We are Eggs Ahead

annual report 2008

LTK Omega Plus

Lower Cholesterol

The Healthier Egg that contains

5X Omega-3

5X DHA

Omega-3 Polyunsaturated Fatty Acids (PUFA), such as DHA are found naturally in some foods, egg is one of them. Adequate intake of Omega-3 and DHA is vital for the health benefit of our heart, brain and eyes. With MARDI's all natural vegetarian feed formula to feed our chickens, we at LTK are able to produce even healthier eggs with higher Omega-3, DHA, Vitamin E and Selenium.

** In comparison to an ordinary egg*

100% Natural **Vegetarian Feeds such as Flaxseed, Corn & Soybean.**

100% Natural **Caratenoids. No synthetic colouring.**

The Consumer Smarter Choice !

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NOTICE OF ELEVENTH ANNUAL **GENERAL MEETING**

NOTICE IS HEREBY GIVEN THAT the Eleventh 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 Wednesday, 27 August 2008 at 10.00 a.m. for the purpose of transacting the following business:

A G E N D A

ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 March 2008 together with the Directors' and Auditors' Reports thereon.

2. To approve a final dividend of 7% less 25% income tax for the financial year ended 31 March 2008. **Resolution 1**

3. To approve the payment of Directors' fees for the financial year ended 31 March 2008. **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) Mr. Tan Kok **Resolution 3**
   b) Madam Lim Hooi Tin **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 with or without modifications, the following Resolutions:

Ordinary Resolution

- **Authority For Directors To Allot And Issue Shares**

"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**

Special Resolution

- **Amendments To Articles Of Association**

"THAT the proposed alterations, modifications, amendments or deletions to the Articles of Association of the Company as contained in Appendix A be and are hereby approved." **Resolution 7**

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 25% income tax in respect of the financial year ended 31 March 2008, if approved by the members, will be payable on 7 October 2008 to Depositors registered in the Record of Depositors at the close of business on 9 September 2008.

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 9 September 2008 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: 5 August 2008

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

a) Authority For Directors To Allot And Issue Shares

The proposed Resolution 6 under item 6 above, if passed, will empower the Directors of the Company, from the date of the above Annual General Meeting, authority to allot and issue shares in the Company up to an amount not exceeding in total 10% of the issued capital of the Company for such purposes as the Directors consider would be in the best interest of the Company. This authority, unless revoked or varied at a general meeting, will expire at the next Annual General Meeting.

b) Amendments To Articles Of Association

The proposed Resolution 7 under item 6 above, is to amend the Company's Articles of Association in line with the amendments to the Listing Requirements of Bursa Malaysia Securities Berhad.

The amendments are detailed in Appendix A laid out in pages 71 to 78 of this Annual Report.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

Details of Directors who are standing for re-election in Agenda 4 (a) (Mr. Tan Kok) and Agenda 4 (b) (Madam Lim Hooi Tin) of the Notice of the Eleventh 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 50, 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 57, 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 58, 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 56, 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 50, 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 62, 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 2008.

CHAIRMAN'S **STATEMENT**

On behalf of the Board of Directors of LTKM Berhad, it is a great pleasure 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 2008.

FINANCIAL REVIEW

During the financial year, the Group managed to achieve yet another year of satisfactory results with a profit before tax of RM7.76 million, an increase of 37% over last year's RM 5.67 million. This is despite about 40% increase in our major feed costs, namely corn and soybean meal. Turnover increased to RM108.21 million, which was 27% higher than that achieved in the previous year. This increase was attributable to an increase of 8% in the number of egg sold and higher average selling prices. Our ability to sustain profitability year to year is also due to the efforts of our dedicated, cost conscious and motivated workforce which is also able to perform its work tasks efficiently in all the operations. We are very conscious about returns to our shareholders and so any expansion and/or diversification plans would be properly assessed to ensure that we can continue to reward our shareholders with dividends.

We have achieved progress in the following areas during the year :-

a. Our birds are now housed in fully-enclosed bird-proof sheds of which over 60% have been constructed in line with the Ministry of Agriculture's guidelines for 'closed' sheds;

b. We received creditable certifications from the Department of Veterinary Services for Good Farm Practices under the Skim Amalan Ladang Ternakan (SALT) and from Jabatan Agama Islam Melaka which has certified our LTK Omega Plus eggs, LTK Selenium eggs and the LTK Telo'Mas as HALAL;

c. In May 2008, the Agri-Food & Veterinary Authority of Singapore (AVA) conducted a joint audit at our farm together with the Jabatan Perkidmatan Haiwan, Melaka,. Both authorities were very pleased with their findings which demonstrated that our farm practices and standards are of high level and we are now able to increase our export of eggs to Singapore;

d. During March 2008, we commenced sand mining operation on our land at Bukit Senggeh, Melaka. We view this new operation to be profitable but do not expect a very significant contribution in terms of profit; and

e. We have had a very good demand for our premium LTK Omega Plus eggs. During the year, sales for such eggs increased by 14% over the last year. Unfortunately higher costs of feed components and keen competition from our competitors have affected the profit margins of such premium eggs. Thus we do not envisage that our production of this premium eggs to increase substantially in the near future.

For the whole of the financial year 2008, our average eggs production was 1.25 million eggs per day, only 250,000 more than the quantities we produced when we first listed on the then Kuala Lumpur Stock Exchange in year 2000. Despite our planned annual target increase of about 10%, we could foresee that the Group's profit would be affected, because of the uncertainty of the egg prices and the possibility of an outbreak of the avian flu. We assume that our strategy of not following our targeted quantities worked and because of that, we are able to pay dividends every year since 2000 and achieved an attractive net tangible assets per share of RM2.17, as to 31 March 2008. Although our total Group's net debt is now 20.75% of total equity due to increased feed costs, your Board feels that it is still within a manageable level.

DIVIDEND

The Board of Directors is pleased to recommend a final dividend of 7 Sen per share, less tax of 25%, for the financial year ended 31 March 2008. This is subject to the approval of the shareholders at the forthcoming Annual General Meeting.

CORPORATE SOCIAL RESPONSIBILITY

The Group is aware of its responsibility to both its shareholders and the community at large. As we try very hard to increase earnings, we do recognize the need to place a firm commitment towards Corporate Social Responsibility and good corporate governance.

CHAIRMAN'S **STATEMENT**

During the financial year ended 31 March 2008, the Group had :-

i. Provided adequate medical benefits to all the staff, as well as provided free anti-flu vaccinations to the farm workers at least once a year;

ii. Donated to the community, especially schools, places of worships, non-profit organizations and other charitable organizations; and

iii. Conducted numerous in-house training programs and sponsored some employees to attend external technical courses/seminars to enhance their knowledge development.

For the current year, we have plans to further enforce positive community support through participation in educational development projects and community care.

PROSPECTS FOR THE FINANCIAL YEAR ENDING 2009

We foresee very difficult times ahead for the layer Industry. Feed and transportation costs are expected to escalate in tandem with the recent global increase in oil prices. Our electricity consumption will also increase as a result of housing our birds in 'closed' sheds. This increase in electricity consumption and the impending hike in electricity tariffs will translate into higher energy costs. These cost factors are beyond our control and will affect the layer industry across the country. We envisage many layer farms may take drastic measures to cut production and/or increase the selling prices of eggs. In doing so, the public can expect to pay for dearer eggs. In view of escalating costs and the uncertainty of egg prices, our Group will also face challenging times. However we will still maintain our daily production of 1.25 million eggs. We expect to increase our exports to Singapore and also expect some contributions from our organic fertilizers and sand mining operations. We will continue to place emphasis on cost management and efficiency. We will continue to explore and implement alternative methods of improving productivity and enhance efficient employment of our resources. Barring unforeseen circumstances, we expect to perform within the figure achieved in this financial year and would also strive to continue to maintain our good dividend policies.

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 had made it possible for this Group to achieve such an encouraging performance throughout this very difficult and challenging year. The Board would also like to welcome three of our senior executives to the board of our subsidiary, LTK Melaka Sdn Bhd. They have been working for the subsidiary since its incorporation. We wish to congratulate them on their promotion and the Board would like to thank them for their dedication and commitment to the Group.

I would also like to extend our sincere appreciation and gratitude to the dedicated staff at the Department of Veterinary Services, Ministry of Agriculture, Malaysian Agriculture Research and Development Institute (MARDI), and Marditech Corporation Sdn Bhd, 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

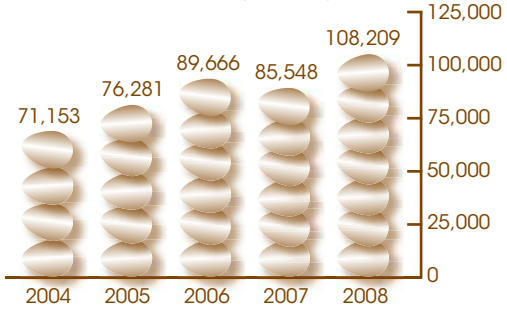
FINANCIAL **HIGHLIGHTS**

Year ended 31 March		2008 RM000		2007 RM000	2006 RM000	2005 RM000	2004 RM000
Revenue		108,209		85,548	89,666	76,281	71,153
Operating profits		8,867		6,770	17,413	6,148	8,996
Finance costs		(1,110)		(1,095)	(662)	(600)	(794)
Profit before tax		7,757		5,675	16,751	5,548	8,202
Profit attributable to equity holders		6,426		5,436	14,827	4,806	7,249
Share capital		41,010		40,992	40,962	40,116	40,116
Total equity		89,189		86,036	83,636	70,867	64,600
Net earnings per share - basic	sen	15.68		13.26	36.83	11.98	18.07
Net dividend per share	sen	8.25	#	8.11	8.04	4.32	5.60
Dividend yield	%	7.64	#	7.58	6.81	4.50	5.28
Net tangible asset	RM	2.17		2.10	2.04	1.77	1.61
Price-earnings ratio *	times	6.89		8.07	3.20	8.01	5.87
Net debt / total equity **	%	20.75		9.23	14.20	8.43	18.28
Closing share price	RM	1.08		1.07	1.18	0.96	1.06

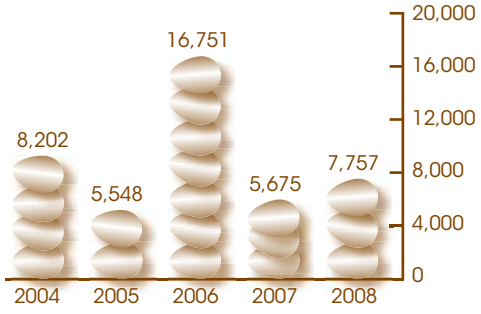
\# include final dividend which is subject to the approval of shareholders at the forthcoming Annual General Meeting.
* represents share price as at 31 Mar / net earnings per share.
** net debt represents total borrowings (incl. Hire purchase payables) from financial institutions - cash and bank balances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

FINANCIAL **HIGHLIGHTS**

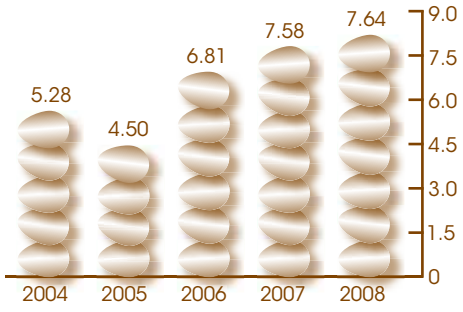
Revenue (RM000)



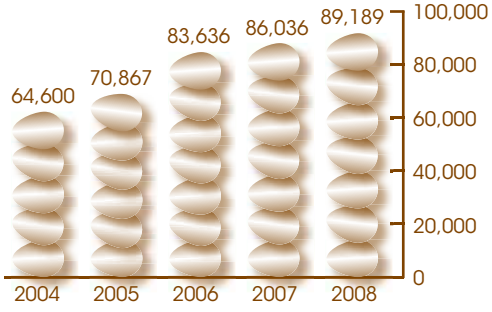
Profit Before Tax (RM000)



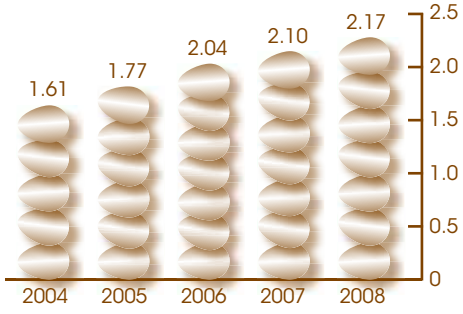
Dividend Yield (%)



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 ½ Jalan Meru
41050 Klang
Selangor Darul Ehsan
Tel: 03-3342 2830/1
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

Objectives

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; and
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 (MIA); or
   ii) if he is not a member of the MIA, 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; or
      - fulfils such other requirements as prescribed or approved by Bursa Malaysia Securities Berhad (BMSB).

