,307,151
Cash and bank balances	**7,403,177**	7,347,236	**5,707,531**	4,939,135

Fixed deposits with a licensed bank of a subsidiary company amounting to RM72,238 (2006: RM70,173) are pledged to the licensed bank as security for a bank guarantee facility granted to a subsidiary company.

The interest rates of fixed deposits at the balance sheet date were as follows:-

	Group		Company	
	2007 %	2006 %	2007 %	2006 %
Licensed banks	**3.10 - 3.70**	1.80 - 3.70	**3.10 - 3.70**	2.60 - 3.70

The maturities of fixed deposits as at the end of the financial year were as follows:

	Group		Company	
	2007 Days	2006 Days	2007 Days	2006 Days
Licensed banks	**30 - 365**	3 - 365	**30 - 365**	30 - 365

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18. CASH AND CASH EQUIVALENTS (CONTD.)

For the purpose of the cash flow statements, cash and cash equivalents comprise the following as at the balance sheet date:

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Cash and bank balances	**7,403,177**	7,347,236	**5,707,531**	4,939,135
Bank overdrafts (Note 22)	**(398,664)**	(824,823)	**-**	-
Total cash and cash equivalents	**7,004,513**	6,522,413	**5,707,531**	4,939,135

19. SHARE CAPITAL

	Number of Ordinary Shares of RM1 Each		Amount	
	2007 RM	2006 RM	2007 RM	2006 RM
Authorised:				
At 1 April	**100,000,000**	50,000,000	**100,000,000**	50,000,000
Created during the year	**-**	50,000,000	**-**	50,000,000
At 31 March	**100,000,000**	100,000,000	**100,000,000**	100,000,000
Issued and fully paid:				
At 1 April	**40,962,002**	40,116,002	**40,962,002**	40,116,002
Issued during the year :				
Pursuant to ESOS	**30,000**	846,000	**30,000**	846,000
At 31 March	**40,992,002**	40,962,002	**40,992,002**	40,962,002

(a) "Employees' Share Option Scheme (""ESOS"")"

The LTKM Berhad Employees' Share Option Scheme ("ESOS") is governed by the by-laws approved by the shareholders at an Extraordinary General Meeting held on 25 September 2001. The said ESOS was in force for a period of 5 years and was to expire on 17 October 2006.

At an Extraordinary General Meeting held on 23 February 2006, the shareholders approved to extend the duration of the said ESOS for an additional 5 years from 17 October 2006 to 17 October 2011, without changing its salient features and other terms.

The salient features of the ESOS are as follows:-

(i) The total number of shares to be offered shall not exceed ten percent (10%) of the issued and paid-up share capital of the Company at any point of time during the existence of the ESOS.

(ii) Eligible persons who are confirmed employees (including executive directors) of the Group who have been employed for periods as prescribed by the By-Laws before the date of offer. The eligibility for participation in the ESOS shall be at the discretion of the ESOS committee appointed by the Board of Directors.

(iii) No option shall be granted for less than 1,000 shares nor more than 400,000 shares to any eligible employee.

19. SHARE CAPITAL (CONTD.)

The salient features of the ESOS are as follows (Contd.):-

(iv) The option price for each share shall be at the weighted average market price of the shares for the 5 market days preceding the offer date less a discount of not more than 10%. The price so determined shall not be less than the par value of the shares.

(v) An option granted under the ESOS shall be capable of being accepted by the grantee by notice in writing to the Company before the expiry of 30 days period from the date of offer.

(vi) No more than 50% of the shares to be offered are allotted to eligible employees who are Executive Directors and members of the Senior Management of the LTKM Berhad Group of companies.

(vii) No more than 10% of the shares to be offered are allotted to eligible employees who, either singly or collectively through his associates, holds 20% or more of the issued and paid-up share capital of the Company.

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year:

	Number of Share Options		WAEP	
	2007	2006	2007 RM	2006 RM
Outstanding at 1 April	**2,831,000**	3,258,000	**1.06**	1.05
Granted during the year	**-**	490,000	**-**	1.09
Exercised during the year	**(30,000)**	(846,000)	**1.06**	1.05
Forfeited during the year	**(417,000)**	(71,000)	**1.05**	1.05
Outstanding at 31 March	**2,384,000**	2,831,000	**1.06**	1.06

The options outstanding at the end of the year have a remaining contractual life of 4.6 years (2006: 5.6 years).

