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LTKM BERHAD (442942 H)

Annual Report 2009

MALAYSIA

LTKM BERHAD (442942 H)
102, Batu 1 1/2, Jalan Meru, 41050 Klang, Selangor Darul Ehsan, Malaysia.
Tel : (603) 3342 2830 Fax : (603) 3341 1967

LTKM BERHAD (442942 H)

Annual Report 09

BROADENING OUR HORIZON

The Healthier Egg that contains
5X Omega-3*
5X DHA*

100% Natural

Feeds such as Flaxseed, Corn & Soybean.

100% Natural

Caratenoids. No synthetic colouring.

LTK Omega Plus

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 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

LTK
LTKM BERHAD (442942 H)

YOUR **HEALTH PARTNER**

LTK
LTKM BERHAD (442942 H)

Di bawah Perlesenan
MARDITECH
Teknologi MARDI

Export Farm Quality

LTKM

CONTENTS

"....Steady growth, sustainable profitability, forward thinking and very prudent management define **LTKM** today...."

NOTICE OF TWELFTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twelfth 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, 26 August 2009 at 10.00 a.m. for the purpose of transacting the following business:

AGENDA

ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 March 2009 together with the Directors' and Auditors' Reports thereon.

2. To approve a single-tier final dividend of 5% for the financial year ended 31 March 2009.
Resolution 1

3. To approve the payment of Directors' fees for the financial year ended 31 March 2009.
Resolution 2

4. To re-elect the following Directors who are retiring in accordance with Article 83 of the Company's Articles of Association:
   a) Encik Ahmad Khairuddin bin Ilias **Resolution 3**
   b) Mr. Ooi Chee Seng **Resolution 4**

5. To re-elect Ms. Tan Soh Yee who is retiring in accordance with Article 87 of the Company's Articles of Association.
Resolution 5

6. To re-appoint Messrs. Ernst & Young as Auditors, and to authorise the Board of Directors to fix their remuneration.
Resolution 6

SPECIAL BUSINESS

7. To consider and, if thought fit, to pass with or without modifications, the following Resolution:

   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 7

ANY OTHER BUSINESS

8. 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 TWELFTH ANNUAL GENERAL MEETING (cont'd)

NOTICE OF DIVIDEND ENTITLEMENT

NOTICE IS HEREBY GIVEN THAT a single-tier final dividend of 5% in respect of the financial year ended 31 March 2009, if approved by the members, will be payable on 7 October 2009 to Depositors registered in the Record of Depositors at the close of business on 8 September 2009.

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 8 September 2009 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: 4 August 2009

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

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

  The proposed Resolution 7 under item 7 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 in order to avoid any delay and costs in convening an Extraordinary General Meeting to approve such issue of shares subsequently. This authority, unless revoked or varied at a general meeting, will expire at the next Annual General Meeting.

  This is the renewal of the mandate obtained from the members at the last Annual General Meeting ("the Previous Mandate"). No proceeds were raised from the Previous Mandate.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

Details of Directors who are standing for re-election in Agenda 4 (a) (Encik Ahmad Khairuddin bin Ilias), Agenda 4 (b) (Mr. Ooi Chee Seng) and Agenda 5 (Ms. Tan Soh Yee) of the Notice of the Twelfth Annual General Meeting are laid out in pages 5 to 6 of this Annual Report.

PROFILE OF DIRECTORS

from left to right (standing):
Kamarudin bin Md Derom, Tan Soh Yee, Lim Hooi Tin, Ooi Chee Seng

from left to right (sitting):
Ahmad Khairuddin bin Ilias , Tan Kok

AHMAD KHAIRUDDIN BIN ILIAS
Chairman, Independent Non-Executive Director, Chairman of Audit Committee & Member of Nomination Committee

A Malaysian, aged 51, 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 58, 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.

PROFILE OF DIRECTORS (cont'd)

LIM HOOI TIN
Non-Independent Non-Executive Director

A Malaysian, aged 57, 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 51, 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 63, 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.

TAN SOH YEE
Non-Independent Non-Executive Director & Member of Audit Committee

A Malaysian, aged 36, she was appointed to the Board on 27 August 2008. She graduated with a degree in Accounting from the University of Canberra, Australia and is a Chartered Accountant with the Malaysian Institute of Accountants and with the Certified Practising Accountants in Australia. She has more than 10 years of experience in accounting and auditing fields. She was attached with Ernst & Young in 1997 and joined LTKM Berhad as an Internal Audit Manager from year 2000 until August 2007.

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 Directors 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.

Summary of attendance of Board of Directors' meetings for the financial year ended 31 March 2009.

Member	No. of meetings attended
Ahmad Khairuddin bin Ilias	4 of 5
Tan Kok	5 of 5
Tan Kark Bin *(resigned on 28 February 2009)*	5 of 5
Lim Hooi Tin	5 of 5
Kamarudin bin Md Derom	5 of 5
Ooi Chee Seng	5 of 5
Tan Soh Yee *(appointed on 27 August 2008)*	1 of 2

TAPPING INTO OPPORTUNITIES FOR GROWTH



Caring for Employees

We care for our employees as we recognize that human capital is one of our greatest assets. For this reason, we continue to ensure that our employees' welfare is being taken care of at all times as we pursue our business objectives.

CHAIRMAN'S STATEMENT

On behalf of the Board of Directors of LTKM Berhad, it is with great pleasure that I present to you the Annual Report and the Audited Financial Statements of the Company and its subsidiaries ("the Group") for the financial year ended 31 March 2009.

OVERVIEW

The past year had indeed been full of challenges for the poultry industry. In the first quarter, the industry faced depressing egg prices due to an oversupply situation. Business became very challenging when prices of major raw materials such as soybean and corn started to climb rocket-high in the global market thus affecting the local egg industry. Production became extremely hard with escalating costs. The demand for eggs was not picking up fast enough, resulting in depressed egg prices. This unfavourable situation dragged on into the second quarter. However, as we entered the second half of the financial year, business found a breather. Producers who were hit by the escalated production costs had started to cut down their production in order to contain costs. This eased the oversupply situation and egg prices began to pick up. Good news continued to flow in when the high raw materials prices began to ease in response to the impending global recession. This created a favourable situation for selling prices of eggs and more manageable production costs.

FINANCIAL PERFORMANCE

On the whole, the financial year under review had been a relatively excellent one for the Group which set against a gloomy backdrop of economic slowdown, had emerged with improved turnover and earnings as compared to the previous financial year. Turnover rose by 23% from RM108 million to RM134 million, and profit before tax rose by 56% from RM7.8 million to RM12.1 million. These commendable results were attributed to improved selling prices of eggs and effective cost management. In the wake of record high prices of major raw materials during the first half of the financial year and increased utility costs, the management focused its effort on containing production costs in order to sustain the Group's profitability. Receipt of aid from the Government in the form of livestock production incentives during the high raw materials prices crisis was also a contributing factor to the commendable financial performance.

DIVIDENDS

The Board is therefore pleased to recommend a single-tier final dividend of 5% per share for the year ended 31 March 2009. Together with the interim dividend of 3% per share tax exempt already paid out on 15 May 2009, the total payout dividends for the financial year will be RM3.3 million which is equivalent to 37% of the profit for the year. The recommended single-tier final dividend of 5% per share is subject to the approval of the shareholders at the forthcoming Annual General Meeting.

PROSPECTS AND DIVERSIFICATION

Poultry segment particularly the sale of chicken eggs remains the Group's backbone and will continue to be the key financial contributor of the Group. However, going forward, it is anticipated that the poultry segment will face extremely challenging operating conditions due to the volatile major raw materials prices and competition from other egg producers. While the economic and general investment climate remains challenging, LTKM is vigilant to diversify into other manageable areas of business and to take advantage of opportunities that are presented as the economic climate improves.

CHAIRMAN'S STATEMENT (cont'd)

PROSPECTS AND DIVERSIFICATION (cont'd)

Recently, LTKM announced its plan to diversify into the glass processing business. With a total initial investment of approximately RM15 million, the glass processing plant will be located at a 40,000 sq. ft. factory in Klang, Selangor and is expected to start operation early 2010. Strategizing through collaboration with global market leaders in the glass processing technology, the Group hopes to position itself as a significant player in the glass industry in the years ahead. While remaining focused on its core business, LTKM is cautiously reinvigorating itself with new strength, energy and dynamism as it expands its business segments. Therefore, I am of the opinion that the future will augur well for the Group.

CORPORATE RESPONSIBILITY

I am delighted to announce that our strong and serious commitment in practising safe, clean and hygienic poultry farming has been duly recognized by the Department of Veterinary Services. This year, we continued to receive the Certification for Good Farm Practices Scheme issued by the Department of Veterinary Services. This commitment coupled with the use of high poultry farming technology and effective and efficient bio-security system, echoes LTKM's continuous emphasis on preserving the environment as well as its corporate social responsibility towards its employees and the public particularly the residents living in the surrounding area of our farm. The Group had also provided adequate medical benefits to all its staff as well as providing anti-flu vaccinations to the farm workers on an annual basis.

Conscious of its obligation towards social and community services, the Group had further contributed by making donations to schools, community sports clubs, religious activities and funds for serious illnesses, amongst others.