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; and
f) be able to convene meetings with the external auditors, internal auditors or both, excluding the attendance of other Directors and employees of the Company, 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 auditors, the audit plan;
   ii) with the external auditors, his evaluation of the system of internal controls;
   iii) with the external auditors, his audit report;
   iv) the assistance given by the employees of the Group to the external auditors;
   v) the adequacy of the scope, functions, competency 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, prior to the approval by the Board of Directors, focusing particularly on:
      - changes in or implementation of major accounting policy changes;
      - significant and unusual events; and
      - compliance with accounting standards and other legal requirements;
   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 Company; and
   x) whether there is reason (supported by grounds) to believe that the Group's external auditors are 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 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; and
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 fulfil 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.

Internal Audit Function

The Audit Committee is assisted by the Internal Audit Department in discharging its duties and responsibilities. The internal audit function is established to undertake independent, regular and systematic reviews of the system of financial and operational controls so as to provide reasonable assurance that such systems continue to operate satisfactorily and effectively in the Group.

AUDIT COMMITTEE **REPORT**

Internal Audit Function (contd.)

The Internal Audit Department undertakes internal audit functions based on the audit plan that is reviewed and approved by the Audit Committee. The audit plan covers review of adequacy of operational controls, risk management, compliance with established procedures, laws and regulations, quality of assets, computer application system, amongst others. The Internal Audit Department also carries out investigations and special review requested by management or Audit Committee.

The internal audit reports are deliberated by the Audit Committee and recommendations are duly acted upon by the management.

Activities

During the financial year under review, the Audit Committee carried out the following activities:

- reviewed the annual audited financial statements of the Company / Group and quarterly results of the Group prior to presentation for the Board's approval;
- reviewed the Statement on Internal Control pursuant to Paragraph 15.27(b) of the Listing Requirements for Board's approval;
- reviewed the related party transactions that had arisen within the Company or Group;
- reviewed with the external auditors their audit plan prior to commencement of audit;
- reviewed the management letters and audit report of the external auditors; and
- reviewed the internal audit findings on the evaluation of the internal control system of the Group and its recommendations on system and control weaknesses noted during the course of audit.

General Information

Summary of attendance of Audit Committee meetings for the financial year ended 31 March 2008.

Member	No. of meetings attended
Ahmad Khairuddin bin Ilias	5 of 5
Kamarudin bin Md Derom	5 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 Members 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.

(iv) Board Meeting and Supply of Information (contd.)

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 directors have completed the Mandatory Accreditation Programme and accumulated the Continuing Educational Programme requisite points pursuant to the Listing Requirements of Bursa Malaysia. The Directors will continue to attend other relevant training programmes to keep abreast with current issues and new statutory and regulatory requirements. During the year, the Directors have attended some seminars to further enhance their skill and knowledge.

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 2008 are disclosed in Note 7 of the Financial Statements.

D. ACCOUNTABILITY AND AUDIT

(i) 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 approved accounting standards in Malaysia, consistently applied and supported by reasonable and prudent judgments and estimates.

(i) Financial Reporting (contd.)

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.

(ii) Internal Control

The information on the Group's internal control is presented in the Statement on Internal Control in the Annual Report.

(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.

STATEMENT ON **INTERNAL CONTROL**

INTRODUCTION

This Statement on Internal Control is made in accordance with paragraph 15.27(b) of the Listing Requirements of Bursa Malaysia, which requires Malaysian public listed companies to make a statement about their state of internal control, as a Group, in their annual report.

BOARD RESPONSIBILITY

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.

RISK MANAGEMENT

There is an ongoing process for identifying, evaluating and managing the significant risks faced by the Group in the context of its business objectives. The Managing Director has a weekly meeting with the senior management team to identify, assess and manage risk in an efficient and effective manner. The Internal Audit Department, which function independently, reviews the control processes implemented by the management and reports to the AC periodically. The Internal Audit Department, also reviews the internal controls in the key activities of the Group's business based on the risk profiles of the business units in the Group.

KEY INTERNAL CONTROL PROCESSES

Internal controls are embedded in the Group's operations as follows:-

- Clear organisation structure with defined reporting lines.
- Regular management meetings to assess the Group's performance and controls.
- Internal control requirements are embedded in computerised system.
- Detailed budget is prepared yearly.
- Clearly documented Standard Operating Procedures Manuals set out the policies and procedures for the main processes in the farm.
- Consolidated monthly management accounts allow the management to focus on areas of concern.
- Monthly financial and operational reports from the major operating units are presented to the Managing Director and Executive Directors. The management team communicates regularly to monitor performance.
- Quarterly reports are released after being reviewed by the AC and approval from the Board.
- Internal audit findings are communicated to the management and AC with recommendations for improvements and follow up to confirm all agreed recommendations are implemented.
- Review of major proposals for material contract and investment opportunities by the management team and approval for the same by the Board prior to expenditure being committed.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The external auditors have reviewed this Statement on Internal Control for inclusion in the annual report of the Group for the year ended 31 March 2008 and reported to the Board that nothing has come to their attention that causes them to believe that the Statement is inconsistent with their understanding of the process the Board has adopted in the review of the adequacy and integrity of internal controls within the Group.

WEAKNESSES IN INTERNAL CONTROL THAT RESULT IN MATERIAL LOSS

There were no material losses incurred arising from weaknesses in internal control identified during the financial year that would require mention in the annual report.

FINANCIAL STATEMENTS

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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 2008.

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.

On 1 March 2008, one of the subsidiaries, LTK Omega Plus Sdn. Bhd. which was previously dormant, commenced its operation of the extraction and trading of sand.

Other than as mentioned above, there have been no significant changes in the nature of the principal activities during the financial year.

RESULTS

	Group RM	Company RM
Net profit for the year	6,426,099	8,500,177

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 2007 were as follows:

	RM
In respect of the financial year ended 31 March 2007 as reported in the directors' report of that year:	
Final dividend of 7% less 27% taxation, on 40,992,002 ordinary shares, declared on 28 August 2007 and paid on 8 October 2007.	2,094,691
In respect of the financial year ended 31 March 2008:	
Interim dividend of 3% tax exempt, on 41,010,002 ordinary shares, declared on 5 February 2008 and paid on 21 April 2008	1,230,300
	3,324,991

At the forthcoming Annual General Meeting, a final dividend in respect of the financial year ended 31 March 2008, of 7% less 25% taxation on 41,010,002 ordinary shares, amounting to a dividend payable of RM2,153,025 (5.25 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 2009.

DIRECTORS

The names of the directors of the Company in office since the date of the last report and at the date of this report are:

Ahmad Khairuddin bin Ilias
Tan Kok
Tan Kark Bin
Lim Hooi Tin
Kamarudin bin Md Derom
Ooi Chee Seng

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 7 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 28 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			
	1.4.2007	Acquired	Sold	31.3.2008
The Company				
Direct Interest:				
Ahmad Khairuddin bin Ilias	801,000	-	-	801,000
Tan Kark Bin	539,000	-	-	539,000
Lim Hooi Tin	200,000	-	-	200,000
Indirect Interest:				
Tan Kok*	24,114,102	118,000	-	24,232,102
Lim Hooi Tin^	24,114,102	118,000	-	24,232,102

DIRECTORS' INTERESTS (CONTD.)

	Number of Ordinary Shares of RM1 Each			
	1.4.2007	Bonus Issue	Capital Reduction	31.3.2008
Holding Company				
- Ladang Ternakan Kelang Sdn. Berhad				
Direct Interest:				
Tan Kok	12,311,200	24,622,400	(22,160,160)	14,773,440
Lim Hooi Tin	1,152,800	2,305,600	(2,075,040)	1,383,360

	Number of Options Over Ordinary Shares of RM1 Each			
	1.4.2007	Granted	Forfeited	31.3.2008
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 the holding company, Ladang Ternakan Kelang Sdn. Berhad. It also includes the interest of a child of the directors of the Company in shares of the Company under Section 134(12)(c) of the Companies (Amendment) Act, 1967.*

^ *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. It also includes the interest of a child of the directors of the Company in shares of the Company under Section 134(12)(c) of the Companies (Amendment) Act, 1967.*

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 23 February 2006. The ESOS was in force for a period of 5 years and shall expire on 17 October 2011.

The salient features and other terms of the ESOS are disclosed in Note 21(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 2008.

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 25 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 2008 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 2008.

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 25 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 2008 **TAN KARK BIN**

Before me,

LEE PEI NAM (B 186)
Commissioner of Oaths
Klang

INDEPENDENT AUDITORS' **REPORT**
TO THE MEMBERS OF LTKM BERHAD

Report on the financial statements

We have audited the financial statements of LTKM Berhad, which comprise the balance sheets as at 31 March 2008 of the Group and of the Company, and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 25 to 66.

Directors' responsibility for the financial statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2008 and of their financial performance and cash flows of the Group and of the Company for the year then ended.

INDEPENDENT AUDITORS' **REPORT**
TO THE MEMBERS OF LTKM BERHAD

Report on other legal and regulatory requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

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

(b) We are satisfied that the accounts 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.