(i) Share options exercised during the year

As stated above, options exercised during the financial year resulted in the issuance of 30,000 (2006: 846,000) ordinary shares at an average price of RM1.05 (2006: RM1.05) each.

(ii) The market price of share at share issue date during the financial year are as follows:-

Exercise date	Market prices of share at share issue dates RM/share
January - March 2006	1.09 - 1.58
April - June 2006	1.16 - 1.18
July - September 2006	1.11 - 1.25

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2007

20. ASSET REVALUATION RESERVE

The asset revaluation reserve is used to record increases in the fair value of freehold land and buildings and decreases to the extent that such decreases relate to an increase on the same asset previously recognised in equity. Prior to 1 April 2006, revaluation increase of investment property was also included in this reserve which subsequently has been reversed upon the application of FRS140.

21. RETAINED PROFITS

The Company has sufficient tax credits under Section 108 of the Income Tax 1967 and tax exempt account balance to frank the payment of dividends out of its entire retained profits as at 31 March 2007 without incurring additional tax liability subject to agreement of the Inland Revenue Board.

22. BORROWINGS

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Short Term Borrowings				
Secured:				
Bank overdrafts	**288,967**	824,442	**-**	-
Revolving credits	**500,000**	1,500,000	**-**	-
Bank term loans	**1,529,253**	1,398,087	**-**	-
Hire purchase payables (Note 23)	**1,020,885**	1,617,574	**-**	-
	3,339,105	5,340,103	**-**	-
Unsecured:				
Bank overdrafts	**109,697**	381	**-**	-
Bankers' acceptances	**3,862,000**	2,707,000	**-**	-
Bank term loans	**600,000**	600,000	**-**	-
	4,571,697	3,307,381	**-**	-
	7,910,802	8,647,484	**-**	-
Long Term Borrowings				
Secured:				
Bank term loans	**5,223,411**	6,743,469	**-**	-
Hire purchase payables (Note 23)	**559,788**	1,580,673	**-**	-
	5,783,199	8,324,142	**-**	-
Unsecured:				
Bank term loans	**1,650,000**	2,250,000	**-**	-
	7,433,199	10,574,142	**-**	-

22. BORROWINGS (CONTD.)

	Group 2007 RM	Group 2006 RM	Company 2007 RM	Company 2006 RM
Total Borrowings				
Bank overdrafts	**398,664**	824,823	**-**	-
Revolving credits	**500,000**	1,500,000	**-**	-
Bank term loans	**9,002,664**	10,991,556	**-**	-
Bankers' acceptances	**3,862,000**	2,707,000	**-**	-
Hire purchase payables (Note 23)	**1,580,673**	3,198,247	**-**	-
	15,344,001	19,221,626	**-**	-

Details of borrowings are as follows:-

(a) Maturity periods (excluding hire purchase)

	Group 2007 RM	Group 2006 RM	Company 2007 RM	Company 2006 RM
Within 1 year	**6,889,917**	7,029,910	**-**	-
More than 1 year and less than 2 years	**2,252,071**	2,138,978	**-**	-
More than 2 years and less than 5 years	**4,621,340**	6,450,924	**-**	-
5 years or more	**-**	403,567	**-**	-
	13,763,328	16,023,379	**-**	-

(b) Interest rates

	Group 2007 %	Group 2006 %	Company 2007 %	Company 2006 %
Bank overdrafts	**7.75**	7.50	**-**	-
Revolving credits	**4.61**	4.56	**-**	-
Bankers' acceptances	**4.59 - 4.95**	4.50 - 4.55	**-**	-
Bank term loans	**5.90 - 7.75**	5.90 - 8.50	**-**	-
Hire purchase payables	**2.90 - 3.35**	2.90 - 3.35	**-**	-

The secured bank overdrafts, revolving credits, term loans and hire purchase payables of the Group are secured by the following:

(i) charges over the freehold land of the subsidiary companies as disclosed in Note 9(c);

(ii) charges over buildings and plant and machinery of a subsidiary company as disclosed in Note 9(c); and

(iii) corporate guarantees of a subsidiary company and of the Company.