DIRECTORATE

I would like to take this opportunity to thank Mr. Tan Kark Bin who had served in our Board for the past nine years up to his retirement in February 2009. I am sure the Board concurs with me in thanking him for his invaluable service, dedication and contribution over the years. I would also like to welcome Ms. Tan Soh Yee to the Board. She has also been appointed as a member of our Audit Committee. As a chartered accountant and a Non-Executive Director, her appointment would further enhance our Company's compliance with the Code on Corporate Governance.

APPRECIATION

On behalf of the Board, I wish to express my sincere gratitude to the management and all employees for their dedication, commitment and hard work which have established the value of the Group today.

The Board would also like to convey its heartfelt appreciation to all the Group's valued customers, suppliers, bankers, regulatory authorities, Ministry of Agriculture, MARDI and Marditech's dedicated staff, and all shareholders for their contribution and continuous support for the Group.

Thank You.

AHMAD KHAIRUDDIN BIN ILIAS
Chairman

Maximizing stakeholders' returns

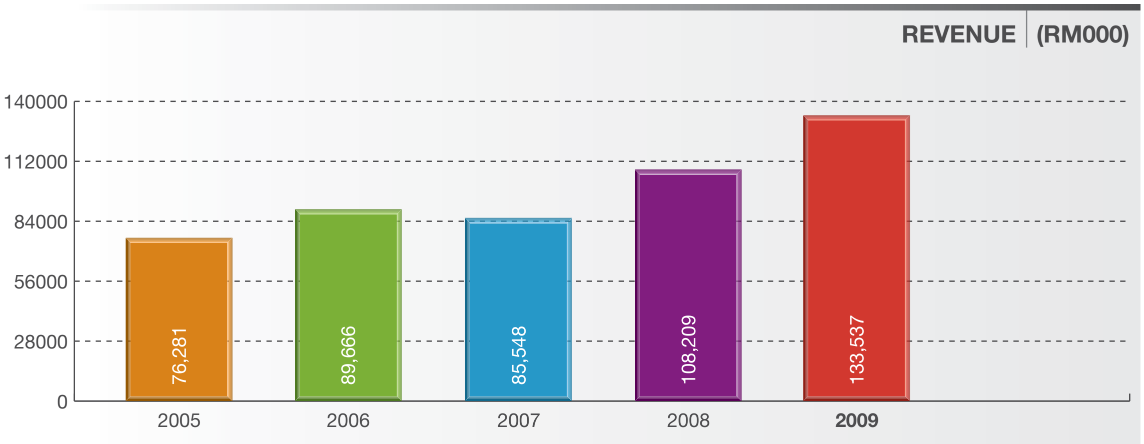
As the old saying goes, no man is an island. In our organization we need to maintain a symbiotic relationship with our stakeholders. Hence we continue to manage our financial performance in order to maximize the long-term returns to our stakeholders.

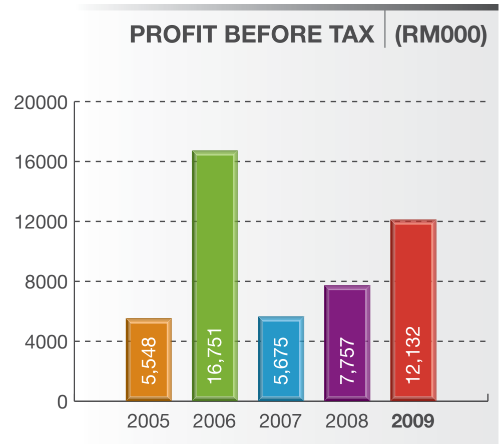
5 YEARS FINANCIAL HIGHLIGHTS

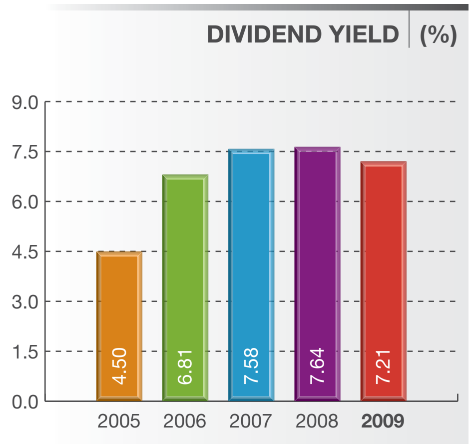
Year ended 31 March		2009 RM000	2008 RM000	2007 RM000	2006 RM000	2005 RM000
Revenue		**133,537**	108,209	85,548	89,666	76,281
Operating profits		**13,096**	8,867	6,770	17,413	6,148
Finance costs		**(964)**	(1,110)	(1,095)	(662)	(600)
Profit before tax		**12,132**	7,757	5,675	16,751	5,548
Profit attributable to equity holders		**8,885**	6,426	5,436	14,827	4,806
Share capital		**41,115**	41,010	40,992	40,962	40,116
Total equity		**94,798**	89,189	86,036	83,636	70,867
Net earnings per share - basic	sen	**21.66**	15.68	13.26	36.83	11.98
Net dividend per share	sen	**8.00** #	8.25	8.11	8.04	4.32
Dividend yield	%	**7.21** #	7.64	7.58	6.81	4.50
Net tangible asset	RM	**2.31**	2.17	2.10	2.04	1.77
Price-earnings ratio *	times	**5.12**	6.89	8.07	3.20	8.01
Net debt / total equity **	%	**2.53**	20.75	9.23	14.20	8.43
Closing share price	RM	**1.11**	1.08	1.07	1.18	0.96

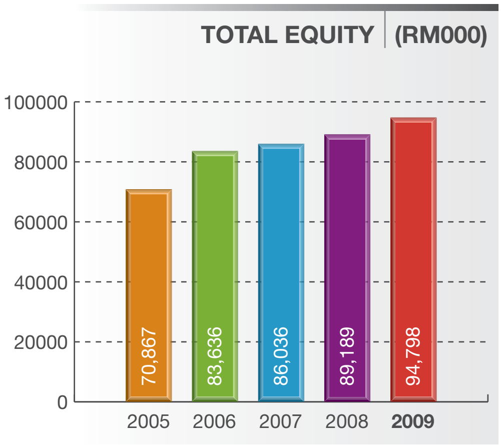
include final dividend which is subject to the approval of shareholders at the forthcoming Annual General Meeting.
* represents share price as at 31 Mar / net earnings per share.
** net debt represents total borrowings (incl. Hire purchase payables) from financial institutions - cash and bank balances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

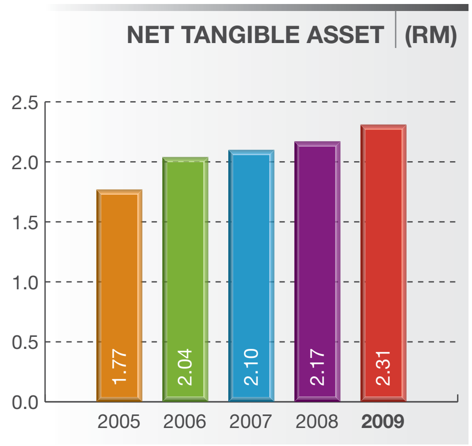
5 YEARS FINANCIAL HIGHLIGHTS (cont'd)











CORPORATE INFORMATION

BOARD OF DIRECTORS
Ahmad Khairuddin bin Ilias
(Chairman)

Tan Kok
(Managing Director)

Lim Hooi Tin

Kamarudin bin Md Derom

Ooi Chee Seng

Tan Soh Yee

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 Soh Yee
(Non-Independent Non-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)*
Tan Chee Huey *(Member)*
Jancy Oh Suan Tin *(Member)*
Loo Leng Fong *(Secretary)*

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 17, The Gardens
North Tower, Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur
Tel : 03-2264 3883
Fax : 03-2282 1886

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
Chartered Accountants
Level 23A, Menara Milenium
Jalan Damanlela, Pusat Bandar Damansara
50490 Kuala Lumpur

STOCK EXCHANGE LISTING
Bursa Malaysia Securities Berhad

Emphasizing on Health and Safety

Over the years, we have invested millions of dollars to modernize and to promote bio-security in the farm. We are fully aware of the threat of diseases hence we have introduced numerous methods to prevent the contact between harmful living organisms and the layers in the farm. One method is to introduce closed house system where the layers are kept in well-ventilated sheds. We believe a healthy and safe environment can lead to higher product quality and sustainable operations in the long run.

AUDIT COMMITTEE REPORT

COMPOSITION

Members of the Committee	Designation in the Company
Ahmad Khairuddin bin Ilias *(Chairman)*	Chairman / Independent Non-Executive Director
Tan Kark Bin *(Member) [resigned on 27 August 2008]*	Executive Director
Kamarudin bin Md Derom *(Member)*	Independent Non-Executive Director
Ooi Chee Seng *(Member)*	Independent Non-Executive Director
Tan Soh Yee *(Member) [appointed on 27 August 2008]*	Non-Independent Non-Executive Director

TERMS OF REFERENCE

Objectives

The Audit 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 Audit 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 all shall be Non-Executive Directors, with a majority of them being Independent Directors.

b) At least one member of the Audit 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 Audit Committee.

d) The members of the Audit 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 Audit Committee and each of its members at least once every three years to determine whether such Audit Committee and members have carried out their duties in accordance with their terms of reference.

f) If a member of the Audit 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 Audit 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;

AUDIT COMMITTEE REPORT (cont'd)

Rights (cont'd)

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 Audit 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 Audit Committee and the Board of Directors.