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

Other matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young
AF: 0039
Chartered Accountants

Yap Seng Chong
No. 2190/12/09(J)
Chartered Accountant

Kuala Lumpur, Malaysia
17 July 2008

INCOME STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2008

	Note	Group		Company	
		2008 RM	2007 RM	2008 RM	2007 RM
Revenue	3	108,208,691	85,548,577	11,360,000	2,360,000
Cost of sales		(93,200,288)	(73,992,774)	-	-
Gross profit		15,008,403	11,555,803	11,360,000	2,360,000
Other income	4	653,363	664,447	273,874	341,052
Distribution expenses		(2,213,445)	(2,030,846)	-	-
Administrative expenses		(4,263,609)	(3,419,184)	(506,867)	(379,231)
Other expenses	5	(317,517)	-	-	-
Operating profit		8,867,195	6,770,220	11,127,007	2,321,821
Finance costs	6	(1,109,948)	(1,095,390)	-	-
Profit before tax	7	7,757,247	5,674,830	11,127,007	2,321,821
Income tax expense	8	(1,331,148)	(239,073)	(2,626,830)	(624,019)
Profit attributable to equity holders of the Company		6,426,099	5,435,757	8,500,177	1,697,802
Earnings per share (sen)					
- Basic	9	15.68	13.26		
- Diluted	9	15.66	13.21		

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

BALANCE SHEETS
AS AT 31 MARCH 2008

	Note	Group 2008 RM	Group 2007 RM	Company 2008 RM	Company 2007 RM
ASSETS					
Non-current assets					
Property, plant and equipment	11	76,398,463	67,228,711	784,795	74,693
Investment properties	12	1,447,950	10,131,688	-	-
Prepaid lease payments	13	1,634,489	1,674,082	-	-
Investments in subsidiaries	14	-	-	31,003,002	31,003,002
Marketable securities	15	8,038,386	6,175,587	3,144,817	5,185,229
Other investment	16	337,500	300,000	-	-
		87,856,788	85,510,068	34,932,614	36,262,924
Current assets					
Biological assets	17	13,467,809	11,543,787	-	-
Inventories	18	11,654,460	5,520,186	-	-
Tax recoverable		312,087	312,562	25,296	224
Trade and other receivables	19	9,761,603	6,055,158	19,976,575	8,789,009
Dividend receivable		-	-	-	1,460,000
Cash and bank balances	20	2,909,191	7,403,177	1,705,917	5,707,531
		38,105,150	30,834,870	21,707,788	15,956,764
TOTAL ASSETS		125,961,938	116,344,938	56,640,402	52,219,688
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the Company					
Share capital	21	41,010,002	40,992,002	41,010,002	40,992,002
Share premium		2,056,051	2,055,151	2,056,051	2,055,151
Asset revaluation reserve	22	2,956,586	3,053,904	-	-
Retained profits	23	43,166,623	39,934,594	12,195,282	7,020,096
Total equity		89,189,262	86,035,651	55,261,335	50,067,249
Non-current liabilities					
Borrowings	24	6,424,362	7,433,199	-	-
Deferred taxation	26	6,277,032	6,581,933	7,568	6,950
		12,701,394	14,015,132	7,568	6,950
Current liabilities					
Trade and other payables	27	7,851,749	7,149,168	141,199	915,729
Dividend payable	10	1,230,300	1,229,760	1,230,300	1,229,760
Borrowings	24	14,989,233	7,910,802	-	-
Taxation		-	4,425	-	-
		24,071,282	16,294,155	1,371,499	2,145,489
Total liabilities		36,772,676	30,309,287	1,379,067	2,152,439
TOTAL EQUITY AND LIABILITIES		125,961,938	116,344,938	56,640,402	52,219,688

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

CONSOLIDATED STATEMENT **OF CHANGES IN EQUITY**

FOR THE YEAR ENDED 31 MARCH 2008

	Note	Share Capital RM	(Non-Distributable) Share Premium RM	Asset Revaluation Reserve RM	(Distributable) Retained Profits RM	Total RM
At 1 April 2006		40,962,002	2,053,251	2,904,965	37,715,814	83,636,032
Issue of ordinary shares	21	30,000	1,900	-	-	31,900
Transfer 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
Dividends	10	-	-	-	(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
At 1 April 2007		40,992,002	2,055,151	3,053,904	39,934,594	86,035,651
Issue of ordinary shares	21	18,000	900	-	-	18,900
Transfer of revaluation reserve upon disposal of revalued property, plant and equipment		-	-	(130,921)	130,921	-
Transfer from deferred tax		-	-	33,603	-	33,603
Net profit for the year		-	-	-	6,426,099	6,426,099
Dividends	10	-	-	-	(3,324,991)	(3,324,991)
At 31 March 2008		41,010,002	2,056,051	2,956,586	43,166,623	89,189,262

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

COMPANY STATEMENT
OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2008

	Note	Share Capital RM	(Non-Distributable) Share Premium RM	(Distributable) Retained Profits RM	Total RM
At 1 April 2006		40,962,002	2,053,251	8,617,799	51,633,052
Issue of ordinary shares	21	30,000	1,900	-	31,900
Net profit for the year		-	-	1,697,802	1,697,802
Dividend	10	-	-	(3,295,505)	(3,295,505)
At 31 March 2007		40,992,002	2,055,151	7,020,096	50,067,249
At 1 April 2007		40,992,002	2,055,151	7,020,096	50,067,249
Issue of ordinary shares	21	18,000	900	-	18,900
Net profit for the year		-	-	8,500,177	8,500,177
Dividends	10	-	-	(3,324,991)	(3,324,991)
At 31 March 2008		41,010,002	2,056,051	12,195,282	55,261,335

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

CASH FLOW **STATEMENTS**

FOR THE YEAR ENDED 31 MARCH 2008

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	7,757,247	5,674,830	11,127,007	2,321,821
Adjustments for:				
Depreciation of property, plant and equipment	7,344,877	6,788,502	35,986	21,089
Amortisation of prepaid lease payments	39,593	39,593	-	-
Bad debts written off	110,801	-	-	-
Write off of property, plant and equipment	317	905	-	905
Gain on disposal of property, plant and equipment	(91,581)	(264,792)	-	-
Gain on disposal of marketable securities	(181,502)	(106,957)	(153,031)	(96,363)
Provision for/(reversal of) doutbtful debt	358,043	(2,000)	-	-
Provision for unutilised annual leave	183,878	-	4,742	-
Impairment loss on marketable securities	296,000	-	-	-
Unrealised loss on foreign exchange	21,517	-	-	-
Other investment income	(37,500)	-	-	-
Dividend income	(231,194)	-	(11,038,456)	(2,000,000)
Interest expense	1,109,948	1,095,390	-	-
Interest income	(70,206)	(208,811)	(63,245)	(236,288)
Operating profit/(loss) before working capital changes	16,610,238	13,016,660	(86,997)	11,164
Increase in biological assets	(1,924,022)	(827,410)	-	-
Increase in inventories	(6,134,274)	(1,444,666)	-	-
(Increase)/decrease in receivables	(4,175,289)	(330,242)	92,877	(55,898)
Increase/(decrease) in payables	497,186	(303,483)	40,311	(33,143)
Changes in intercompany indebtedness	-	-	(9,500,026)	(715,753)
Cash generated from/(used in) operations	4,873,839	10,110,859	(9,453,835)	(793,630)
Dividend paid	(3,324,451)	(2,065,745)	(3,324,451)	(2,065,745)
Income tax paid	(1,606,395)	(1,229,619)	(2,651,284)	(587,584)
Interest paid	(1,109,948)	(1,095,390)	-	-
Net cash (used in)/generated from operating activities	(1,166,955)	5,720,105	(15,429,570)	(3,446,959)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment	(7,970,827)	(4,699,151)	(746,088)	(54,600)
Purchase of investment property	-	(1,686,602)	-	-
Purchase of marketable securities	(8,332,857)	(5,542,040)	(2,144,353)	(5,361,716)
Proceeds from disposal of property, plant and equipment	231,200	416,500	-	-
Proceeds from disposal of marketable securities	6,355,559	9,484,043	4,337,796	6,483,483
Interest received	70,206	208,811	63,245	236,288
Dividend received	231,194	-	9,898,456	2,880,000
Net cash (used in)/generated from investing activities	(9,415,525)	(1,818,439)	11,409,056	4,183,455

CASH FLOW **STATEMENTS**

FOR THE YEAR ENDED 31 MARCH 2008

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from issue of shares	18,900	31,900	18,900	31,900
Drawndown of term loan	2,405,400	-	-	-
Repayment of term loans	(2,227,643)	(1,988,892)	-	-
Net drawndown of other bank borrowings	7,057,000	155,000	-	-
Repayment of hire purchase	(1,020,885)	(1,617,574)	-	-
Net cash generated from/(used in) financing activities	6,232,772	(3,419,566)	18,900	31,900
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(4,349,708)	482,100	(4,001,614)	768,396
CASH AND CASH EQUIVALENTS AT 1 APRIL	7,004,513	6,522,413	5,707,531	4,939,135
CASH AND CASH EQUIVALENTS AT 31 MARCH (Note 20)	2,654,805	7,004,513	1,705,917	5,707,531

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

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. Bhd., 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 and the extraction and trading of sand.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 17 July 2008.

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 (FRSs) in Malaysia.

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).

The MASB has issued FRS 6: Exploration for and Evaluation of Mineral Resources and Amendment to FRS 119_{2004}: Employee Benefits - Actuarial Gains and Losses, Group Plans and Disclosures which became effective for financial periods beginning on or after 1 January 2007. Both FRS 6 and Amendment to FRS 119_{2004} are not applicable to the Company.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 Summary of Significant Accounting Policies (contd.)

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

(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.

Subsidiary companies are consolidated using the acquisition method of accounting except for certain subsidiary companies, as disclosed in Note 14, 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 income statement.

(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 consumables 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 Summary of Significant Accounting Policies (contd.)

(b) Revenue Recognition (contd.)

(ii) Sales of sand

Revenue from sales of sand is recognised when sand is collected based on the invoiced value of sand sold.

(iii) Interest income

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

(iv) Dividend income

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

(v) Rental income

Rental income is recognised on an accrual basis.

(vi) Management fee income

Management fee income from subsidiaries is recognised when services are rendered.

(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. 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 Summary of Significant Accounting Policies (contd.)

(d) Income Tax (contd.)

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.

(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:

Buildings	2% - 10%
Renovation	10%
Plant and machinery	10% - 20%
Furniture, fittings and equipment	10% - 20%
Motor vehicles	20%
Ponds	20% - 50%

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 Summary of Significant Accounting Policies (contd.)

(e) Property, Plant and Equipment, and Depreciation (contd.)

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.

(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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 Summary of Significant Accounting Policies (contd.)

(g) Leases (contd)

(ii) Finance Leases - the Group as Lessee (contd.)

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).

(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 straight-line 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 instruments are 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 Summary of Significant Accounting Policies (contd.)

(h) Financial Instruments (contd.)

(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.

(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 up to the estimated economic lives of 65 weeks.

(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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 Summary of Significant Accounting Policies (contd.)

(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.

(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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 Summary of Significant Accounting Policies (contd.)

(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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 Summary of Significant Accounting Policies (contd.)

(m) Foreign Currencies (contd.)

(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.

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 Standards and Interpretations Issued but Not Yet Effective

At the date of authorisation of these financial statements, the following new and revised FRS, amendment to FRS and Interpretations were issued but not yet effective and have not been applied by the Group and the Company:

FRS, Amendment to FRS and Interpretations	Effective for financial periods beginning on or after
FRS 107 : Cash Flow Statements	1 July 2007
FRS 111 : Construction Contracts	1 July 2007
FRS 112 : Income Taxes	1 July 2007
FRS 118 : Revenue	1 July 2007
FRS 120 : Accounting for Government Grants and Disclosure of Government Assistance	1 July 2007
FRS 134 : Interim Financial Reporting	1 July 2007
FRS 137 : Provisions, Contingent Liabilities and Contingent Assets	1 July 2007
FRS 139 : Financial Instruments: Recognition and Measurement	Deferred
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 FRS 129_{2004} - Financial Reporting in Hyperinflationary Economies	1 July 2007
IC Interpretation 8 : Scope of FRS 2	1 July 2007

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.3 Standards and Interpretations Issued but Not Yet Effective (contd.)

The above new and revised FRS, amendment to FRS and Interpretations are expected to have no significant impact on the financial statement of the Group and the Company upon their initital 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.