NOTES TO THE
FINANCIAL STATEMENTS
31 MARCH 2007

23. HIRE PURCHASE PAYABLES

	Group 2007 RM	Group 2006 RM	Company 2007 RM	Company 2006 RM
Future minimum hire purchase payments:				
Not later than 1 year	**1,126,096**	1,766,664	**-**	-
Later than 1 year and not later than 2 years	**592,793**	1,110,418	**-**	-
Later than 2 years and not later than 5 years	**-**	608,473	**-**	-
	1,718,889	3,485,555	**-**	-
Less: Future finance charges	**(138,216)**	(287,308)	**-**	-
Present value of hire purchase payables	**1,580,673**	3,198,247	**-**	-
Analysis of present value of hire purchase payables:				
Not later than 1 year	**1,020,885**	1,617,574	**-**	-
Later than 1 year and not later than 2 years	**559,788**	1,020,896	**-**	-
Later than 2 years and not later than 5 years	**-**	559,777	**-**	-
	1,580,673	3,198,247	**-**	-
Less: Amount due within 12 months (Note 22)	**(1,020,885)**	(1,617,574)	**-**	-
Amount due after 12 months (Note 22)	**559,788**	1,580,673	**-**	-

24. DEFERRED TAXATION

	Group 2007 RM	Group 2006 RM	Company 2007 RM	Company 2006 RM
At 1 April	**7,497,992**	6,707,294	**-**	-
Recognised in income statement (Note 6)	**(277,783)**	790,698	**6,950**	-
Recognised in equity	**(638,276)**	-	**-**	-
At 31 March	**6,581,933**	7,497,992	**6,950**	-
Presented after appropriate offsetting as follows:				
Deferred tax assets	**(140,187)**	(135,937)	**-**	-
Deferred tax liabilities	**6,722,120**	7,633,929	**6,950**	-
	6,581,933	7,497,992	**6,950**	-

24. DEFERRED TAXATION (CONTD.)

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 RM	Property, Plant and Equipment RM	Total RM
At 1 April 2006	1,606,589	6,027,340	7,633,929
Recognised in income statement	(93,848)	(179,685)	(273,533)
Recognised in equity	(638,276)	-	(638,276)
At 31 March 2007	**874,465**	**5,847,655**	**6,722,120**
At 1 April 2005	1,688,556	5,531,115	7,219,671
Recognised in income statement	(81,967)	496,225	414,258
At 31 March 2006	1,606,589	6,027,340	7,633,929

Deferred Tax Liabilities of the Group:

	Property, Plant and Equipment RM	Provision for Doubtful Debts RM	Unutilised Reinvestment Allowances RM	Other RM	Total RM
At 1 April 2006	-	(112,000)	-	(23,937)	(135,937)
Recognised in income statement	-	8,000	-	(12,250)	(4,250)
At 31 March 2007	**-**	**(104,000)**	**-**	**(36,187)**	**(140,187)**
At 1 April 2005	(250,445)	(112,000)	(125,995)	(23,937)	(512,377)
Recognised in income statement	250,445	-	125,995	-	376,440
At 31 March 2006	-	(112,000)	-	(23,937)	(135,937)

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2007

24. DEFERRED TAXATION (CONTD.)

Deferred Tax Liabilities of the Company:

	Property, Plant and Equipment RM	Total RM
At 1 April 2006	-	-
Recognised in income statement	6,950	6,950
At 31 March 2007	**6,950**	**6,950**
At 1 April 2005	-	-
Recognised in income statement	-	-
At 31 March 2006	-	-

As at 31 March 2007, the Group has unutilised reinvestment allowances of approximately RM1,612,187 (2006: RM3,121,598) subject to the agreement by the Inland Revenue Board

25. TRADE AND OTHER PAYABLES

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Trade payables - third parties	**5,004,596**	5,223,396	**-**	-
Other payables				
- Accruals	**588,088**	1,002,123	**87,741**	99,783
- Other payables	**1,556,484**	1,227,132	**8,405**	29,506
- amount due to subsidiary company	**-**	-	**819,583**	-
	2,144,572	2,229,255	**915,729**	129,289
Total	**7,149,168**	7,452,651	**915,729**	129,289

(a) Trade payables

Trade payables are non-interest bearing and the normal trade credit terms granted to the Group range from one to two months.

(b) Amount due to subsidiary company

The amount due to subsidiary company is unsecured, has no fixed term of repayment and interest free.