Attendance and Meeting

a) The quorum of the Audit Committee shall be two of whom the majority of members present shall be Independent Directors.

b) Apart from the members of the Audit Committee who will be present at the meetings, the Audit Committee may invite any member of the management, employees, other Directors and representatives of the external auditors to be present at meetings of the Audit Committee.

c) The Audit 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 Audit Committee if a request is made by any Audit Committee member, the Company's Managing Director, or the internal or external auditors.

AUDIT COMMITTEE REPORT (cont'd)

Minutes

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

Secretary

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

Statement on ESOS

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

Internal Audit Function

The internal audit function is outsourced to an independent professional firm which reports directly to the Audit Committee. 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.

The internal auditors carry out their function based on the audit plan that is reviewed with 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 auditors also carry 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 report to the Audit Committee and the audit report with 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 2009.

Member	No. of meetings attended
Ahmad Khairuddin bin Ilias	4 of 5
Tan Kark Bin *(resigned on 27 August 2008)*	3 of 3
Kamarudin bin Md Derom	5 of 5
Ooi Chee Seng	5 of 5
Tan Soh Yee *(appointed on 27 August 2008)*	1 of 2

Retaining and Rewarding Excellent Employees

We recognize the importance of talent management. Hence, we strongly emphasize on talent management to retain and reward excellent employees.

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 Managing Director are distinct and separate; the Chairman being 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 Nomination 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.

CORPORATE GOVERNANCE STATEMENT (cont'd)

A. BOARD OF DIRECTORS (cont'd)

(iv) Board Meeting and Supply of Information

The Board held five meetings during the financial year to control and monitor the development of the Group. The agenda for each Board meeting is circulated to all the Directors for their perusal well in advance of the Board meeting date. They are given sufficient time to enable them to obtain further explanations, where necessary, in order to be briefed properly before the meeting.

Further, all Directors have access to all information within the Company and the advice and services of the Company Secretaries. This is augmented by regular informal dialogue between Independent Directors and management on matters pertaining to the state of the Group's affairs. 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 expenses.

(v) Directors' Training

During the financial year under review, the Directors had attended the training pertaining to the Directors' and Officers' Duties and Liabilities under the Companies Act, 1965 and Listing Requirements of Bursa Malaysia Securities Berhad.

In addition to that, the following Directors had attended the seminars as mentioned below:-

1. **Ooi Chee Seng**
   - Audit Committee Roles & Internal Audit Challenges organized by the Malaysia Institute of Accountants — 28 to 29 May 2008

2. **Tan Soh Yee**
   - 2009 Budget Talk, Economic Outlook for Post Budget 2009, Challenges and Financial Strategy for SMEs organized by Alliance Bank — 3 August 2008
   - Financial Reporting Standard ("FRS") 139: Financial Instruments – Recognition & Measurement organized by the Malaysia Institute of Accountants — 7 November 2008

B. BOARD COMMITTEES

The Board has set up several Board Committees with clear terms of reference and specific authorities 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 and three 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 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 2009 are disclosed in Note 6 of the Financial Statements.

CORPORATE GOVERNANCE STATEMENT (cont'd)

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.

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 Board is prepared to provide responses to queries and to receive feedback from the shareholders. 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

i) 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.

ii) The cost incurred for the internal audit function for the year ended 31 March 2009 was RM52,310.

iii) There were no non-audit fees paid or payable to the external auditors and their affiliated companies for the year ended 31 March 2009.

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 functions independently, regularly reviews the control processes implemented by the management and reports to the Audit Committee periodically. The Internal Audit function 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 accounting system.
- Clearly documented Standard Operating Procedures Manuals set out the policies and procedures for main business processes.
- 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 management. The management team communicates regularly to monitor performance.
- Quarterly reports are released after being reviewed by the Audit Committee and approved by the Board.
- Internal audit findings are communicated to the management and Audit Committee with recommendations for improvements and regular follow ups are performed to confirm all agreed recommendations are implemented.
- Review of major proposals for material contracts and investment opportunities by the management team and approval of 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 2009 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 arising from weaknesses in internal control identified during the financial year that would require mention in the annual report.

FINANCIAL STATEMENTS

DIRECTORS' REPORT

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 March 2009.

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 fertilisers; and extraction and trading of sand.

There has been no significant changes in the nature of the principal activities during the financial year.

RESULTS

	Group RM	Company RM
Profit for the year	8,885,415	5,793,782

There were no material transfers to or from reserves or provisions during the financial year.

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 2008 were as follows:

	RM
In respect of the financial year ended 31 March 2008 as reported in the directors' report of that year:	
Final dividend of 7% less 25% taxation, on 41,010,002 ordinary shares, declared on 4 August 2008 and paid on 7 October 2008	2,153,025
In respect of the financial year ended 31 March 2009:	
Interim dividend of 3% tax exempt, on 41,115,002 ordinary shares, declared on 16 March 2009 and paid on 15 May 2009	1,233,450
	3,386,475

DIRECTORS' REPORT (cont'd)

DIVIDEND (cont'd)

At the forthcoming Annual General Meeting, a single-tier final dividend in respect of the financial year ended 31 March 2009, of 5% on 41,115,002 ordinary shares, amounting to a dividend payable of RM2,055,750 (5.00 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 2010.

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
Lim Hooi Tin
Kamarudin bin Md Derom
Ooi Chee Seng
Tan Soh Yee *(appointed on 27 August 2008)*
Tan Kark Bin *(resigned on 28 February 2009)*

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 Employees' Share Option 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 6 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 29 to the financial statements.

DIRECTORS' REPORT (cont'd)

DIRECTORS' INTEREST

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			
	1.4.2008	Acquired	Sold	31.3.2009
The Company				
Direct Interest:				
Ahmad Khairuddin bin Ilias	801,000	-	-	801,000
Lim Hooi Tin	200,000	-	-	200,000
Tan Soh Yee	45,000	-	-	45,000
Indirect Interest:				
Tan Kok*	24,232,102	545,000	-	24,777,102
Lim Hooi Tin^	24,232,102	545,000	-	24,777,102
Holding Company - Ladang Ternakan Kelang Sdn. Berhad				
Direct Interest:				
Tan Kok	14,773,440	-	-	14,773,440
Lim Hooi Tin	1,383,360	-	-	1,383,360

	Number of options over ordinary shares of RM1 each			
	1.4.2008	Granted	Exercised	31.3.2009
The Company				
Tan Kok	400,000	-	-	400,000

* 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, 2007.

^ 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, 2007.

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.

DIRECTORS' REPORT (cont'd)

ISSUE OF SHARES

During the financial year, the Company increased its issued and paid-up ordinary share capital from RM41,010,002 to RM41,115,002 by way of the issuance of 105,000 ordinary shares of RM1 each for cash pursuant to the Company's Employees' Share Option Scheme at an exercise price of RM1.05 per ordinary share.

The new ordinary shares issued during the financial year rank pari passu in all respects with the existing ordinary shares of the Company.

EMPLOYEES' SHARE OPTION SCHEME

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

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

The salient features and other terms of the ESOS are disclosed in Note 22 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.

DIRECTORS' REPORT (cont'd)

OTHER STATUTORY INFORMATION (cont'd)

(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.

SIGNIFICANT EVENTS

Details of significant events are disclosed in Note 35 to the financial statements.

SUBSEQUENT EVENTS

Details of subsequent events are disclosed in Note 36 to the financial statements.

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 16 July 2009.

Tan Kok **Tan Soh Yee**

Kuala Lumpur, Malaysia

STATEMENT BY DIRECTORS

Pursuant to Section 169(15) of the Companies Act, 1965

We, Tan Kok and Tan Soh Yee, 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 33 to 83 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 2009 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 16 July 2009.

Tan Kok **Tan Soh Yee**

Kuala Lumpur, Malaysia

STATUTORY DECLARATION

Pursuant to Section 169(16) of the Companies Act, 1965

I, Jancy Oh Suan Tin, being the officer primarily responsible for the financial management of LTKM Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 33 to 83 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 Jancy Oh Suan Tin at
Kuala Lumpur in the Federal Territory
on 16 July 2009

Jancy Oh Suan Tin

Before me,

R. Vasugi Ammal
No. W 480
Commissioner for Oaths
Kuala Lumpur, Malaysia

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 2009 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 33 to 83.

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 judgement, 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 2009 and of their financial performance and cash flows of the Group and of the Company for the year then ended.

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.