2.4 Significant Accounting Estimates and Judgements

(a) Critical Judgements Made in Applying Accounting Policies

There are no critical judgements made by management in the process of applying the Group's and 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 5-10 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		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Sales of produce inventories, livestocks and consumable goods, less returns and discounts allowed	108,086,163	85,548,577	-	-
Dividend income from a subsidiary company	-	-	11,000,000	2,000,000
Sales of sand	122,528	-	-	-
Management fee from a subsidiary company	-	-	360,000	360,000
	108,208,691	85,548,577	11,360,000	2,360,000

4. OTHER INCOME

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Interest income on				
- fixed deposit	70,206	208,811	63,245	206,503
- loans to subsidiary companies	-	-	-	29,786
Rental income	21,702	11,600	19,142	8,400
Gain on disposal of marketable securities	181,502	106,957	153,031	96,363
Dividend income	231,194	-	38,456	-
Gain on disposal of property, plant and equipment	91,581	264,792	-	-
Other investment income	37,500	-	-	-
Others	19,678	72,287	-	-
	653,363	664,447	273,874	341,052

5. OTHER EXPENSES

Impairment on marketable securities	296,000	-	-	-
Unrealised loss on foreign exchange	21,517	-	-	-
	317,517	-	-	-

6. FINANCE COSTS

Interest				
- bank overdrafts	27,011	12,757	-	-
- bankers' acceptances	280,068	161,982	-	-
- revolving credits	87,496	52,492	-	-
- bank term loans	625,842	719,067	-	-
- hire purchase	89,531	149,092	-	-
	1,109,948	1,095,390	-	-

7. PROFIT BEFORE TAX

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

Staff costs (excluding directors) (Note a)	6,641,089	6,192,655	177,793	134,673
Directors' remuneration (Note b)	973,728	651,764	69,000	69,000
Auditors' remuneration	43,000	40,500	13,000	12,000
Depreciation of property, plant and equipment	7,344,877	6,788,502	35,986	21,089
Amortisation of prepaid lease payments	39,593	39,593	-	-
Bad debts written off	110,801	-	-	-
Rental of farm paid to				
- holding company	72,072	288,288	-	-
- related company	216,216	-	-	-
Rental of office	40,800	40,800	40,800	40,800
Write off of property, plant and equipment	317	905	-	905
Realised gain on foreign exchange	(286,618)	(200,009)	-	-
Provision for/(reversal of) doubtful debts	358,043	(2,000)	-	-

7. PROFIT BEFORE TAX (CONTD.)

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
(a) Staff costs				
Wages and salaries	5,657,718	5,315,622	144,479	113,561
Social security costs	47,160	47,477	1,229	1,240
Defined contribution plans	405,359	401,151	17,727	14,093
Short term accumulating compensated absences	183,878	-	4,742	-
Other staff related expenses	346,974	428,405	9,616	5,779
	6,641,089	6,192,655	177,793	134,673
(b) Directors' remuneration				
Executive directors' remuneration				
Fees	95,000	60,000	-	-
Salaries and other emoluments	721,372	466,200	-	-
Defined contribution plans	86,652	55,944	-	-
Social security costs	1,704	620	-	-
Total executive directors' remuneration	904,728	582,764	-	-
Non-Executive directors' remuneration				
Fees	69,000	69,000	69,000	69,000
Total of directors' remuneration (Note 28(b))	973,728	651,764	69,000	69,000
Benefits-in-kind	52,277	54,206	-	-
Total directors' remuneration including benefits-in-kind	1,026,005	705,970	69,000	69,000

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

	Group Number of Directors		Company Number of Directors	
	2008	2007	2008	2007
Executive directors				
RM50,001 - RM100,000	1	2	-	-
RM100,001 - RM150,000	2	2	-	-
RM150,001 - RM200,000	2	-	-	-
RM200,001 - RM250,000	1	1	-	-
Non-executive directors				
Below RM50,000	3	3	3	3

8. INCOME TAX EXPENSE

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Income tax:				
Malaysian income tax	1,603,402	517,224	2,620,200	609,200
(Over)/underprovision in prior years:				
Malaysian income tax	(956)	(368)	6,012	7,869
	1,602,446	516,856	2,626,212	617,069
Deferred tax (Note 26):				
Relating to origination and reversal of temporary differences	(237,453)	189,230	885	5,098
Relating to reduction in Malaysia income tax rate	(228,481)	(427,269)	(267)	(346)
Under/(over)provision in prior years	194,636	(39,744)	-	2,198
	(271,298)	(277,783)	618	6,950
	1,331,148	239,073	2,626,830	624,019

Domestic income tax is calculated at the Malaysian statutory tax rate of 26% (2007: 27%) of the estimated assessable profit for the year, except for the tax rate of 20% for the first RM500,000 taxable profit, where an incentive of 6% (2007: 7%) exemption on the first RM500,000 taxable profit is granted by the authority. This is only applicable to subsidiary companies with paid up capital of less than or equal to RM2.5 million. The domestic statutory tax rate will be reduced to 25% from the current year's rate of 26%, effective year of assessment 2009. The computation of deferred tax as at 31 March 2008 has reflected these changes.

A reconciliation of income tax expense applicable to profit before tax 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		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Profit before tax	7,757,247	5,674,830	11,127,007	2,321,821
Taxation at Malaysian statutory tax rate of 26% (2007: 27%)	2,274,511	1,532,204	2,893,022	626,891
Effect of different tax rate for qualified small and medium enterprises	(41,461)	(45,063)	-	-
Effect on opening deferred tax due to reduction in Malaysia income tax rate	(228,481)	(419,742)	(267)	(157)
Deferred tax recognised at different tax rates	9,609	(7,527)	(35)	(189)
Effect of income not subject to tax	(318,957)	(26,018)	(299,788)	(26,018)
Effect of expenses not deductible for tax purposes	256,428	333,426	27,886	13,425
Utilisation of tax incentives	(929,305)	(1,088,095)	-	-
Deferred tax assets not recognised on unutilised capital allowance	115,124	-	-	-
(Over)/underprovision of income tax expense in prior years	(956)	(368)	6,012	7,869
Under/(over) provision of deferred tax expense in prior years	194,636	(39,744)	-	2,198
Tax expense for the year	1,331,148	239,073	2,626,830	624,019

8. INCOME TAX EXPENSE (CONTD.)

Pursuant to Schedule 7A, Paragraph 8(d) of the Income Tax Act 1967, a company in the business of rearing chicken and ducks qualifies to claim Reinvestment Allowance ("RA") if the company has undertaken a qualifying project in transforming the business of rearing chicken and ducks from an opened house to a closed house system as verified for tax incentive by the Minister of Agriculture from YA 2003 onwards.

The subsidiary, LTK (Melaka) Sdn. Bhd. is claiming the tax incentive. The Board of Directors is confident that the subsidiary company qualifies for the RA and tax savings arising from such claim amounted to RM930,000 for the financial year under review and cumulatively RM4,300,000 since YA 2003.

9. 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	
	2008	2007
Profit attributable to ordinary equity holders of the Company (RM)	6,426,099	5,435,757
Weighted average number of ordinary shares in issue	40,994,024	40,982,413
Basic earnings per share (sen)	15.68	13.26

(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	
	2008	2007
Profit attributable to ordinary equity holders of the Company (RM)	6,426,099	5,435,757
Weighted average number of ordinary shares in issue		
- as above	40,994,024	40,982,413
- adjusted for assumed exercise of share options	29,065	175,456
Weighted average number of ordinary shares for diluted earnings per share	41,023,089	41,157,869
Diluted earnings per share (sen)	15.66	13.21

10. DIVIDENDS

	Dividends in respect of financial year			Dividends recognised in financial year	
	2008 RM	2007 RM	2006 RM	2008 RM	2007 RM
Recognised during the year					
Interim dividend of 3%, tax exempt, on 41,010,002 ordinary shares, declared on 5 February 2008 and payable on 21 April 2008	1,230,300	-	-	1,230,300	-
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
Final dividend of 7% less 27% taxation, on 40,992,002 ordinary shares, declared on 28 August 2007 and paid on 8 October 2007	-	2,094,691	-	2,094,691	-
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 25% taxation on 41,010,002 ordinary shares	2,153,025	-	-	-	-
	3,383,325	3,324,451	2,065,745	3,324,991	3,295,505

At the forthcoming Annual General Meeting, a final dividend in respect of the financial year ended 31 March 2008, of 7% less 25% taxation on 41,010,002 ordinary shares, amounting to a dividend payable of RM2,153,025 (5.25 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 2009.

11. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land RM	Buildings RM	Renovation RM	Plant and Machinery RM	Furniture, Fittings and Equipment RM	Motor Vehicles RM	Ponds RM	Capital Work-in-Progress RM	Total RM
Group									
At 31 March 2008									
Cost or valuation									
At 1 April 2007									
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
	17,411,614	45,519,975	73,334	19,363,063	2,787,539	3,787,364	-	1,881,845	90,824,734
Additions	-	813,468	-	770,290	147,353	292,435	-	5,947,281	7,970,827
Transfer from investment properties	8,683,738	-	-	-	-	-	-	-	8,683,738
Reclassifications	8,008	3,701,722	-	588,896	679,467	123,731	542,090	(5,643,914)	-
Write-offs	-	(195,000)	-	-	(10,275)	-	-	-	(205,275)
Disposals	-	-	-	(104,607)	(7,780)	(344,980)	-	-	(457,367)
At 31 March 2008	26,103,360	49,840,165	73,334	20,617,642	3,596,304	3,858,550	542,090	2,185,212	106,816,657
Representing:									
At cost	8,803,360	16,288,218	73,334	20,617,642	3,596,304	3,858,550	542,090	2,185,212	55,964,710
At valuation	17,300,000	33,551,947	-	-	-	-	-	-	50,851,947
At 31 March 2008	26,103,360	49,840,165	73,334	20,617,642	3,596,304	3,858,550	542,090	2,185,212	106,816,657
Accumulated Depreciation									
At 1 April 2007	-	8,838,167	51,335	10,495,929	1,353,110	2,857,482	-	-	23,596,023
Charge for the year	-	4,722,232	7,333	1,802,576	307,520	448,010	57,206	-	7,344,877
Write-offs	-	(194,995)	-	-	(9,963)	-	-	-	(204,958)
Disposals	-	-	-	(2,988)	(4,659)	(310,101)	-	-	(317,748)
At 31 March 2008	-	13,365,404	58,668	12,295,517	1,646,008	2,995,391	57,206	-	30,418,194
Net carrying amount									
At cost	8,803,360	12,954,607	14,666	8,322,125	1,950,296	863,159	484,884	2,185,212	35,578,309
At valuation	17,300,000	23,520,154	-	-	-	-	-	-	40,820,154
At 31 March 2008	26,103,360	36,474,761	14,666	8,322,125	1,950,296	863,159	484,884	2,185,212	76,398,463

11. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

	Freehold Land RM	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

11. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

	Building RM	Renovation RM	Furniture, Fittings and Equipment RM	Total RM
Company				
At 31 March 2008				
Cost				
At 1 April 2007	-	73,334	82,619	155,953
Additions	746,088	-	-	746,088
At 31 March 2008	746,088	73,334	82,619	902,041
Accumulated Depreciation				
At 1 April 2007	-	51,335	29,925	81,260
Charge for the year	14,932	7,333	13,721	35,986
At 31 March 2008	14,932	58,668	43,646	117,246
Net carrying amount	731,156	14,666	38,973	784,795
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

11. 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 2008 would be as follows:

	Group	
	2008 RM	2007 RM
Freehold land	6,218,443	6,218,443
Buildings	21,166,526	23,838,000
	27,384,969	30,056,443

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

	Group	
	2008 RM	2007 RM
Buildings	968,872	1,468,872
Plant and machinery	1,016,052	1,488,966
	1,984,924	2,957,838

(c) The net book values of property, plant and equipment pledged for borrowings (Note 24(c)(i) and 24(c)(ii)) are as follows:

	Group	
	2008 RM	2007 RM
Freehold land	25,972,643	17,411,614
Buildings	4,197,161	4,651,088
	30,169,804	22,062,702

12. INVESTMENT PROPERTIES

	Group	
	2008 RM	2007 RM
At 1 April	10,131,688	-
Transfer (to)/from property, plant and equipment	(8,683,738)	8,855,895
Additions during the year	-	1,686,602
Transfer from asset revaluation reserve	-	(410,809)
	1,447,950	10,131,688
Estimated fair value of investment properties	1,450,000	10,550,000

As at 31 March 2007, freehold land included in the investment properties is pledged as security by way of a fixed charge for bank borrowings of the Group, as disclosed in Note 24(c)(i)

13. PREPAID LEASE PAYMENTS

	Group	
	2008 RM	2007 RM
At 1 April	1,674,082	1,713,675
Amortisation for the year (Note 7)	(39,593)	(39,593)
	1,634,489	1,674,082
Analysed as:		
Long term leasehold land	1,119,965	1,142,214
Short term leasehold land	514,524	531,868
	1,634,489	1,674,082

Short term 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.