26. SIGNIFICANT RELATED PARTY TRANSACTIONS

(a) In addition to the transactions detailed elsewhere in the financial statements, the Company had the following transactions with related party during the financial year:

		Group		Company	
	Note	2007 RM	2006 RM	2007 RM	2006 RM
Rental of farm paid to holding company	(i)	**288,288**	262,080	**-**	-
Rental of office paid to a Director, Lim Hooi Tin	(ii)	**40,800**	36,800	**40,800**	36,800
Professional fees payable to a firm connected to a director	(iii)	**17,040**	16,440	**1,000**	1,000
Dividend income received from a subsidiary company, LTK (Melaka) Sdn. Bhd.		**-**	-	**(1,460,000)**	(7,880,000)
Management fee received from a subsidiary company, LTK (Melaka) Sdn. Bhd.		**-**	-	**(360,000)**	(360,000)
Interest income from subsidiary companies					
- LTK (Melaka) Sdn. Bhd.	(iv)	**-**	-	**(14,550)**	(54,003)
- LTK Development Sdn. Bhd. (formerly known as LTK Breeder Farm Sdn. Bhd.)		**-**	-	**(15,236)**	(11,898)
Office rental income received from holding company	(v)	**(8,400)**	(8,400)	**(8,400)**	(8,400)

(i) The farm rental paid to holding company was contracted for 15 years commencing 1 April 1997 at prevailing market rate.

(ii) The rental of office paid to Lim Hooi Tin is made according to the market price and conditions offered to unrelated parties.

(iii) This is in respect of tax fees and secretarial fees payable to a firm connected to a director and is made according to the market price and conditions offered to unrelated parties.

(iv) The interest income arose from the amounts due from subsidiaries. Further details are disclosed in Note 17(b).

(v) The rental charged to holding company is made according to the market price and conditions offered to unrelated parties.

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2007

26. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTD.)

(b) Compensation of key management personnel

The remuneration of directors and other members of key management during the year was as follows:

	Group	
	2007 RM	2006 RM
Short-term employee benefits	**1,071,283**	1,913,152
Included in the total key management personnel are :		
Directors' remuneration	**582,764**	1,013,290

Executive directors of the Group and of the Company and other members of key management have been granted the following number of options under the ESOS.:

	Group and Company	
	2007 RM	2006 RM
At 1 April	**1,525,000**	1,880,000
Exercised	**-**	(355,000)
Forfeited	**(400,000)**	-
At 31 March	**1,125,000**	1,525,000

The share options were granted on the same terms and conditions as those offered to other employees of the Group (Note 19(a)).

27. CAPITAL COMMITMENTS

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Authorised but not contracted for Property, plant and equipment	**5,000,000**	8,000,000	**-**	-
Authorised and contracted for Property, plant and equipment	**711,900**	-	**652,500**	-
	5,711,900	8,000,000	**652,500**	-

28. CONTINGENT LIABILITIES - UNSECURED

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Guarantees to licensed financial institutions in respect of credit facilities granted to subsidiary companies				
- LTK (Melaka) Sdn. Bhd.	**-**	-	**11,443,111**	14,222,672
- LTK Bio-Fer Sdn. Bhd.	**-**	-	**820,532**	1,372,051
- LTK Omega Plus Sdn. Bhd.	**-**	-	**3,080,358**	3,626,903
	-	-	**15,344,001**	19,221,626

29. COMPARATIVE FIGURES

The following comparative amounts as at 31 March 2006 have been reclassified to conform with current year's presentation.

	Group		
	As restated RM	Adjustments RM	As previously reported RM
Taxation	461,310	(23,937)	437,373
Deferred taxation	7,497,992	23,937	7,521,929

	Company		
	As restated RM	Adjustments RM	As previously reported RM
Trade and other receivables	6,687,484	2,880,000	9,567,484
Dividend receivable	2,880,000	(2,880,000)	-

NOTES TO THE
FINANCIAL STATEMENTS
31 MARCH 2007

30. FINANCIAL INSTRUMENTS

(i) Financial Risk Management

The Company's financial risk management policies seek to ensure that adequate financial resources are available for the development of the Company's businesses whilst managing its interest rate, credit, currency and liquidity risks. The Board reviews and agrees policies for managing each of these risks and they are summarised below. It is, and has been throughout the year under review, the Company's policy that no trading in derivative financial instruments shall be undertaken.

(ii) Interest Rate Risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As the Group has no significant interest-bearing financial assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group interest-bearing financial assets are mainly short term in nature and have been mostly placed in fixed deposits.