INDEPENDENT AUDITORS' REPORT (cont'd)

To the Members of LTKM BERHAD

Report on other legal and regulatory requirements (cont'd)

(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
16 July 2009

INCOME STATEMENTS
For the Year Ended 31 March 2009

		Group		Company	
		2009	2008	2009	2008
	Note	RM	RM	RM	RM
Revenue	3	133,537,110	108,208,691	6,480,000	11,360,000
Cost of sales		(114,556,018)	(93,200,288)	-	-
Gross profit		18,981,092	15,008,403	6,480,000	11,360,000
Other income	4	2,867,922	939,981	93,442	273,874
Distribution expenses		(2,320,591)	(2,213,445)	-	-
Administrative expenses		(5,316,850)	(4,549,910)	(538,778)	(506,867)
Other expenses	5	(1,115,586)	(317,834)	(223,676)	-
Operating profit	6	13,095,987	8,867,195	5,810,988	11,127,007
Finance costs	7	(964,007)	(1,109,948)	-	-
Profit before tax		12,131,980	7,757,247	5,810,988	11,127,007
Income tax expense	8	(3,246,565)	(1,331,148)	(17,206)	(2,626,830)
Profit for the year		8,885,415	6,426,099	5,793,782	8,500,177
Earnings per share (sen)					
- Basic	9	21.66	15.68		
- Diluted	9	21.70	15.66		

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

BALANCE SHEETS
As at 31 March 2009

		Group		Company	
		2009	2008	2009	2008
	Note	RM	RM	RM	RM
Assets					
Non-current assets					
Property, plant and equipment	11	73,464,955	76,398,463	1,853,224	784,795
Investment property	12	1,447,950	1,447,950	-	-
Land held for property development	13	990,479	-	-	-
Prepaid land lease payments	14	1,594,897	1,634,489	-	-
Investments in subsidiaries	15	-	-	31,504,000	31,003,002
Marketable securities	16	3,633,237	8,038,386	2,402,122	3,144,817
Other investment	17	-	337,500	-	-
		81,131,518	87,856,788	35,759,346	34,932,614
Current assets					
Biological asset	18	11,083,876	13,467,809	-	-
Inventories	19	8,630,695	11,654,460	-	-
Tax recoverable		-	312,087	37,390	25,296
Trade and other receivables	20	10,017,044	9,761,603	16,318,033	19,976,575
Cash and bank balances	21	9,590,619	2,909,191	7,042,587	1,705,917
		39,322,234	38,105,150	23,398,010	21,707,788
Total assets		120,453,752	125,961,938	59,157,356	56,640,402
Equity and liabilities					
Share capital	22	41,115,002	41,010,002	41,115,002	41,010,002
Share premium		2,061,301	2,056,051	2,061,301	2,056,051
Asset revaluation reserve	23	2,956,586	2,956,586	-	-
Retained profits	24	48,665,563	43,166,623	14,602,589	12,195,282
Total equity		94,798,452	89,189,262	57,778,892	55,261,335
Non-current liabilities					
Borrowings	25	3,499,599	6,424,362	-	-
Deferred taxation	27	6,260,741	6,277,032	15,455	7,568
		9,760,340	12,701,394	15,455	7,568
Current liabilities					
Trade and other payables	28	5,626,720	7,851,749	129,559	141,199
Dividend payable	10	1,233,450	1,230,300	1,233,450	1,230,300
Borrowings	25	8,487,968	14,989,233	-	-
Taxation		546,822	-	-	-
		15,894,960	24,071,282	1,363,009	1,371,499
Total liabilities		25,655,300	36,772,676	1,378,464	1,379,067
Total equity and liabilities		120,453,752	125,961,938	59,157,356	56,640,402

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Year Ended 31 March 2009

			(Non-Distributable)		(Distributable)	
	Note	Share capital RM	Share premium RM	Asset revaluation reserve RM	Retained profits RM	Total RM
At 1 April 2007		40,992,002	2,055,151	3,053,904	39,934,594	86,035,651
Issue of ordinary shares	22	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
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
At 1 April 2008		41,010,002	2,056,051	2,956,586	43,166,623	89,189,262
Issue of ordinary shares	22	105,000	5,250	-	-	110,250
Profit for the year		-	-	-	8,885,415	8,885,415
Dividends	10	-	-	-	(3,386,475)	(3,386,475)
At 31 March 2009		41,115,002	2,061,301	2,956,586	48,665,563	94,798,452

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

COMPANY STATEMENT OF CHANGES IN EQUITY
For the Year Ended 31 March 2009

	Note	Share capital RM	(Non-Distributable) Share premium RM	(Distributable) Retained profits RM	Total RM
At 1 April 2007		40,992,002	2,055,151	7,020,096	50,067,249
Issue of ordinary shares	22	18,000	900	-	18,900
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
At 1 April 2008		41,010,002	2,056,051	12,195,282	55,261,335
Issue of ordinary shares	22	105,000	5,250	-	110,250
Profit for the year		-	-	5,793,782	5,793,782
Dividends	10	-	-	(3,386,475)	(3,386,475)
At 31 March 2009		41,115,002	2,061,301	14,602,589	57,778,892

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

CASH FLOW STATEMENTS
For the Year Ended 31 March 2009

	Note	Group 2009 RM	Group 2008 RM	Company 2009 RM	Company 2008 RM
Cash flows from operating activities					
Profit before tax		12,131,980	7,757,247	5,810,988	11,127,007
Adjustments for:					
Depreciation of property, plant and equipment	6	7,289,293	7,344,877	60,347	35,986
Amortisation of prepaid land lease payments	6	39,592	39,593	-	-
Bad debts written off	6	1,490	110,801	-	-
Write off of property, plant and equipment	5	275,822	317	15,169	-
Loss/(gain) on disposal of property, plant and equipment	5, 4	14,530	(91,581)	-	-
Loss/(gain) on disposal of marketable securities	5, 4	643,013	(181,502)	19,627	(153,031)
Provision for doubtful debts	6	141,161	358,043	-	-
Provision/(reversal) for unutilised annual leave	6(a)	15,873	183,878	(510)	4,742
Impairment on marketable securities	5	171,930	296,000	188,880	-
Unrealised loss on foreign exchange	5	10,291	21,517	-	-
Other investment income	4	(13,955)	(37,500)	-	-
Dividend income	3, 4	(161,390)	(231,194)	(6,044,305)	(11,038,456)
Interest expense	7	964,007	1,109,948	-	-
Interest income	4	(42,211)	(70,206)	(34,737)	(63,245)
Operating profit/(loss) before working capital changes		21,481,426	16,610,238	15,459	(86,997)
Increase in land held for property development		(990,479)	-	-	-
Decrease/(increase) in biological assets		2,383,933	(1,924,022)	-	-
Decrease/(increase) in inventories		3,023,765	(6,134,274)	-	-
(Increase)/decrease in receivables		(406,411)	(4,175,289)	(80,154)	92,877
(Decrease)/increase in payables		(2,162,126)	497,186	(11,130)	40,311
Changes in intercompany indebtedness		-	-	3,738,696	(9,500,026)
Cash generated from/(used in) operations		23,330,108	4,873,839	3,662,871	(9,453,835)
Tax paid		(2,436,629)	(1,606,395)	(21,413)	(2,651,284)
Tax refund		32,682	-	-	-
Interest paid		(964,007)	(1,109,948)	-	-
Net cash generated from/(used in) operating activities		19,962,154	2,157,496	3,641,458	(12,105,119)

CASH FLOW STATEMENTS (cont'd)

For the Year Ended 31 March 2009

		Group		Company	
		2009	2008	2009	2008
	Note	RM	RM	RM	RM
Cash flows from investing activities					
Purchase of property, plant and equipment		(4,783,885)	(7,970,827)	(1,143,945)	(746,088)
Purchase of marketable securities		(2,740,461)	(8,332,857)	(1,843,976)	(2,144,353)
Proceeds from disposal of property, plant and equipment		57,000	231,200	-	-
Proceeds from disposal of marketable securities		6,668,167	6,355,559	2,378,164	4,337,796
Investment in subsidiaries		-	-	(500,998)	-
Interest received		42,211	70,206	34,737	63,245
Other investment income received		13,955	-	-	-
Dividend received		161,390	231,194	6,044,305	9,898,456
Net cash (used in)/generated from investing activities		(581,623)	(9,415,525)	4,968,287	11,409,056
Cash flows from financing activities					
Dividend paid		(3,383,325)	(3,324,451)	(3,383,325)	(3,324,451)
Proceeds from issue of shares		110,250	18,900	110,250	18,900
Drawdown of term loan		-	2,405,400	-	-
Repayment of term loans		(2,762,709)	(2,227,643)	-	-
Net (repayment)/drawdown of other bank borrowings		(5,855,000)	7,057,000	-	-
Repayment of hire purchase		(559,788)	(1,020,885)	-	-
Net cash (used in)/generated from financing activities		(12,450,572)	2,908,321	(3,273,075)	(3,305,551)
Net increase/(decrease) in cash and cash equivalents		6,929,959	(4,349,708)	5,336,670	(4,001,614)
Cash and cash equivalents at beginning of year		2,654,805	7,004,513	1,705,917	5,707,531
Cash and cash equivalents at end of year (Note 21)		9,584,764	2,654,805	7,042,587	1,705,917

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

NOTES TO THE FINANCIAL STATEMENTS
31 March 2009

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 extraction and trading of sand. There has been no significant changes in the nature of the principal activities during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 16 July 2009.

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. At the beginning of the current financial year, the Group and the Company had adopted new and revised FRSs which are mandatory for financial periods beginning on or after 1 April 2008 as described fully in Note 2.3.