14. INVESTMENTS IN SUBSIDIARIES

	Company	
	2008 RM	2007 RM
Unquoted shares, at cost	31,003,002	31,003,002

14. 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 2008 %	Equity Interest Held 2007 %	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 Omega Plus Sdn. Bhd.	100	100	Mining and trading of sand
LTK Development Sdn. Bhd.	100	100	Dormant
LTK Properties Sdn. Bhd.	100	100	Dormant

+ Consolidated using merger accounting.

15. MARKETABLE SECURITIES

	Group 2008 RM	Group 2007 RM	Company 2008 RM	Company 2007 RM
In Malaysia :				
Quoted shares, at cost	4,379,536	180,325	-	-
Quoted unit trusts, at cost	3,954,850	5,995,262	3,144,817	5,185,229
	8,334,386	6,175,587	3,144,817	5,185,229
Less: Impairment loss	(296,000)	-	-	-
	8,038,386	6,175,587	3,144,817	5,185,229
Market value of quoted shares	4,084,000	180,000	-	-
Market value of quoted unit trusts	4,135,224	6,216,179	3,270,829	5,379,355
	8,219,224	6,396,179	3,270,829	5,379,355

16. OTHER INVESTMENT

Guaranteed return savings plan	337,500	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.

17. BIOLOGICAL ASSETS

	Group	
	2008 RM	2007 RM
Livestocks	13,467,809	11,543,787

18. INVENTORIES

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Cost:				
Consumable goods	11,068,058	5,010,995	-	-
Produce inventories	586,402	509,191	-	-
	11,654,460	5,520,186	-	-

19. TRADE AND OTHER RECEIVABLES

Trade receivable				
Third parties	9,811,174	5,875,591	-	-
Less: Provision for doubtful debts	(829,036)	(470,993)	-	-
Trade receivables, net	8,982,138	5,404,598	-	-
Other receivables				
Amount due from subsidiaries	-	-	19,964,775	8,684,332
Deposits	67,113	180,720	10,800	104,677
Prepayments	378,067	398,494	-	-
Other receivables	334,285	71,346	1,000	-
	779,465	650,560	19,976,575	8,789,009
Total	9,761,603	6,055,158	19,976,575	8,789,009

(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 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 except for one of the subsidiaries, LTK (Melaka) Sdn. Bhd., which has significant concentration of credit risk in the form of outstanding debts due from 4 (2007: 5) customers representing 45% (2007: 44%) of the subsidiary's trade receivables. 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 no interest is charged (2007: 2% per annum).

20. CASH AND CASH EQUIVALENTS

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Cash on hand and at bank	1,180,075	1,741,349	115,721	117,941
Deposits with licensed banks	1,729,116	5,661,828	1,590,196	5,589,590
Cash and bank balances	2,909,191	7,403,177	1,705,917	5,707,531

Fixed deposits with a licensed bank of a subsidiary company amounting to RM74,920 (2007: RM72,238) are pledged to the licensed bank as security for a bank guarantee facility granted to a subsidiary company.

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

	Group		Company	
	2008 %	2007 %	2008 %	2007 %
Licensed banks	3.39	3.18	3.39	3.18

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

	Group		Company	
	2008 Days	2007 Days	2008 Days	2007 Days
Licensed banks	1 - 365	30 - 365	30 - 60	30 - 365

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

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Cash and bank balances	2,909,191	7,403,177	1,705,917	5,707,531
Bank overdrafts (Note 24)	(254,386)	(398,664)	-	-
Total cash and cash equivalents	2,654,805	7,004,513	1,705,917	5,707,531

21. SHARE CAPITAL

	Number of Ordinary Shares of RM1 Each		Amount	
	2008	2007	2008 RM	2007 RM
Authorised:				
At 1 April /31 March	100,000,000	100,000,000	100,000,000	100,000,000
Issued and fully paid:				
At 1 April	40,992,002	40,962,002	40,992,002	40,962,002
Issued during the year :				
Pursuant to ESOS	18,000	30,000	18,000	30,000
At 31 March	41,010,002	40,992,002	41,010,002	40,992,002

21. SHARE CAPITAL (CONTD.)

(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 23 February 2006. The ESOS was in force for a period of 5 years and was to expires on 17 October 2011.

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.

(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	
	2008	2007	2008 RM	2007 RM
Outstanding at 1 April	2,384,000	2,831,000	1.06	1.06
Exercised during the year	(18,000)	(30,000)	1.05	1.06
Forfeited during the year	(127,000)	(417,000)	1.07	1.05
Outstanding at 31 March	2,239,000	2,384,000	1.06	1.06

21. SHARE CAPITAL (CONTD.)

The options outstanding at the end of the year have a remaining contractual life of 3.6 years (2007: 4.6 years). Other details on share options during the financial year are as follows:

(i) Share options exercised during the year

As stated above, options exercised during the financial year resulted in the issuance of 18,000 (2007: 30,000) ordinary shares at an average price of RM1.05 (2007: RM1.06) 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
April - June 2006	1.16 - 1.18
July - September 2006	1.11 - 1.25
February 2008	1.08

22. 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.

23. RETAINED PROFITS

Prior to the year of assessment 2008, Malaysian companies adopted the full imputation system. In accordance with the Finance Act 2007 which was gazetted on 28 December 2007, companies shall not be entitled to deduct tax on dividend paid, credited or distributed to its shareholders, and such dividends will be exempted from tax in the hands of the shareholders ("single tier system"). However, there is a transitional period of six years, expiring on 31 December 2013, to allow companies to pay franked dividends to their shareholders under limited circumstances. Companies also have an irrevocable option to disregard the 108 balance and opt to pay dividends under the single tier system. The change in the tax legislation also provides for the 108 balance to be locked-in as at 31 December 2007 in accordance with Section 39 of the Finance Act 2007.

The Company did not elect for the irrevocable option to disregard the 108 balance. Accordingly, during the transitional period, the Company may utilise the credit in the 108 balance as at 31 December 2007 to distribute cash dividend payments to ordinary shareholdings as defined under the Finance Act 2007. As at 31 March 2008, the Company has sufficient credit in the 108 balance and tax exempt account balance to franked dividends amounting to RM10.3 million (2007: RM7.0 million) out of its retained earnings. If the balance of the retained earnings of RM1.9 million were to be distributed as dividends, the Company may distribute such dividends under the single tier system.

As at 31 March 2008, the Company has a tax exempt account balance of RM2.8 million (2007: RM3.0 million) available for distribution as tax exempt dividends subject to agreement of the Inland Revenue Board.

24. BORROWINGS

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Short Term Borrowings				
Secured:				
Bank overdrafts	-	288,967	-	-
Revolving credits	2,500,000	500,000	-	-
Bank term loans	1,652,059	1,529,253	-	-
Hire purchase payables (Note 25)	559,788	1,020,885	-	-
	4,711,847	3,339,105	-	-
Unsecured:				
Bank overdrafts (Note 20)	254,386	109,697	-	-
Bankers' acceptances	8,919,000	3,862,000	-	-
Bank term loans	1,104,000	600,000	-	-
	10,277,386	4,571,697	-	-
	14,989,233	7,910,802	-	-
Long Term Borrowings				
Secured:				
Bank term loans	3,571,484	5,223,411	-	-
Hire purchase payables (Note 25)	-	559,788	-	-
	3,571,484	5,783,199	-	-
Unsecured:				
Bank term loans	2,852,878	1,650,000	-	-
	6,424,362	7,433,199	-	-
Total Borrowings				
Bank overdrafts (Note 20)	254,386	398,664	-	-
Revolving credits	2,500,000	500,000	-	-
Bank term loans	9,180,421	9,002,664	-	-
Bankers' acceptances	8,919,000	3,862,000	-	-
Hire purchase payables (Note 25)	559,788	1,580,673	-	-
	21,413,595	15,344,001	-	-

24. BORROWINGS (CONTD.)

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Details of borrowings are as follows:-				
(a) Maturity periods (excluding hire purchase)				
Within 1 year	14,429,446	6,889,917	-	-
More than 1 year and less than 2 years	2,887,742	2,252,071	-	-
More than 2 years and less than 5 years	3,536,619	4,621,340	-	-
	20,853,807	13,763,328	-	-

(b) Interest rates

	Group		Company	
	2008 %	2007 %	2008 %	2007 %
Bank overdrafts	7.75	7.75	-	-
Revolving credits	4.70	4.61	-	-
Bankers' acceptances	4.64	4.64	-	-
Bank term loans	6.97	7.29	-	-
Hire purchase payables	2.90	2.91	-	-

(c) 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 company as disclosed in Note 11(c);

(ii) charges over buildings and plant and machinery of a subsidiary company as disclosed in Note 11(c); and

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

25. HIRE PURCHASE PAYABLES

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Future minimum hire purchase payments:				
Not later than 1 year	608,473	1,126,096	-	-
Later than 1 year and not later than 2 years	-	592,793	-	-
	608,473	1,718,889	-	-
Less: Future finance charges	(48,685)	(138,216)	-	-
Present value of hire purchase payables	559,788	1,580,673	-	-

25. HIRE PURCHASE PAYABLES (CONTD.)

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Analysis of present value of hire purchase payables:				
Not later than 1 year	559,788	1,020,885	-	-
Later than 1 year and not later than 2 years	-	559,788	-	-
	559,788	1,580,673	-	-

26. DEFERRED TAXATION

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
At 1 April	6,581,933	7,497,992	6,950	-
Recognised in income statement (Note 8)	(271,298)	(277,783)	618	6,950
Recognised in equity	(33,603)	(638,276)	-	-
At 31 March	6,277,032	6,581,933	7,568	6,950
Presented after appropriate offsetting as follows:				
Deferred tax asset	(297,464)	(140,187)	(1,186)	-
Deferred tax liabilities	6,574,496	6,722,120	8,754	6,950
	6,277,032	6,581,933	7,568	6,950

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 2007	874,465	5,847,655	6,722,120
Recognised in income statement	(76,469)	(37,552)	(114,021)
Recognised in equity	(33,603)	-	(33,603)
At 31 March 2008	764,393	5,810,103	6,574,496
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

26. DEFERRED TAXATION (CONTD.)

Deferred Tax Assets of the Group:

	Provision for Unutilised Annual Leave RM	Provision for Doubtful Debts RM	Other RM	Total RM
At 1 April 2007	-	(104,000)	(36,187)	(140,187)
Recognised in income statement	(45,802)	(103,259)	(8,216)	(157,277)
At 31 March 2008	(45,802)	(207,259)	(44,403)	(297,464)
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)

Deferred Tax Liabilities of the Company:

	Property, Plant and Equipment RM	Total RM
At 1 April 2007	6,950	6,950
Recognised in income statement	1,804	1,804
At 31 March 2008	8,754	8,754
At 1 April 2006	-	-
Recognised in income statement	6,950	6,950
At 31 March 2007	6,950	6,950

Deferred Tax Asset of the Company:

	Provision for unutilised annual leave RM	Total RM
At 1 April 2007	-	-
Recognised in income statement	(1,186)	(1,186)
At 31 March 2008	(1,186)	(1,186)

Deferred tax asset had not recognised in respect of the following item:

	Group	
	2008 RM	2007 RM
Unabsorbed capital allowances	442,784	-

As at 31 March 2008, the Group has unutilised reinvestment allowances of approximately RM833,105 (2007: RM2,119,071) subject to the agreement by the Inland Revenue Board.