The Group's interest rate risk arises primarily from interest-bearing borrowings. Borrowings at floating rates expose the Group to cash flow interest rate risk. Borrowings obtained at fixed rates expose the Group to fair value interest rate risk. The Group manages its interest rate exposure by maintaining a mix of fixed and floating rate borrowings. Normally, the Group's will obtain fixed rate borrowing to acquire long term assets.

(iii) Credit Risk

Credit risk, or the risk of counterparties defaulting, is controlled by the application of credit approvals, limits and monitoring procedures. The Group does not have any significant concentration of credit risk that may arise from exposures to a single debtor.

(iv) Currency Risk

The Group is not exposed to significant foreign currency risk as majority of the Group's transactions are denominated in Ringgit Malaysia.

The Group does not use any forward contracts to hedge against its exposure to foreign currency risk.

(v) Liquidity Risk

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all refinancing, repayment and funding needs are met. As part of its overall prudent liquidity management, the Group maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements.

(vi) Fair Value

It is not practicable to estimate the fair value of the amount due to holding company due to lack of repayment terms and without having to incur excessive costs. However, the directors do not anticipate the carrying amount recorded at the balance sheet date to be significantly different from the value that would eventually be settled.

The carrying amounts of other financial assets and liabilities approximate their fair values due to the relatively short term maturity of these financial instruments.

31. SEGMENT INFORMATION

The Group is organised into two major business segments:

(i) Production and Sale of Poultry and Related Products

This segment consists of the subsidiary companies which are engaged in the production and sales of chicken eggs, chickens and organic fertilisers.

(ii) Investment Holding

This segment refers to investment activities in quoted and unquoted securities held by the Group on a long term basis.

Other business segment refers to inactive companies.

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.

31. SEGMENT INFORMATION (CONTD.)

	Production and Sale of Poultry and Related Products		Investment Holding		Other		Elimination		Group	
	2007 RM	2006 RM	2007 RM	2006 RM	2007 RM	2006 RM	2007 RM	2006 RM	2007 RM	2006 RM
Revenue										
External sales	85,548,577	89,666,464	-	-	-	-	-	-	85,548,577	89,666,464
Inter-segment sales	-	-	2,360,000	9,360,000	-	-	(2,360,000)	(9,360,000)	-	-
Total revenue	85,548,577	89,666,464	2,360,000	9,360,000	-	-	(2,360,000)	(9,360,000)	85,548,577	89,666,464
Result										
Segment results	6,480,164	17,354,109	2,321,821	9,183,939	(1,978)	(58,745)	(2,029,787)	(9,065,901)	6,770,220	17,413,402
Profit from operations									6,770,220	17,413,402
Finance cost, net									(1,095,390)	(661,959)
Taxation									(239,073)	(1,924,137)
Net profit									5,435,757	14,827,306
Assets										
Segment assets	93,473,160	96,181,145	52,219,464	51,732,632	12,306,670	10,791,148	(41,966,918)	(40,491,998)	116,032,376	118,212,927
Unallocated corporate assets									312,562	56,684
Consolidated total assets									116,344,938	118,269,611
Liabilities										
Segment liabilities	8,385,424	10,762,689	2,145,489	129,289	8,811,930	6,049,669	(10,963,915)	(9,488,996)	8,378,928	7,452,651
Unallocated corporate liabilities									21,930,359	27,180,928
Consolidated total liabilities									30,309,287	34,633,579
Other Information										
Capital expenditure	4,616,396	12,966,744	54,600	-	28,155	1,844,538			4,699,151	14,811,282
Depreciation and amortisation	6,767,413	6,008,379	21,089	11,104	-	-			6,788,502	6,019,483
Non-cash expenses other than depreciation and impairment losses	-	66,371	905	-	39,593	39,593			40,498	105,964