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

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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 March 2009

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 Summary of significant accounting policies (cont'd)

(a) Subsidiaries and basis of consolidation (cont'd)

(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 15, 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(n). 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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 March 2009

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 Summary of significant accounting policies (cont'd)

(b) Revenue recognition

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

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

(ii) 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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 March 2009

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 Summary of significant accounting policies (cont'd)

(d) Income tax (cont'd)

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, unutilised 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, unutilised tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary difference arises from goodwill or negative goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

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

(e) Government grants

Government grants are recognised initially at their fair value in the balance sheet as deferred income where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Grants that compensate the Group and the Company for expenses incurred are recognised as income over the periods necessary to match the grant on a systematic basis to the costs that it is intended to compensate. Grants that compensate the Group and the Company for the cost of an asset are recognised as income on a systematic basis over the useful life of the asset.

(f) 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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 March 2009

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 Summary of significant accounting policies (cont'd)

(f) Property, plant and equipment, and depreciation (cont'd)

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 profits.

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.

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 proceeds, 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.

(g) 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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 March 2009

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 Summary of significant accounting policies (cont'd)

(g) Investment properties (cont'd)

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.

(h) Land held for property development

Land held for property development is consists of land where no development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle. Such land is classified within non-current assets and is stated at cost less any accumulated impairment losses.

Land held for property development is reclassified as property development costs at the point when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

(i) 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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
31 March 2009

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 Summary of significant accounting policies (cont'd)

(i) Leases (cont'd)

(ii) Finance leases - the Group as lessee (cont'd)

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 income statement 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(f).

(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.

(j) 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 and deposits with licensed banks which have an insignificant risk of changes in value, net of outstanding bank overdraft.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 March 2009

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 Summary of significant accounting policies (cont'd)

(j) Financial instruments (cont'd)

(ii) Other non-current investments

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

(iii) Marketable securities

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

Marketable securities 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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 March 2009

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 Summary of significant accounting policies (cont'd)

(k) Biological asset

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.

(l) Inventories

Consumable goods and produce inventories are stated 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. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. In arriving at net realisable value, due allowance is made for obsolete and slow moving items.

Cost of finished goods consists of direct materials, direct labour and attributable manufacturing overheads.

(m) 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 contributions 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 Employees' Share Option 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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 March 2009

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 Summary of significant accounting policies (cont'd)

(m) Employee benefits (cont'd)

(iii) Share-based compensation (cont'd)

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.

(n) 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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
31 March 2009

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 Summary of significant accounting policies (cont'd)

(n) Impairment of non-financial assets (cont'd)

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.

(o) 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.

(ii) Foreign currency transactions

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.

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.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 March 2009

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.3 Changes in accounting policies and effects arising from adoption of new and revised FRSs

On 1 April 2008, the Group and the Company adopted the following revised FRSs, amendment to FRS and Interpretations:

FRS 107	: Cash Flow Statements
FRS 111	: Construction Contracts
FRS 112	: Income Taxes
FRS 118	: Revenue
FRS 120	: Accounting for Government Grants and Disclosure of Government Assistance
FRS 134	: Interim Financial Reporting
FRS 137	: Provisions, Contingent Liabilities and Contingent Assets
Amendment to FRS 121	: The Effects of Changes in Foreign Exchange Rates - Net Investment in a Foreign Operation
IC Interpretation 1	: Changes in Existing Decommissioning, Restoration and Similar Liabilities
IC Interpretation 2	: Members' Shares in Co-operative Entities and Similar Instruments
IC Interpretation 5	: Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
IC Interpretation 6	: Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment
IC Interpretation 7	: Applying the Restatement Approach under $FRS129_{2004}$ - Financial Reporting in Hyperinflationary Economies
IC Interpretation 8	: Scope of FRS 2

The revised FRSs, amendment to FRS and Interpretations above do not have any significant impact on the financial statements of the Group and the Company.

2.4 Standards and Interpretations issued but not yet effective

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

FRS, Amendments to FRSs and Interpretations		**Effective for financial periods beginning on or after**
FRS 4	: Insurance Contracts	1 January 2010
FRS 7	: Financial Instruments: Disclosures	1 January 2010
FRS 8	: Operating Segments	1 July 2009
FRS 123	: Borrowing costs	1 January 2010
FRS 139	: Financial Instruments: Recognition and Measurement	1 January 2010
Amendments to FRS 1	: First-time Adoption of Financial Reporting Standards	1 January 2010
Amendments to FRS 2	: Share-based Payment - Vesting Conditions and Cancellations	1 January 2010

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 March 2009

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.4 Standards and Interpretations issued but not yet effective (cont'd)

FRS, Amendments to FRSs and Interpretations		Effective for financial periods beginning on or after
Amendments to FRS 127	: Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1 January 2010
IC Interpretation 9	: Reassessment of Embedded Derivatives	1 January 2010
IC Interpretation 10	: Interim Financial Reporting and Impairment	1 January 2010
IC Interpretation 11	: FRS 2 - Group and Treasury Share Transactions	1 January 2010
IC Interpretation 13	: Customer Loyalty Programmes	1 January 2010
IC Interpretation 14	: FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	1 January 2010

The new FRSs, amendments to FRSs and Interpretations above are expected to have no significant impact on the financial statements of the Group and of the Company upon their initial application except for the changes in disclosures arising from the adoption of FRS 8.

The Group and the Company are exempted from disclosing the possible impact, if any, to the financial statements upon the initial application of FRS 7 and FRS 139.

2.5 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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 March 2009

3. REVENUE

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Sales of produce inventories, livestocks and consumable goods, less returns and discounts allowed	129,966,291	108,086,163	-	-
Dividend income from a subsidiary company	-	-	6,000,000	11,000,000
Sales of sand	3,570,819	122,528	-	-
Management fee from subsidiary companies	-	-	480,000	360,000
	133,537,110	108,208,691	6,480,000	11,360,000

4. OTHER INCOME

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Dividend income	161,390	231,194	44,305	38,456
Gain on disposal of marketable securities	-	181,502	-	153,031
Gain on disposal of property, plant and equipment	-	91,581	-	-
Government grant received	2,103,488	-	-	-
Interest income on fixed deposit	42,211	70,206	34,737	63,245
Other investment income	13,955	37,500	-	-
Rental income	16,320	21,702	14,400	19,142
Realised gain on foreign exchange	419,910	286,618	-	-
Other income	110,648	19,678	-	-
	2,867,922	939,981	93,442	273,874

The government grant received from the government is based on the total production of eggs for the period from 1 June 2008 to 31 December 2008.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 March 2009

5. OTHER EXPENSES

	Group		Company	
	2009	2008	2009	2008
	RM	RM	RM	RM
Impairment on marketable securities	171,930	296,000	188,880	-
Loss on disposal of marketable securities	643,013	-	19,627	-
Loss on disposal of property, plant and equipment	14,530	-	-	-
Write off of property, plant and equipment	275,822	317	15,169	-
Unrealised loss on foreign exchange	10,291	21,517	-	-
	1,115,586	317,834	223,676	-

6. OPERATING PROFIT

	Group		Company	
	2009	2008	2009	2008
	RM	RM	RM	RM
Operating profit is stated after charging:				
Staff costs (excluding directors) (Note a)	7,046,275	6,641,089	167,154	177,793
Directors' remuneration (Note b)	1,934,972	973,728	69,000	69,000
Auditors' remuneration	45,500	43,000	15,000	13,000
Depreciation of property, plant and equipment (Note 11)	7,289,293	7,344,877	60,347	35,986
Amortisation of prepaid land lease payments (Note 14)	39,592	39,593	-	-
Bad debts written off	1,490	110,801	-	-
Rental of farm paid to holding company	-	72,072	-	-
Rental of farm paid to related company	288,288	216,216	-	-
Rental of office	40,800	40,800	40,800	40,800
Provision for doubtful debts	141,161	358,043	-	-
(a) Staff costs				
Wages and salaries	5,806,628	5,657,718	135,875	144,479
Social security costs	48,155	47,160	930	1,229
Defined contribution plans	466,984	405,359	16,685	17,727
Short term accumulating compensated absences	15,873	183,878	(510)	4,742
Other staff related expenses	708,635	346,974	14,174	9,616
	7,046,275	6,641,089	167,154	177,793

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 March 2009

6. OPERATING PROFIT (cont'd)

	Group 2009 RM	Group 2008 RM	Company 2009 RM	Company 2008 RM
(b) Directors' remuneration				
Executive directors' remuneration:				
Fees	120,000	95,000	-	-
Salaries and other emoluments	1,568,752	721,372	-	-
Defined contribution plans	174,792	86,652	-	-
Social security costs	2,428	1,704	-	-
Total executive directors' remuneration	1,865,972	904,728	-	-
Non-Executive directors' remuneration				
Fees	69,000	69,000	69,000	69,000
Total of directors' remuneration (Note 29(b))	1,934,972	973,728	69,000	69,000
Benefits-in-kind	60,578	52,277	-	-
Total directors' remuneration including benefits-in-kind	1,995,550	1,026,005	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 2009	Group Number of Directors 2008	Company Number of Directors 2009	Company Number of Directors 2008
Executive directors:				
RM50,001 - RM100,000	-	1	-	-
RM100,001 - RM150,000	1	2	-	-
RM150,001 - RM200,000	2	2	-	-
RM200,001 - RM250,000	-	1	-	-
RM300,001 - RM350,000	1	-	-	-
RM350,001 - RM400,000	1	-	-	-
RM450,001 - RM500,000	1	-	-	-
Non-executive directors:				
Below RM50,000	4	3	4	3