27. TRADE AND OTHER PAYABLES

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Trade payables - third parties	5,987,189	5,004,596	-	-
Other payables				
- Accruals	878,167	588,088	129,990	87,741
- Other payables	986,393	1,556,484	11,209	8,405
- amount due to subsidiary company	-	-	-	819,583
	1,864,560	2,144,572	141,199	915,729
Total	7,851,749	7,149,168	141,199	915,729

(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.

28. SIGNIFICANT RELATED PARTY TRANSACTIONS

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

	Note	Group		Company	
		2008 RM	2007 RM	2008 RM	2007 RM
Rental of farm paid to					
- holding company	(i)	72,072	288,288	-	-
- related company	(i)	216,216	-	-	-
Rental of office paid to a director, Lim Hooi Tin	(ii)	40,800	40,800	40,800	40,800
Professional fees payable to a firm connected to a director	(iii)	16,100	17,040	1,000	1,000
Gross dividend income received from a subsidiary company, LTK (Melaka) Sdn. Bhd.		-	-	(11,000,000)	(2,000,000)
Management fee received from a subsidiary company, LTK (Melaka) Sdn. Bhd.		-	-	(360,000)	(360,000)
Interest income from subsidiary companies	(iv)				
- LTK (Melaka) Sdn. Bhd.		-	-	-	(14,550)
- LTK Development Sdn. Bhd.		-	-	-	(15,236)
Office rental income received from holding company	(v)	(8,400)	(8,400)	(8,400)	(8,400)

28. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTD.)

(i) The farm rental paid to holding company was contracted for 15 years commencing 1 April 1997 at prevailing market rate. However, the holding company has disposed off that piece of land to one of its subsidiaries in June 2007. As such, the farm rental was paid to the related company since July 2007 with the same terms and conditions previously offerred by the holding company.

(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 offerred to unrelated parties.

(iv) The interest income arose from the amounts due from subsidiaries. Further details are disclosed in Note 19(b).

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

(b) Compensation of key management personnel

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

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Short-term employee benefits	1,305,512	1,140,283	69,000	69,000
Included in the total key management personnel are:				
Directors' remuneration	973,728	651,764	69,000	69,000

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	
	2008 RM	2007 RM
At 1 April	1,125,000	1,525,000
Forfeited	-	(400,000)
At 31 March	1,125,000	1,125,000

The share options were granted on the same terms and conditions as those offered to other employees of the Group as disclosed in Note 21(a).

29. CAPITAL COMMITMENTS

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Authorised but not contracted for Property, plant and equipment	6,300,000	5,000,000	300,000	-
Authorised and contracted for Property, plant and equipment	-	711,900	-	652,500
	6,300,000	5,711,900	300,000	652,500

30. CONTINGENT LIABILITIES - UNSECURED

Guarantees to licensed financial institutions in respect of credit facilities granted to subsidiary companies				
- LTK (Melaka) Sdn. Bhd.	-	-	18,642,984	11,443,111
- LTK Bio-Fer Sdn. Bhd.	-	-	283,362	820,532
- LTK Omega Plus Sdn. Bhd.	-	-	2,487,249	3,080,358
	-	-	21,413,595	15,344,001

31. FINANCIAL INSTRUMENTS

(i) Financial Risk Management

The Group's financial risk management policies seek to ensure that adequate financial resources are available for the development of the Group'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 Group'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 will obtain fixed rate borrowing to acquire long term assets.

31. FINANCIAL INSTRUMENTS (CONTD.)

(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 except for one of the subsidiaries, LTK (Melaka) Sdn. Bhd., which has significant concentration of credit risk in the form of outstanding debts due from 4 (2007: 5) customers representing 45% (2007: 44%) of the subsidiary's trade receivables. Trade receivables are non-interest bearing.

(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

The carrying amounts of financial assets and liabilities of the Group and of the Company as at the balance sheet date approximated their fair values except for the following:

	Note	Group		Company	
		Carrying Amount RM	Fair Value RM	Carrying Amount RM	Fair Value RM
Marketable securities					
At 31 March 2008	15	8,038,386	8,219,224	3,144,817	3,270,829
At 31 March 2007	15	6,175,587	6,396,179	5,185,229	5,379,355

The fair value of quoted shares is determined by reference to stock exchange quoted market prices at the close of the business on the balance sheet date.

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.

32. SEGMENT INFORMATION

The Group is organised into three major business segments:

(i) Production and sale of poultry and related products - the production and sales of chicken eggs, chickens and organic fertilisers.

(ii) Extraction and sale of sand- the mining and trading of sand.

(iii) Investment holding - 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.

32. SEGMENT INFORMATION (CONTD.)

	Production and Sale of Poultry and Related Products		Extraction and Sale of Sand		Investment Holding		Other		Elimination		Group	
	2008 RM	2007 RM	2008 RM	2007 RM	2008 RM	2007 RM	2008 RM	2007 RM	2008 RM	2007 RM	2008 RM	2007 RM
Revenue												
External sales	108,086,163	85,548,577	122,528	-	-	-	-	-	-	-	108,208,691	85,548,577
Inter-segment sales		-	1,973	-	11,360,000	2,360,000	-	-	(11,361,973)	(2,360,000)	-	-
Total revenue	108,086,163	85,548,577	124,501	-	11,360,000	2,360,000	-	-	(11,361,973)	(2,360,000)	108,208,691	85,548,577
Result												
Segment results	9,255,031	6,480,164	(380,324)	-	11,035,631	2,321,821	(43,143)	(1,978)	(11,000,000)	(2,029,787)	8,867,195	6,770,220
Profit from operations											8,867,195	6,770,220
Finance cost, net											(1,109,948)	(1,095,390)
Taxation											(1,331,148)	(239,073)
Net profit											6,426,099	5,435,757
Assets												
Segment assets	102,203,173	93,473,160	10,122,848	-	60,843,073	52,219,464	3,450,507	12,306,670	(50,969,750)	(41,966,918)	125,649,851	116,032,376
Unallocated corporate assets											312,087	312,562
Consolidated total assets											125,961,938	116,344,938
Liabilities												
Segment liabilities	11,986,994	8,385,424	13,584,589	-	1,397,116	2,145,489	2,080,099	8,811,930	(19,966,749)	(10,963,915)	9,082,049	8,378,928
Unallocated corporate liabilities											27,690,627	21,930,359
Consolidated total liabilities											36,772,676	30,309,287
Other Information												
Capital expenditure	5,219,642	4,616,396	2,001,332	-	746,088	54,600	3,765	28,155	-	-	7,970,827	4,699,151
Depreciation and amortisation	7,043,550	6,767,413	265,341	-	35,986	21,089	-	-	-	-	7,344,877	6,788,502
Non-cash expenses other than depreciation and impairment losses	111,118	-	-	-	-	905	39,593	39,593	-	-	150,711	40,498

LIST OF **PROPERTIES**
AS AT 31 MARCH 2008

Location	Existing use & description	Approximate Area	Tenure	Remaining Lease Period (Expiry Date)	Age of buildings	Net Book Value As At 31.3.08 (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 acres	Freehold	-	Less than 20 years	53,110*	February 2005 (Revaluation)
Lot Nos.863 and 864, Mukim of Ayer Pa'abas, District of Alor Gajah, Melaka	Planting oil palm	23.7 acres	Leasehold	29 years (29.11.2037)	-	514	February 2005 (Revaluation)
Lot Nos 105, 106, 233, 758, 150, 1333, Mukim of Bukit Senggeh, District of Jasin, Melaka	Sand mining	199.8 acres	Freehold	-	-	8,360	May 2003 (Acquisition)
Lot Nos. 270, 271 and 272, Mukim Jus, District of Jasin, Melaka	Vacant land	32.3 acres	Leasehold	49 years (21.03.2057)	-	1,120	October 2004 (Acquisition)
Lot No. 165, Mukim Jus, District of Jasin, Melaka	Vacant land	8.51 acres	Freehold	-	-	332	May 2005 (Acquisition)
Lot No. 1729, Mukim of Kapar, Klang, Selangor	Vacant land	1.76 acres	Freehold	-	-	1,448	December 2006 (Acquisition)
No. 100, Batu 1 ½, Jalan Meru 41050 Klang, Selangor	3 storey shop house for own use	1,430 sq. ft	Freehold	-	27 years	731	May 2007 (Acquisition)

* *Net book value of both land and farm buildings*

ANALYSIS OF **SHAREHOLDINGS**
AS AT 30 JUNE 2008

CLASS OF SHARES	:	**ORDINARY SHARES OF RM1.00 EACH**
NUMBER OF HOLDERS	:	**1,864**
VOTING RIGHTS	:	**ONE VOTE PER ORDINARY SHARE**

ANALYSIS BY SIZE OF SHAREHOLDINGS AS AT 30 JUNE 2008

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
Less than 100	5	0.27	250	0.00
100 to 1,000	884	47.43	859,186	2.10
1,001 to 10,000	784	42.06	3,407,500	8.31
10,001 to 100,000	161	8.64	5,195,264	12.67
100,001 to 2,050,499(*)	26	1.39	8,342,902	20.34
2,050,500 and above (**)	4	0.21	23,204,900	56.58
Total	**1,864**	**100.00**	**41,010,002**	**100.00**

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

** *5% and above of issued and paid-up share capital.*

SUBSTANTIAL SHAREHOLDERS AS AT 30 JUNE 2008

Name	Shareholdings Direct	%	Indirect	%
Ladang Ternakan Kelang Sdn. Berhad	23,954,902	58.41	-	-
Tan Kok	-	-	*24,232,102	59.09
Lim Hooi Tin	200,000	0.49	**24,232,102	59.09

* *Deemed interest by virtue of his substantial shareholdings in Ladang Ternakan Kelang Sdn. Berhad pursuant to Section 6A(4) of the Companies Act, 1965 and pursuant to Section 134(12)(c) 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 and pursuant to Section 134(12)(c) of the Companies Act, 1965.*

DIRECTORS' SHAREHOLDINGS AS AT 30 JUNE 2008

Name	Shareholdings Direct	%	Indirect	%
Ahmad Khairuddin Bin Ilias	# 801,000	1.95	-	-
Tan Kok	-	-	* 24,232,102	59.09
Tan Kark Bin	539,000	1.31	**100,000	0.24
Lim Hooi Tin	200,000	0.49	*** 24,232,102	59.09
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 pursuant to Section 6A(4) of the Companies Act, 1965 and pursuant to Section 134(12)(c) of the Companies Act, 1965.*

*** Deemed interest pursuant to Section 134(12)(c) 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 and pursuant to Section 134(12)(c) of the Companies Act, 1965.*

DIRECTORS' SHAREHOLDINGS IN RELATED CORPORATION AS AT 30 JUNE 2008

Name	Shareholdings Direct	%	Indirect	%
LADANG TERNAKAN KELANG SDN. BERHAD				
Tan Kok	14,773,440	91.44		
Lim Hooi Tin	1,383,360	8.56		