LIST OF PROPERTIES
AS AT 31 MARCH 2007

Location	Existing use & description	Approximate Area (Acres)	Tenure	Remaining Lease Period (Expiry Date)	Age of buildings	Net Book Value As At 31.3.07 (RM000)	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	Freehold	-	Less than 20 years	54.093*	February 2005 (Revaluation)
Lot Nos.863 and 864, Mukim of Ayer Pa'abas, District of Alor Gajah, Melaka	Planting oil palm	23.7	Leasehold	30 years (29.11.2037)	-	532	February 2005 (Revaluation)
Lot Nos 105, 106, 233, 758, 150, 1333, Mukim of Bukit Senggeh, District of Jasin, Melaka	Vacant land	199.8	Freehold	-	-	8,352	May 2003 (Acquisition)
Lot Nos. 270, 271 and 272, Mukim Jus, District of Jasin, Melaka	Vacant land	32.3	Leasehold	50 years (21.03.2057)	-	1,142	October 2004 (Acquisition)
Lot No. 165, Mukim Jus, District of Jasin, Melaka	Vacant land	8.51	Freehold	-	-	332	May 2005 (Acquisition)
Lot No. 1729, Mukim of Kapar, Klang, Selangor	Vacant land	1.76	Freehold	-	-	1,448	December 2006 (Acquisition)

Net book value of both land and farm buildings

ANALYSIS OF SHAREHOLDINGS
AS AT 29 JUNE 2007

CLASS OF SHARES	:	ORDINARY SHARES OF RM1.00 EACH
NUMBER OF HOLDERS	:	2,068
VOTING RIGHTS	:	ONE VOTE PER ORDINARY SHARE

ANALYSIS BY SIZE OF SHAREHOLDINGS AS AT 29 JUNE 2007

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
Less than 100	3	0.15	150	0.00
100 to 1,000	951	45.99	937,786	2.29
1,001 to 10,000	919	44.44	4,084,300	9.96
10,001 to 100,000	169	8.17	5,080,364	12.39
100,001 to 2,049,599(*)	22	1.06	7,784,502	18.99
2,049,600 and above (**)	4	0.19	23,104,900	56.37
Total	**2,068**	**100.00**	**40,992,002**	**100.00**

* *Less than 5% of issued and paid-up shares capital.*
** *5% and above of issued and paid-up shares capital.*

SUBSTANTIAL SHAREHOLDERS AS AT 29 JUNE 2007

	Shareholdings			
Name	Direct	%	Indirect	%
Ladang Ternakan Kelang Sdn. Berhad	23,854,902	58.19	-	-
Tan Kok	-	-	*23,854,902	58.19
Lim Hooi Tin	200,000	0.49	**23,854,902	58.19

* *Deemed interest by virtue of his substantial shareholdings in Ladang Ternakan Kelang Sdn. Berhad under Section 6A(4) of the Companies Act, 1965.*
** *Deemed interest by virtue of being the spouse of Tan Kok, a substantial shareholder of Ladang Ternakan Kelang Sdn. Berhad, which is a substantial shareholder of LTKM Berhad.*

DIRECTORS' SHAREHOLDINGS AS AT 29 JUNE 2007

	Shareholdings			
Name	Direct	%	Indirect	%
Ahmad Khairuddin bin Ilias	# 801,000	1.95	-	-
Tan Kok	-	-	* 23,854,902	58.19
Tan Kark Bin	539,000	1.31	-	-
Lim Hooi Tin	200,000	0.49	** 23,854,902	58.19
Kamarudin bin Md Derom	-	-	-	-
Ooi Chee Seng	-	-	-	-

\# *As beneficial owner held through OSK Nominees (Tempatan) Sdn. Berhad.*

* *Deemed interest by virtue of his substantial shareholdings in Ladang Ternakan Kelang Sdn. Berhad under Section 6A(4) of the Companies Act, 1965.*

** *Deemed interest by virtue of being the spouse of Tan Kok, a substantial shareholder in Ladang Ternakan Kelang Sdn. Berhad, which is a substantial shareholder of LTKM Berhad.*

DIRECTORS' SHAREHOLDINGS IN RELATED CORPORATION AS AT 29 JUNE 2007

	Shareholdings			
Name	Direct	%	Indirect	%
LADANG TERNAKAN KELANG SDN. BERHAD				
Tan Kok	36,933,600	91.44	-	-
Lim Hooi Tin	3,458,400	8.56	-	-

OPTIONS ALLOCATED TO THE DIRECTORS PURSUANT TO THE EMPLOYEES' SHARE OPTION SCHEME

Name	Granted	Exercised as at 29 June 2007	Balance as at 29 June 2007	Percentage
Tan Kok	400,000	-	400,000	0.98
Tan Kark Bin	180,000	75,000	105,000	0.26
Lim Hooi Tin	200,000	200,000	-	-