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 March 2009

7. FINANCE COSTS

	Group		Company	
	2009	2008	2009	2008
	RM	RM	RM	RM
Interest				
- bank overdrafts	21,280	27,011	-	-
- bankers' acceptances	240,605	280,068	-	-
- revolving credits	105,627	87,496	-	-
- bank term loans	547,810	625,842	-	-
- hire purchase	48,685	89,531	-	-
	964,007	1,109,948	-	-

8. INCOME TAX EXPENSE

	Group		Company	
	2009	2008	2009	2008
	RM	RM	RM	RM
Malaysian income tax:				
Tax expense for the year	3,266,583	1,603,402	14,304	2,620,200
(Over)/underprovision in prior years	(3,727)	(956)	(4,985)	6,012
	3,262,856	1,602,446	9,319	2,626,212
Deferred tax (Note 27):				
Relating to origination and reversal of temporary differences	53,990	(237,453)	13,389	885
Relating to reduction in Malaysia income tax rate	-	(228,481)	-	(267)
(Over)/underprovision in prior years	(70,281)	194,636	(5,502)	-
	(16,291)	(271,298)	7,887	618
Total income tax expense	3,246,565	1,331,148	17,206	2,626,830

Domestic income tax is calculated at the Malaysian statutory tax rate of 25% (2008: 26%) of the estimated assessable profit for the year. In the prior year, certain subsidiaries of the Company being Malaysian resident companies with paid-up capital of RM2.5 million or less qualified for the preferential tax rates under Paragraph 2A, Schedule 1 of the Income Tax Act, 1967 as follows:

On the first RM500,000 of chargeable income : 20%
In excess of RM500,000 of chargeable income : 26%

However, pursuant to Paragraph 2B, Schedule 1 of the Income Tax Act, 1967 that was introduced with effect from the year of assessment 2009, these subsidiaries no longer qualify for the above preferential tax rates.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 March 2009

8. INCOME TAX EXPENSE (cont'd)

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	
	2009 RM	2008 RM	2009 RM	2008 RM
Profit before tax	12,131,980	7,757,247	5,810,988	11,127,007
Taxation at Malaysian statutory tax rate of 25% (2008: 26%)	3,032,995	2,016,884	1,452,747	2,893,022
Effect of different tax rate for qualified small and medium enterprises	-	(41,461)	-	-
Effect on opening deferred tax due to reduction in Malaysia income tax rate	-	(228,481)	-	(267)
Deferred tax recognised at different tax rates	-	9,609	-	(35)
Income not subject to tax	(13,951)	(61,330)	(1,509,056)	(299,788)
Expenses not deductible for tax purposes	468,091	256,428	84,002	27,886
Utilisation of tax incentives	(57,064)	(929,305)	-	-
Deferred tax assets not recognised on unutilised business losses	14,010	115,124	-	-
Deferred tax assets recognised on unabsorbed capital allowance and unutilised business loss	(123,508)	-	-	-
(Over)/underprovision of income tax expense in prior years	(3,727)	(956)	(4,985)	6,012
(Over)/under provision of deferred tax in prior years	(70,281)	194,636	(5,502)	-
Tax expense for the year	3,246,565	1,331,148	17,206	2,626,830
Unutilised business loss carried forward	90,132	-	-	-

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 above 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 RM41,000 for the financial year under review and cumulatively RM4,345,000 since YA 2003.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 March 2009

9. EARNINGS PER SHARE

(a) Basic earnings per share

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

	Group	
	2009	**2008**
Profit for the year	8,885,415	6,426,099
Weighted average number of ordinary shares in issue	41,020,358	40,994,024
Basic earnings per share (sen)	21.66	15.68

(b) Diluted earnings per share

The effect on the basic earnings per share for the current financial year arising from the assumed conversion of Employees' Share Option Scheme ("ESOS") is anti-dilutive. Accordingly, the diluted earnings per share for the current and previous financial year are not presented.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 March 2009

10. DIVIDENDS

	Dividends in respect of financial year			Dividends recognised in financial year	
	2009	2008	2007	2009	2008
Recognised during the year	RM	RM	RM	RM	RM
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
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	-	-	1,230,300
Final dividend of 7% less 25% taxation, on 41,010,002 ordinary shares, declared on 4 August 2008 and paid on 7 October 2008	-	2,153,025	-	2,153,025	-
Interim dividend of 3%, tax exempt, on 41,115,002 ordinary shares, declared on 16 March 2009 and paid on 15 May 2009	1,233,450	-	-	1,233,450	-
Proposed for approval at AGM (not recognised as at 31 March) :					
Single-tier final dividend of 5% on 41,115,002 ordinary shares	2,055,750	-	-	-	-
	3,289,200	3,383,325	2,094,691	3,386,475	3,324,991

At the forthcoming Annual General Meeting, a single-tier final dividend in respect of the financial year ended 31 March 2009, of 5% on 41,115,002 ordinary shares, amounting to a dividend payable of RM2,055,750 (5.00 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 2010.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 March 2009

11. PROPERTY, PLANT AND EQUIPMENT

	Note	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 2009										
Cost or valuation										
At 1 April 2008										
At cost		8,803,360	16,483,218	73,334	20,617,642	3,596,304	3,858,550	542,090	2,185,212	56,159,710
At Valuation		17,300,000	33,356,947	-	-	-	-	-	-	50,656,947
		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
Additions		-	66,782	-	985,725	311,578	405,987	-	3,013,813	4,783,885
Reclassifications			573,332	-	2,749,853	213,773	-	222,066	(3,759,024)	-
Write-offs		-	-	(73,334)	-	(24,910)	(1,800)	(260,649)	-	(360,693)
Disposals		-	-	-	(52,550)	-	(61,153)	-	-	(113,703)
Adjustment	(a)	(80,748)	-	-	-	-	-	-	-	(80,748)
At 31 March 2009		26,022,612	50,480,279	-	24,300,670	4,096,745	4,201,584	503,507	1,440,001	111,045,398
Representing:										
At cost		8,722,612	17,056,550	-	24,300,670	4,096,745	4,201,584	503,507	1,440,001	60,321,669
At valuation		17,300,000	33,423,729	-	-	-	-	-	-	50,723,729
At 31 March 2009		26,022,612	50,480,279	-	24,300,670	4,096,745	4,201,584	503,507	1,440,001	111,045,398

Note (a)
This relates to premium paid in prior years being refunded by the state government as certain conditions were not met for the purpose of land conversion from agricultural to farming.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 March 2009

11. PROPERTY, PLANT AND EQUIPMENT (cont'd)

	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 (contd.)									
Accumulated depreciation									
At 1 April 2008	-	13,365,404	58,668	12,295,517	1,646,008	2,995,391	57,206	-	30,418,194
Charge for the year (Note 6)	-	4,394,643	4,902	1,977,286	347,268	397,873	167,321	-	7,289,293
Write-offs	-	-	(63,570)	-	(19,503)	(1,798)	-	-	(84,871)
Disposals	-	-	-	(11,347)	-	(30,826)	-	-	(42,173)
At 31 March 2009	-	17,760,047	-	14,261,456	1,973,773	3,360,640	224,527	-	37,580,443
Net carrying amount									
At cost	8,722,612	12,628,244	-	10,039,214	2,122,972	840,944	278,980	1,440,001	36,072,967
At valuation	17,300,000	20,091,988	-	-	-	-	-	-	37,391,988
At 31 March 2009	26,022,612	32,720,232	-	10,039,214	2,122,972	840,944	278,980	1,440,001	73,464,955

11. PROPERTY, PLANT AND EQUIPMENT (cont'd)

	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 (contd.)									
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	16,483,218	73,334	20,617,642	3,596,304	3,858,550	542,090	2,185,212	56,159,710
At valuation	17,300,000	33,356,947	-	-	-	-	-	-	50,656,947
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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 March 2009

11. PROPERTY, PLANT AND EQUIPMENT (cont'd)

	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 (contd.)									
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 (Note 6)	-	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	13,149,607	14,666	8,322,125	1,950,296	863,159	484,884	2,185,212	35,773,309
At valuation	17,300,000	23,325,154	-	-	-	-	-	-	40,625,154
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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 March 2009

11. PROPERTY, PLANT AND EQUIPMENT (cont'd)

	Building RM	Renovation RM	Furniture, fittings and equipment RM	Capital work in progress RM	Total RM
Company					
At 31 March 2009					
Cost					
At 1 April 2008	746,088	73,334	82,619	-	902,041
Additions	-	-	279,524	864,421	1,143,945
Write-offs	-	(73,334)	(21,610)	-	(94,944)
At 31 March 2009	746,088	-	340,533	864,421	1,951,042
Accumulated depreciation					
At 1 April 2008	14,932	58,668	43,646	-	117,246
Charge for the year (Note 6)	14,922	4,902	40,523	-	60,347
Write-offs	-	(63,570)	(16,205)	-	(79,775)
At 31 March 2009	29,854	-	67,964	-	97,818
Net carrying amount	716,234	-	272,569	864,421	1,853,224
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 (Note 6)	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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 March 2009