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

Name	Granted	Exercised as at 30 June 2008	Balance as at 30 June 2008	Percentage
Tan Kok	400,000	-	400,000	9.78
Tan Kark Bin	180,000	75,000	105,000	2.57
Lim Hooi Tin	200,000	200,000	-	-

ANALYSIS OF **SHAREHOLDINGS**
AS AT 30 JUNE 2008

THIRTY LARGEST SHAREHOLDERS AS PER THE RECORD OF DEPOSITORS AS AT 30 JUNE 2008

	Name	No. of Shares	%
1.	Ladang Ternakan Kelang Sdn. Berhad	7,181,000	17.51
2.	Ladang Ternakan Kelang Sdn. Berhad	6,586,700	16.06
3.	Ladang Ternakan Kelang Sdn. Berhad	6,000,000	14.63
4.	Ladang Ternakan Kelang Sdn. Berhad	3,437,200	8.38
5.	Pui Cheng Wui	1,661,600	4.05
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	646,100	1.58
9.	Tan Kark Bin	539,000	1.31
10.	Wong Hok Yim	422,500	1.03
11.	Kok Chiew Heng	350,000	0.85
12.	Teh Hean It	284,100	0.69
13.	Koperasi Polis Diraja Malaysia Berhad	279,000	0.68
14.	Chua Sim Neo @ Diana Chua	211,800	0.52
15.	Lee Tong Choo	207,800	0.51
16.	Lim Hooi Tin	200,000	0.49
17.	Yong Nget Min	200,000	0.49
18.	Public Invest Nominees (Tempatan) Sdn. Bhd. *- Pledged Securities Account For Yoong Fui Kien*	193,500	0.47
19.	Tan Ah Moi	176,000	0.43
20.	Lim Sze Ying	160,000	0.39
21.	Hong Weng Hwa	156,500	0.38
22.	Lee Chee Gaip	154,000	0.38
23.	HLG Nominee (Tempatan) Sdn. Bhd. *- Pledged Securities Account For Tan Yee Boon*	140,700	0.34
24.	TA Nominees (Tempatan) Sdn. Bhd. *-Pledged Securities Account For Koh Kwee Choo*	140,000	0.34
25.	Calibre Portfolio Sdn. Bhd.	130,000	0.32
26.	Tan Yee Boon	111,500	0.27
27.	ECML Nominees (Tempatan) Sdn. Bhd. *- Visitor Christian Brothers' Schools Malaysia*	109,300	0.27
28.	Citigroup Nominees (Asing) Sdn. Bhd. *- PLL For Robotti Global Fund LLC*	107,000	0.26
29.	JF Apex Nominees (Tempatan) Sdn. Bhd. *- Pledged Securirities Account For Ng Sai Bee @ Ng Sau Bee*	107,000	0.26
30.	Chia Keok Keong	104,500	0.26
	Total	31,547,802	76.93

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Article No.	Existing Articles	Proposed Amendments to the Existing Articles
2 – Definition for "Approved Market Place"	means a stock exchange which is specified to be an approved market place in the Securities Industry (Central Depositories) (Exemption) (No. 2) Order, 1998.	**Deleted.**
2 – Definition for "The Act"	means the Companies Act, 1965 and any statutory modification, amendment or re-enactment thereof for the time being in force or any and every other enactment for the time being in force concerning companies and affecting the Company and any reference to any provision of the Act is to that provision as so modified, amended or re-enacted or contained in any such subsequent enactment.	means the Companies Act, 1965 and any statutory modification, amendment or re-enactment thereof for the time being in force concerning companies and affecting the Company.
2 – Definition for "Central Depository"	means Malaysian Central Depository Sdn. Bhd. (Co. Number : 65570-W)	means **Bursa Malaysia Depository Sdn. Bhd. or by whatever name from time to time called.**
2 – Definition for "Depositor"	means a holder of a securities account.	means a holder of a securities account **established by the Central Depository.**
2 – Definition for "The Exchange"	means Kuala Lumpur Stock Exchange.	means **Bursa Malaysia Securities Berhad or by whatever name from time to time called.**
2 – Definition for "Market Day"	means any day between Mondays and Fridays which is not a market holiday or Public Holiday.	means **a day on which the stock market of the Exchange is open for trading in Securities.**
2 – Definition for "Securities"	refers to debentures, stocks, shares, bonds of the Company and includes any right or option in respect thereof and any interest in unit trust schemes.	**shall have the meaning given in Section 2 of the Capital Markets and Services Act, 2007.**
7	**Allotment of Shares** Without prejudice to any special rights previously conferred on the holders of any existing shares and class of shares, and subject to the provisions of these Articles and the Act and to the provisions of any Resolution of the Company, in the Company may be issued by the Directors, who may allot, or otherwise dispose of such shares to such persons, on such terms and conditions, with such preferred, deferred or other special rights, and subject to such restrictions and at such times as the Directors may determine but the Directors in making any issue of shares shall comply with the following conditions :	**Allotment of Shares** Without prejudice to any special rights previously conferred on the **H**olders of any existing **S**hares and class of **S**hares, and subject to the provisions of these Articles and the Act and to the provisions of any resolution of the Company, **Shares** in the Company may be issued by the Directors, who may allot, or otherwise dispose of such **S**hares to such persons, on such terms and conditions, with such preferred, deferred or other special rights, and subject to such restrictions and at such times as the Directors may determine but the Directors in making any issue of **S**hares shall comply with the following conditions :

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Article No.	Existing Articles	Proposed Amendments to the Existing Articles
7	**Allotment of Shares (contd.)** (a) no shares shall be issued at a discount except in compliance with the provisions of Section 59 of the Act; (b) in the case of shares offered to the public for subscription the amount payable on application on each share shall not be less than five per centum (5%) of the nominal amount of the share; (c) in the case of shares, other than ordinary shares, no special rights shall be attached until the same have been expressed in these Articles and in the resolution creating the same; (d) no issue of shares shall be made which will have the effect of transferring a controlling interest in the Company to any person, company or syndicate without the prior approval of the members of the Company in general meeting; (e) the Company must not cause or authorise its registrars to cause the Securities Accounts of the allottees to be credited with the additional Securities until after the Company has filed with the Exchange an application for listing of such additional Securities and been notified by the Exchange that they have been authorised for listing; (f) every issue of shares or options to employees and / or Directors of the Company and / or its related Companies shall be approved by the members in general meeting and no Director shall participate in such issues of shares or options unless : (i) the members in general meeting have approved of the specific allotment to be made to such Director; and (ii) he holds office in the Company and/or its related Companies in an executive capacity Provided Always that a Director not holding office in an executive capacity may so participate in an issue of shares pursuant to a public offer or restricted offer.	**Allotment of Shares (contd.)** (a) no **S**hares shall be issued at a discount except in compliance with the provisions of Section 59 of the Act; (b) **Deleted;** (c) in the case of **S**hares, other than ordinary shares, no special rights shall be attached until the same have been expressed in these Articles and in the resolution creating the same; (d) no issue of **S**hares shall be made which will have the effect of transferring a controlling interest in the Company to any person, company or syndicate without the prior approval of the **M**embers of the Company in general meeting; (e) no change; (f) every issue of **S**hares or options to employees and / or Directors of the Company and / or its related Companies shall be approved by the **M**embers in general meeting and no Director shall participate in such issues of **S**hares or options unless the **M**embers in general meeting have approved of the specific allotment to be made to such Director.

Article No.	Existing Articles	Proposed Amendments to the Existing Articles
31	**Closing of Register** The register may be closed at such times and for such periods as the Directors may from time to time determine, provided always that it shall not be closed for more than thirty (30) days in any year. The Company shall give the Exchange prior written notice and publication in a daily newspaper circulating in Malaysia of the period of the intended closure and the purposes thereof, which notice shall be at least twelve (12) market days or such number of days as may be prescribed by the Exchange. In relation to the closure, the Company shall give written notice in accordance with the Rules to the Central Depository to prepare the appropriate Record of Depositors.	**Closing of Register** The register may be closed at such times and for such periods as the Directors may from time to time determine, provided always that it shall not be closed for more than thirty (30) days in any year. The Company shall give the Exchange prior written notice and publication in a daily newspaper circulating in Malaysia of the period of the intended closure and the purposes thereof, which notice shall be at least **ten (10) M**arket **D**ays or such number of days as may be prescribed by the Exchange. In relation to the closure, the Company shall give notice in accordance with the Rules to the Central Depository to prepare the appropriate Record of Depositors.
38	**Transmission of Securities from Foreign Register** Where: (a) the Securities of the Company are listed on an Approved Market Place; and (b) the Company is exempted from compliance with Section 14 of the Central Depositories Act or Section 29 of the Securities Industry (Central Depositories) (Amendment) Act, 1998, as the case may be, under the Rules in respect of such Securities, the Company shall, upon request of a Securities holder, permit a transmission of Securities held by such Securities holder from the register of Holders maintained by the registrar of the Company in the jurisdiction of the Approved Market Place (hereinafter referred to as "the Foreign Register"), to the register of Holders maintained by the registrar of the Company in Malaysia (hereinafter referred to as "the Malaysian Register") provided that there shall be no change in the ownership of such Securities. Where (a) and (b) above are fulfilled, the Company shall not allow any transmission of Securities from the Malaysian Register into the Foreign Register.	**Transmission of Securities** Where: (a) the Securities of the Company are listed on an **another stock exchange**; and (b) no change, the Company shall, upon request of a Securities **H**older, permit a transmission of Securities held by such Securities **H**older from the register of Holders maintained by the registrar of the Company in the jurisdiction of the **other stock exchange**, to the register of Holders maintained by the registrar of the Company in Malaysia **and vice versa** provided that there shall be no change in the ownership of such Securities.

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Article No.	Existing Articles	Proposed Amendments to the Existing Articles
59(1)	**Notice of Meeting** Subject to the provisions of the Act relating to convening meetings to pass special resolutions, every notice convening meetings shall specify the place, the day and the hour of the meeting and shall be given to all members at least fourteen (14) days before the meeting. Any general meeting at which it is proposed to pass a special resolution or where it is an annual general meeting shall be called by twenty- one (21) days' notice in writing at least. Any notice of a meeting called to consider special business shall specify the general nature of such business and shall also be accompanied by a statement regarding the effect of any proposed resolution in respect of such special business and shall be given in the manner hereinafter mentioned to such persons as are under the provisions of these Articles entitled to receive notice of general meetings from the Company. At least fourteen (14) days' or twenty-one (21) days' notice in the case where any special resolution is proposed or where it is the annual general meeting, notice of every such meeting shall be given by advertisement in the daily press and in writing to the Exchange at the same time as shareholders are notified.	**Notice of Meeting** Subject to the provisions of the Act relating to convening meetings to pass special resolutions, every notice convening meeting shall specify the place, the day and the hour of the meeting and shall be given to all **M**embers at least fourteen (14) days before the meeting. Any general meeting at which it is proposed to pass a special resolution or where it is an annual general meeting shall be called by twenty-one (21) days' notice in writing at least. Any notice of a meeting called to consider special business shall specify the general nature of such business and shall also be accompanied by a statement regarding the effect of any proposed resolution in respect of such special business and shall be given in the manner hereinafter mentioned to such persons as are under the provisions of these Articles entitled to receive notice of general meetings from the Company. At least fourteen (14) days' or twenty-one (21) days' notice in the case where any special resolution is proposed or where it is the annual general meeting, notice of every such meeting shall be given by advertisement in **at least one (1) nationally circulated Bahasa Malaysia or English** daily **newspaper** and in writing to **each stock e**xchange **upon which the Company is listed.**
59(2)	Subject to the Rules, the Company shall by written request made in duplicate in the prescribed form, request the Central Depository in accordance with the Rules, to prepare the Record of Depositors to whom notices of General Meetings shall be given by the Company.	**T**he Company shall request the Central Depository in accordance with the Rules, to **issue** the Record of Depositors to whom notices of General Meetings shall be given by the Company.
59(3)	The Company shall inform the Central Depository of the dates of General Meetings and shall in written request made in duplicate in the prescribed form, request the Central Depository in accordance to the Rules, to prepare as at a date not less than 3 market days before the general meeting (hereinafter referred to as "the General Meeting Record of Depositors"). The General Meeting Record of Depositors shall be the final record of all depositors who shall be deemed to be the registered holders of ordinary shares of the Company eligible to be present and vote at such meeting.	The Company shall **also** request the Central Depository in accordance **with** the Rules, to **issue a Record of Depositors**, as at **the latest date which is reasonably practicable which shall in any event be** not less than **three (3) M**arket **D**ays before the general meeting (hereinafter referred to as "the General Meeting Record of Depositors"). The General Meeting Record of Depositors shall be the final record of all **D**epositors who shall be deemed to be the registered **H**olders of ordinary shares of the Company eligible to be present and vote at such meeting.