ANALYSIS OF SHAREHOLDINGS
AS AT 29 JUNE 2007

THIRTY (30) LARGEST SHAREHOLDERS AS PER THE RECORD OF DEPOSITORS AS AT 29 JUNE 2007

	Name	No. of Shares	Percentage %
1.	Ladang Ternakan Kelang Sdn. Berhad	7,081,000	17.27
2.	Ladang Ternakan Kelang Sdn. Berhad	6,586,700	16.07
3.	Ladang Ternakan Kelang Sdn. Berhad	6,000,000	14.64
4.	Ladang Ternakan Kelang Sdn. Berhad	3,437,200	8.39
5.	Pui Cheng Wui	1,488,000	3.63
6.	OSK Nominees (Tempatan) Sdn. Berhad - OSK Capital Sdn. Bhd. For Ahmad Khairuddin Bin Ilias	801,000	1.95
7.	Ladang Ternakan Kelang Sdn. Berhad	750,002	1.83
8.	Phuah Chai Tin	634,100	1.55
9.	Teh Hean It	583,300	1.42
10.	Tan Kark Bin	539,000	1.31
11.	Kok Chiew Heng	350,000	0.85
12.	Wong Hok Yim	299,000	0.73
13.	Koperasi Polis Diraja Malaysia Berhad	282,000	0.69
14.	Chau Sim Neo @ Diana Chua	214,800	0.52
15.	Lim Hooi Tin	200,000	0.49
16.	Yong Nget Min	194,700	0.47
17.	Tan Ah Moi	176,000	0.43
18.	Siew Gaik Hong	170,000	0.41
19.	Lim Sze Ying	160,000	0.39
20.	Lee Chee Giap	154,000	0.38
21.	Lee Tong Choo	147,600	0.36
22.	HLG Nominee (Tempatan) Sdn. Bhd. - Pledged Securities Account For Tan Yee Boon	140,700	0.34
23.	Hong Weng Hwa	136,500	0.33
24.	Calibre Portfolio Sdn. Bhd.	130,000	0.32
25.	Pui Cheng Wui	122,300	0.30
26.	Tan Yee Boon	111,500	0.27
27.	KE-ZAN Nominees (Asing) Sdn. Bhd. - Kim Eng Securities Pte. Ltd. for Sng Tong Yew	100,000	0.24
28.	Ooi Hoy Bee @ Ooi Hooi Bee	100,000	0.24
29.	Chia Keok Keong	99,500	0.24
30.	Public Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Chiang Ane Moy	98,500	0.24
	Total	**31,287,402**	**76.30**

LTKM BERHAD (442942-H)

FORM OF PROXY

I/We ______________________________ (NRIC No.) ______________________
(Full Name in Capital Letters)

of ____
(Full Address)

being a Member of **LTKM BERHAD,** do hereby appoint ______________________________
(Full Name in Capital Letters)

______________________________ (NRIC No.) ______________________

of ____
(Full Address)

or failing him/her, ______________________________ (NRIC 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 Tenth Annual General Meeting to be held at Kelab Golf Sultan Abdul Aziz Shah, 1 Rumah Kelab, Jalan Kelab Golf 13/6, 40100 Shah Alam, Selangor Darul Ehsan on **Tuesday, 28 August 2007 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	Resolution	For	Against
1	Ordinary Resolution 1		
2	Ordinary Resolution 2		
3	Ordinary Resolution 3		
4	Ordinary Resolution 4		
5	Ordinary Resolution 5		
6	Ordinary Resolution 6		

* Strike out whichever is not applicable.

Dated this __________ day of __________ 2007

Number of shares held	

____
Signature of Member/Common seal

Notes :

a) *A member of the Company entitled to attend and vote at the meeting is entitled to appoint Proxy(Proxies) to attend and vote on his(her) behalf. Where a member appoints two or more Proxies to attend the same meeting, the appointment shall be invalid unless he(she) specifies the proportion of his(her) holdings to be represented by each Proxy.*

b) *A Proxy may but need not be a member of the Company and the provision of Section 149(1)(b) of the Companies Act, 1965 shall not apply.*

c) *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 officers.*

d) *The instrument appointing a Proxy must be deposited at the Registered Office of the Company at Unit 07-02, Level 7, Menara Luxor, 6B Persiaran Tropicana, 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.*

Please fold along this line (1)

stamp

The Company Secretary

LTKM BERHAD (442942-H)
Unit 07-02, Level 7
Menara Luxor
6B Persiaran Tropicana
47410 Petaling Jaya
Selangor Darul Ehsan

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