11. PROPERTY, PLANT AND EQUIPMENT (cont'd)

(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 independent 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 2009 would be as follows:

	Group	
	2009 RM	2008 RM
Freehold land	6,218,443	6,218,443
Buildings	18,445,977	21,166,526
	24,664,420	27,384,969

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

	Group	
	2009 RM	2008 RM
Buildings	-	968,872
Plant and machinery	-	1,016,052
	-	1,984,924

(c) The net book values of property, plant and equipment pledged for borrowings (Note 25(c)(i) and (ii)) are as follows:

	Group	
	2009 RM	2008 RM
Freehold land	25,771,318	25,972,643
Buildings	3,743,235	4,197,161
	29,514,553	30,169,804

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
31 March 2009

12. INVESTMENT PROPERTY

	Group	
	2009	2008
	RM	RM
At 1 April	1,447,950	10,131,688
Transfer to property, plant and equipment	-	(8,683,738)
At 31 March	1,447,950	1,447,950
Estimated fair value of investment property	1,450,000	1,450,000

13. LAND HELD FOR PROPERTY DEVELOPMENT

	Group	
	2009	2008
	RM	RM
Cost		
At 1 April	-	-
Additions during the year	990,479	-
At 31 March	990,479	-

14. PREPAID LAND LEASE PAYMENTS

	Group	
	2009	2008
	RM	RM
At 1 April	1,634,489	1,674,082
Amortisation for the year (Note 6)	(39,592)	(39,593)
	1,594,897	1,634,489
Analysed as:		
Long term leasehold land	1,097,716	1,119,965
Short term leasehold land	497,181	514,524
	1,594,897	1,634,489

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 independent professional valuer. Fair value is determined by reference to open market values on existing use basis.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 March 2009

15. INVESTMENTS IN SUBSIDIARIES

	Company 2009 RM	Company 2008 RM
Unquoted shares, at cost	31,504,000	31,003,002

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

Name of Company	Equity Interest Held 2009 %	Equity Interest Held 2008 %	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
LTK Engineering & Construction Sdn. Bhd.	100	-	Dormant

+ Consolidated using merger accounting.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
31 March 2009

16. MARKETABLE SECURITIES

	Group		Company	
	2009	2008	2009	2008
	RM	RM	RM	RM
In Malaysia, at cost:				
Quoted shares	1,508,661	4,379,536	-	-
Quoted unit trusts	2,592,506	3,954,850	2,591,002	3,144,817
	4,101,167	8,334,386	2,591,002	3,144,817
Less: Impairment loss	(467,930)	(296,000)	(188,880)	-
	3,633,237	8,038,386	2,402,122	3,144,817
At market value:				
Quoted shares	1,229,611	4,084,000	-	-
Quoted unit trusts	2,516,112	4,135,224	2,514,460	3,270,829
	3,745,723	8,219,224	2,514,460	3,270,829

17. OTHER INVESTMENT

	Group		Company	
	2009	2008	2009	2008
	RM	RM	RM	RM
Guaranteed return savings plan	-	337,500	-	-

This relates to a non-participating endowment policy of which 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 based on certain terms and conditions. The Company surrendered the endowment policy on 15 October 2008 with a return rate of 4.25% p.a. at the time of withdrawal.

18. BIOLOGICAL ASSET

	Group	
	2009	2008
	RM	RM
Livestocks	11,083,876	13,467,809

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 March 2009

19. INVENTORIES

	Group 2009 RM	Group 2008 RM	Company 2009 RM	Company 2008 RM
Cost				
Consumable goods	8,111,249	11,068,058	-	-
Produce inventories	519,446	586,402	-	-
	8,630,695	11,654,460	-	-

20. TRADE AND OTHER RECEIVABLES

	Group 2009 RM	Group 2008 RM	Company 2009 RM	Company 2008 RM
Trade receivables				
Third parties	9,279,246	9,811,174	-	-
Less: Provision for doubtful debts	(970,197)	(829,036)	-	-
Trade receivables, net	8,309,049	8,982,138	-	-
Other receivables				
Amount due from subsidiaries	-	-	16,226,079	19,964,775
Deposits	1,126,832	67,113	91,954	10,800
Prepayments	136,006	378,067	-	-
Other receivables	445,157	334,285	-	1,000
	1,707,995	779,465	16,318,033	19,976,575
Total	10,017,044	9,761,603	16,318,033	19,976,575

(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 5 (2008: 4) customers representing 48% (2008: 45%) of the subsidiary's trade receivables. Trade receivables are non-interest bearing.

(b) Amount due from subsidiaries

The amounts due from subsidiaries are interest-free, unsecured and have no fixed term of repayment.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 March 2009

21. CASH AND CASH EQUIVALENTS

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Cash on hand and at bank	2,697,882	1,180,075	227,314	115,721
Deposits with licensed banks	6,892,737	1,729,116	6,815,273	1,590,196
Cash and bank balances	9,590,619	2,909,191	7,042,587	1,705,917

The deposit with a licensed bank of a subsidiary company amounting to RM77,464 (2008: RM74,920) is pledged as security for a bank guarantee facility granted to the subsidiary company.

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

	Group		Company	
	2009 %	2008 %	2009 %	2008 %
Licensed banks	2.37	3.39	2.38	3.39

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

	Group		Company	
	2009 Days	2008 Days	2009 Days	2008 Days
Licensed banks	30 - 365	1 - 365	30 - 365	30 - 60

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

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Cash and bank balances	9,590,619	2,909,191	7,042,587	1,705,917
Bank overdrafts (Note 25)	(5,855)	(254,386)	-	-
Total cash and cash equivalents	9,584,764	2,654,805	7,042,587	1,705,917

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 March 2009

22. SHARE CAPITAL

	Number of ordinary shares of RM1 each 2009	2008	Amount 2009 RM	2008 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	41,010,002	40,992,002	41,010,002	40,992,002
Issued during the year: Pursuant to ESOS	105,000	18,000	105,000	18,000
At 31 March	41,115,002	41,010,002	41,115,002	41,010,002

During the financial year, the Company increased its issued and paid-up ordinary share capital from RM41,010,002 to RM41,115,002 by way of the issuance of 105,000 ordinary shares of RM1 each for cash pursuant to the Company's Employees' Share Option Scheme at an exercise price of RM1.05 per ordinary share.

The new ordinary shares issued during the financial year rank pari passu in all respects with the existing ordinary shares of the Company.

Employees' Share Option Scheme ("ESOS")

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

At an Extraordinary General Meeting held on 23 February 2006, the shareholders have approved to extend the duration of the said ESOS for an additional 5 years from 17 October 2006 to 17 October 2011, subject to the existing salient features.

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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 March 2009

22. SHARE CAPITAL (cont'd)

Employees' Share Option Scheme ("ESOS") (cont'd)

(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	
	2009	2008	2009 RM	2008 RM
Outstanding at 1 April	2,239,000	2,384,000	1.06	1.06
Exercised during the year	(105,000)	(18,000)	1.05	1.05
Forfeited during the year	(198,000)	(127,000)	1.05	1.07
Outstanding at 31 March	1,936,000	2,239,000	1.06	1.06

The options outstanding at the end of the financial year have a remaining contractual life of 2.6 years (2008: 3.6 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 105,000 (2008: 18,000) ordinary shares at an average price of RM1.05 (2008: RM1.05) each.

(ii) The market prices of share at share issue date during the financial years are as follows:

Exercise date	Market prices of share at share issue dates RM/share
14 February 2008	1.08
23 February 2009	1.00

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 March 2009

23. 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.

24. 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 has elected for the irrevocable option to disregard the Section 108 balance. As at 31 March 2009, the Company has a tax exempt account balance of RM7.6 million (2008: RM2.8 million) available for distribution as tax exempt dividends subject to agreement of the Inland Revenue Board. If the balance of the retained earnings of RM7.0 million were to be distributed as dividends, the Company may distribute such dividends under the single tier system.

25. BORROWINGS

	Group	
	2009	2008
	RM	RM
Short term borrowings		
Secured:		
Revolving credits	1,000,000	2,500,000
Bank term loans	1,814,113	1,652,059
Hire purchase payables (Note 26)	-	559,788
	2,814,113	4,711,847
Unsecured:		
Bank overdrafts (Note 21)	5,855	254,386
Bankers' acceptances	4,564,000	8,919,000
Bank term loans	1,104,000	1,104,000
	5,673,855	10,277,386
	8,487,968	14,989,233

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
31 March 2009

25. BORROWINGS (cont'd)

	Group 2009 RM	Group 2008 RM
Long term borrowings		
Secured:		
Bank term loans	1,750,721	3,571,484
Unsecured:		
Bank term loans	1,748,878	2,852,878
	3,499,599	6,424,362
Total borrowings		
Bank overdraft (Note 21)	5,855	254,386
Revolving credits	1,000,000	2,500,000
Bank term loans	6,417,712	9,180,421
Bankers' acceptances	4,564,000	8,919,000
Hire purchase payables (Note 26)	-	559,788
	11,987,567	21,413,595

Details of borrowings are as follows:-

(a) Maturity periods (excluding hire purchase)

	Group 2009 RM	Group 2008 RM
Within 1 year	8,487,968	14,429,446
More than 1 year and less than 2 years	2,335,809	2,887,742
More than 2 years and less than 5 years	1,163,790	3,536,619
	11,987,567	20,853,807

(b) Interest rates

	Group 2009 %	Group 2008 %
Bank overdraft	6.55	7.75
Revolving credits	3.85	4.70
Bankers' acceptances	3.19	4.64
Bank term loans	6.62	6.97
Hire purchase payables	-	2.90

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 March 2009

25. BORROWINGS (cont'd)

Details of borrowings are as follows:- (cont'd)

(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.