Article No.	Existing Articles	Proposed Amendments to the Existing Articles
61	**Business Transacted at General Meetings** All business shall be deemed special that is transacted at an Extraordinary General Meeting and also all business that is transacted at any Annual General Meeting, with the exception of sanctioning dividends, the receipts and consideration of the financial statements and the ordinary reports of the Directors and Auditors and other documents required to be annexed to the financial statements, the election of the Directors and appointment of Auditor and other officers in place of those retiring by rotation or otherwise, the fixing of the remuneration of the Auditors, and the fixing of Directors' remuneration proposed to be paid.	**Business Transacted at General Meetings** All business shall be deemed special that is transacted at an Extraordinary General Meeting and also all business that is transacted at any Annual General Meeting, with the exception of sanctioning dividends, the receipts and consideration of the **audited** financial statements and the ordinary reports of the Directors and Auditors and other documents required to be annexed to the financial statements, **the proposed increase in Directors' fees, the election of Directors in the place of those retiring, and the appointment and fixing of the remuneration of the Auditors.**
79	**Instrument Appointing Proxy to be Left at Registered Office** The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, shall be deposited at the Office not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of twelve (12) months from its date.	**Instrument Appointing Proxy to be Left at Office** The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, shall be deposited at the Office not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid.
80	**Form of Proxy** **LTKM BERHAD** I, ... of ..... being a Member/Members of the abovenamed Company hereby appoint ..... of ..... or failing him ..... of ..... as my/our proxy to vote and act for me/us, and on my/our behalf at the Annual (or Extraordinary, as the case may be) General Meeting of the Company to be held on the ..... day of ..... and at every adjournment thereof. Date this ..... day of ..... This form is to be used *in favour of / against the resolution	**Form of Proxy** **LTKM BERHAD** I/**We**, ... of ..... being a Member of the abovenamed Company hereby appoint ..... of ..... or failing him/**her**, ... of ..... **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 Annual (or Extraordinary, as the case may be) General Meeting of the Company to be held on the ..... day of ..... and at every adjournment thereof. This form is to be used *in favour of / against the resolution

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Article No.	Existing Articles	Proposed Amendments to the Existing Articles
80	**Form of Proxy (contd.)** Strike out whichever is not desired. [Unless otherwise instructed, the proxy may vote as he thinks fit.] Notes: Where a member appoints two (2) or more proxies to attend at the same meeting the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.	**Form of Proxy (contd.)** * Strike out whichever is not desired. [Unless otherwise instructed, the proxy may vote as he**/she** thinks fit.] **Dated this** …… **day of** ……... …… **Signature of Member/Common Seal** **Number of shares held** Notes: • ***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 (2) or more proxies to attend at the same meeting, the appointment shall be invalid unless he/**she** specifies the proportion of his/**her** holdings to be represented by each proxy.* • ***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.*** • ***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.*** • ***The instrument appointing a proxy must be deposited at the Office not less than forty-eight (48) 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.***
	When Office of Directors is Vacated	**When Office of Directors is Vacated**
91(b)	If he has a receiving order made against him or compounds with his creditors.	If he has a receiving order made against him or compounds with his creditors **during his term of office.**
91(d)	If he is absent from more than 50% of the total Board of Directors' meetings held during a financial year, unless an exemption or waiver is obtained from the Exchange.	Deleted.

Article No.	Existing Articles	Proposed Amendments to the Existing Articles
97	**Powers and Duties of Directors** The management of the business of the Company shall be vested in the Directors who (in addition to the powers and authorities granted by these Articles or otherwise expressly conferred upon them) may exercise all such powers and do all such acts and things as may be exercised or done by the Company and are not hereby or by the Act expressly directed or required to be exercised or done by the Company in General Meeting but subject nevertheless to the provisions of the Act and of these Articles and to any regulation from time to time made by the Company in General Meeting provided that no regulation so made shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made provided however that the Directors shall not carry into effect any proposals or execute any transaction for : (a) the acquisition of an undertaking or property of a substantial value; or (b) the disposal of a substantial portion of the Company's undertaking or property, unless the proposal or transaction has been approved by the Company by Ordinary Resolution in General Meeting. The general powers given by this Article shall not be limited or restricted by any special authority or power given to the Directors by any other Article. Any sale or disposal by the Directors of a substantial portion of the Company's main undertaking or property shall be subject to prior approval by shareholders in General Meeting, or (c) enter into any arrangement or transaction with a Director of the Company or its holding company or with a person connected with such a Director to acquire from or dispose to such a Director or person any non-cash assets of the requisite value PROVIDED THAT nothing contained in this paragraph (c) shall preclude the Company from seeking ratification of such arrangement or transaction in accordance with Section 132E(2) of the Act.	**Powers and Duties of Directors** The management of the business of the Company shall be vested in the Directors who (in addition to the powers and authorities granted by these Articles or otherwise expressly conferred upon them) may exercise all such powers and do all such acts and things as may be exercised or done by the Company and are not hereby or by the Act expressly directed or required to be exercised or done by the Company in General Meeting but subject nevertheless to the provisions of the Act and of these Articles and to any regulation**s** from time to time made by the Company in General Meeting provided that no regulation so made shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made provided however that the Directors shall not carry into effect any proposals or execute any transaction for : (a) the acquisition of an undertaking or property of a substantial value; or (b) the disposal of a substantial portion of the Company's undertaking or property, unless the **arrangement** or transaction in respect of (a) or (b) above has been approved by the Company by Ordinary Resolution in General Meeting. The general powers given by this Article shall not be limited or restricted by any special authority or power given to the Directors by any other Article. Any sale or disposal by the Directors of a substantial portion of the Company's main undertaking or property shall be subject to prior approval by shareholders in General Meeting, or (c) **entering** into any arrangement or transaction with a Director **or substantial shareholder** of the Company or its holding company or with a person connected with such a Director **or substantial shareholder** to acquire from or dispose to such a Director **or substantial shareholder** or person **connected with such a Director or substantial shareholder** any **shares or** non-cash assets of the requisite value PROVIDED THAT **prior approval have been obtained** in accordance with Section 132E(2) of the Act.

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Article No.	Existing Articles	Proposed Amendments to the Existing Articles
125	**Circular Directors' Resolutions** A resolution in writing signed by a majority of the Directors shall be as valid and effectual as if it had been passed at a meeting of the Directors duly called and constituted; provided that where a Director has an alternate, then such resolution may also be signed by such alternate. All such resolutions shall be forwarded or otherwise delivered to the Secretary without delay, and shall be recorded by him in the Company's Minutes Book. Any such resolution may consist of several documents in like form certified as true copy by the Secretary, each signed by one or more Directors. A document (including a resolution of the Directors) sent to the Company by any Director by telefax shall be accepted as a document signed by a Director if such document contains the signature of the Director transmitting the telefax and if the Director delivers the original copy of the document to the registered office within fourteen (14) days of the telefax transmission or alternatively is able to prove that such delivery has been made within the aforesaid period of fourteen (14) days.	**Circular Directors' Resolutions** A resolution in writing signed by a majority of the Directors shall be as valid and effectual as if it had been passed at a meeting of the Directors duly called and constituted; provided that where a Director has an alternate, then such resolution may also be signed by such alternate. All such resolutions shall be forwarded or otherwise delivered to the Secretary without delay, and shall be recorded by him in the Company's Minutes Book. Any such resolution may consist of several documents in like form each signed by one **(1)** or more Directors. A document (including a resolution of the Directors) sent to the Company by any Director by telefax **or other electronic media** shall be accepted as a document signed by a Director if such document contains the signature of the Director transmitting the telefax **or other electronic media** and **provided that, that** Director **also** delivers the original copy of the document to the **O**ffice within fourteen (14) days of the transmission or alternatively is able to prove that such delivery has been made within the aforesaid period of fourteen (14) days.
156	**To whom copies of profit and loss accounts etc. may be sent** The Directors shall from time to time in accordance with Section 169 of the Act cause to be prepared and laid before the Company in General Meeting such financial statements and report as are referred to in the said section. The interval between the close of a financial year of the Company and the issue of annual audited financial statements, the Directors' and auditors' reports relating to it shall not exceed four (4) months. A copy of each such documents shall not more than six (6) months after the close of the financial year and shall not less than twenty-one (21) days before the date of the meeting be sent to every member of, and to every holder of debentures of the Company under the provisions of the Act or of these present. The requisite number of copies of each such documents as may be required by the Exchange and/or other stock exchange(s), if any, upon which the Company's shares may be listed shall at the same time be likewise sent to the Exchange and/or such other stock exchange(s); any member to whom a copy of these documents has been sent shall be entitled to receive a copy free of charge on application at the Company's registered office.	**To whom copies of profit and loss accounts etc. may be sent** The Directors shall from time to time in accordance with Section 169 of the Act cause to be prepared and laid before the Company in General Meeting such financial statements and report**s** as are referred to in the said section. The interval between the close of a financial year of the Company and the issue of annual audited financial statements, the Directors' and auditors' reports relating to it shall not exceed four (4) months. A copy each **of** such document **in printed form or in CD-ROM form or in such other form of electronic media**, shall not more than six (6) months after the close of the financial year and shall not less than twenty-one (21) days before the date of the meeting be sent to every **M**ember of, and to every holder of debentures of the Company under the provisions of the Act or of these present. The requisite number of copies of each **of** such documents as may be required by the Exchange and/or other stock exchange(s), if any, upon which the Company's **S**hares may be listed shall at the same time be likewise sent to the Exchange and/or such other stock exchange(s); any **M**ember to whom a copy of these documents has been sent shall be entitled to receive a copy free of charge on application at the **O**ffice. **In the event that the annual report is sent in CD-ROM form or such other electronic media and a Member requires a printed form of such documents, the Company shall send such documents to the Member within four (4) market days from the date of receipt of the Member's request or such other timeframe as prescribed by the Exchange from time to time.**

FORM OF PROXY

LTKM BERHAD (442942-H)
(Incorporated in Malaysia)

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

of _____
(Full Address)

being a Member of **LTKM BERHAD** 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 Eleventh 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 Wednesday, 27 August 2008 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.	Resolutions	For	Against
1.	Resolution 1		
2.	Resolution 2		
3.	Resolution 3		
4.	Resolution 4		
5.	Resolution 5		
6.	Resolution 6		
7.	Resolution 7		

*Strike out whichever is not applicable.

Dated this day of _____ 2008

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 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.*

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

Please fold along this line (2)

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Selangor Darul Ehsan, Malaysia
Tel : 03 3342 2830 Fax : 03 3341 1967