26. HIRE PURCHASE PAYABLES

	Group	
	2009 RM	2008 RM
Future minimum hire purchase payments		
Not later than 1 year	-	608,473
Less: Future finance charges	-	(48,685)
Present value of hire purchase payables (Note 25)	-	559,788

27. DEFERRED TAXATION

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
At 1 April	6,277,032	6,581,933	7,568	6,950
Recognised in income statement (Note 8)	(16,291)	(271,298)	7,887	618
Recognised in equity	-	(33,603)	-	-
At 31 March	6,260,741	6,277,032	15,455	7,568
Presented after appropriate offsetting as follows:				
Deferred tax assets	(390,428)	(297,464)	(5,410)	(1,186)
Deferred tax liabilities	6,651,169	6,574,496	20,865	8,754
	6,260,741	6,277,032	15,455	7,568

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
31 March 2009

27. DEFERRED TAXATION (cont'd)

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 2008	764,393	5,810,103	6,574,496
Recognised in income statement	(93,604)	170,277	76,673
At 31 March 2009	670,789	5,980,380	6,651,169
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

Deferred tax assets of the Group:

	Provision for unutilised annual leave RM	Provision for doubtful debts RM	Other RM	Total RM
At 1 April 2008	(45,802)	(207,259)	(44,403)	(297,464)
Recognised in income statement	(11,829)	(37,861)	(43,274)	(92,964)
At 31 March 2009	(57,631)	(245,120)	(87,677)	(390,428)
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)

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 March 2009

27. DEFERRED TAXATION (cont'd)

Deferred tax liabilities of the Company:

	Property, plant and equipment RM
At 1 April 2008	8,754
Recognised in income statement	12,111
At 31 March 2009	20,865
At 1 April 2007	6,950
Recognised in income statement	1,804
At 31 March 2008	8,754

Deferred tax asset of the Company:

	Unabsorbed capital allowance RM	Provision for unutilised annual leave RM	Total RM
At 1 April 2008	-	(1,186)	(1,186)
Recognised in income statement	(4,351)	127	(4,224)
At 31 March 2009	(4,351)	(1,059)	(5,410)
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 2009 RM	Group 2008 RM
Unabsorbed capital allowances	-	442,784
Unutilised business losses	56,000	-
Unutilised reinvestment allowances	941,000	833,000

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 March 2009

28. TRADE AND OTHER PAYABLES

	Group 2009 RM	Group 2008 RM	Company 2009 RM	Company 2008 RM
Trade payables				
Third parties	3,416,302	5,987,189	-	-
Other payables				
Accruals	1,545,373	878,167	129,559	129,990
Other payables	665,045	986,393	-	11,209
	2,210,418	1,864,560	129,559	141,199
Total	5,626,720	7,851,749	129,559	141,199

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

29. RELATED PARTY DISCLOSURES

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

	Note	Group 2009 RM	Group 2008 RM	Company 2009 RM	Company 2008 RM
Rental of farm paid to	(i)				
- holding company		-	72,072	-	-
- related company *		288,288	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 an ex-director	(iii)	53,781	33,852	38,208	18,752
Professional fees payable to a firm connected to a director	(iv)	5,600	-	-	-
Gross dividend income received from a subsidiary company, LTK (Melaka) Sdn. Bhd.		-	-	(6,000,000)	(11,000,000)
Management fee received from a subsidiary company,					
LTK (Melaka) Sdn. Bhd.		-	-	(360,000)	(360,000)
LTK Omega Plus Sdn. Bhd.		-	-	(120,000)	-
Office rental income received from holding company	(v)	(8,400)	(8,400)	(8,400)	(8,400)

* Related company is a company within the LTKM Berhad group.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 March 2009

29. RELATED PARTY DISCLOSURES (cont'd)

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

(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 offered by the holding company.

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

(iii) This is in respect of secretarial fees payable to a firm connected to an-ex director who has resigned during the year. The transactions were made according to the market price and conditions offered to an unrelated party.

(iv) This is in respect of architectural and advertisement design fees payable to a firm connected to a director and is made according to the market price and conditions offered to an unrelated party.

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

(b) Compensation of key management personnel

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

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Short-term employee benefits	2,054,176	1,305,512	69,000	69,000
Included in the total key management personnel:				
Directors' remuneration	1,934,972	973,728	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/Company	
	2009 RM	2008 RM
At 1 April	1,125,000	1,125,000
Exercised	(105,000)	-
At 31 March	1,020,000	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 22.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 March 2009

30. OPERATING LEASE ARRANGEMENTS

The Group has entered into a non-cancellable operating lease on its farm. This lease has remaining non-cancellable lease term of 3 years. The future minimum lease payments under non-cancellable operating lease contracted for as at the balance sheet date but not recognised as liability are as follows:

	Group	
	2009	2008
	RM	RM
Future minimum rental payments:		
Not later than 1 year	317,112	288,288
Later than 1 year and not later than 5 years	634,224	951,336
	951,336	1,239,624

31. CAPITAL COMMITMENTS

	Group		Company	
	2009	2008	2009	2008
	RM	RM	RM	RM
Property, plant and equipment:				
Authorised but not contracted for	10,558,000	6,300,000	-	300,000
Authorised and contracted for	13,120,000	-	700,000	-
	23,678,000	6,300,000	700,000	300,000

32. CONTINGENT LIABILITIES - UNSECURED

	Company	
	2009	2008
	RM	RM
Guarantees to licensed financial institutions in respect of credit facilities granted to subsidiary companies		
- LTK (Melaka) Sdn. Bhd.	10,144,488	18,642,984
- LTK Bio-Fer Sdn. Bhd.	-	283,362
- LTK Omega Plus Sdn. Bhd.	1,843,079	2,487,249
	11,987,567	21,413,595

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 March 2009

33. FINANCIAL INSTRUMENTS

(a) 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.

(b) 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. The Group normally obtains fixed rate borrowing to acquire long term assets.

(c) 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 5 (2008: 4) customers representing 48% (2008: 45%) of the subsidiary's trade receivables. Trade receivables are non-interest bearing.

(d) Currency risk

The Group is not exposed to significant foreign currency risk as majority of the Group's transactions are denominated in Ringgit Malaysia, except for one of the subsidiaries, LTK (Melaka) Sdn. Bhd. which has sales to Singapore denominated in Singapore dollar (SGD). However, these foreign currency transactions are assessed as low risk as the credit term is only 15 days.

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

(e) Liquidity risk

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that 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.

33. FINANCIAL INSTRUMENTS (cont'd)

(f) Fair values

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:

		Group		Company	
	Note	Carrying amount RM	Fair value RM	Carrying amount RM	Fair value RM
Marketable securities					
At 31 March 2009	16	3,633,237	3,745,723	2,402,122	2,514,460
At 31 March 2008	16	8,038,386	8,219,224	3,144,817	3,270,829

The fair value of quoted shares and unit trusts 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.

34. 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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 March 2009

34. SEGMENT INFORMATION (cont'd)

	Production and Sale of Poultry and Related Products		Extraction and Sale of Sand		Investment Holding		Other		Elimination		Group	
	2009 RM	2008 RM	2009 RM	2008 RM	2009 RM	2008 RM	2009 RM	2008 RM	2009 RM	2008 RM	2009 RM	2008 RM
Revenue												
External sales	129,966,291	108,086,163	3,570,819	122,528	-	-	-	-	-	-	133,537,110	108,208,691
Inter-segment sales	409,420	389,320	22,342	1,973	6,480,000	11,360,000	-	-	(6,911,762)	(11,751,293)	-	-
Total revenue	130,375,711	108,475,483	3,593,161	124,501	6,480,000	11,360,000	-	-	(6,911,762)	(11,751,293)	133,537,110	108,208,691
Result												
Segment results	13,597,667	9,255,031	394,632	(380,324)	5,264,039	11,035,631	(155,951)	(43,143)	(6,004,400)	(11,000,000)	13,095,987	8,867,195
Finance costs											(964,007)	(1,109,948)
Profit before tax											12,131,980	7,757,247
Income tax expense											(3,246,565)	(1,331,148)
Profit for the year											8,885,415	6,426,099
Assets												
Segment assets	93,712,443	102,203,173	11,639,260	10,122,848	60,349,577	60,843,073	4,160,182	3,450,507	(49,407,710)	(50,969,750)	120,453,752	125,649,851
Unallocated corporate assets											-	312,087
Consolidated total assets											120,453,752	125,961,938
Liabilities												
Segment liabilities	7,351,733	11,986,994	12,784,541	13,584,589	1,363,009	1,397,116	2,771,153	2,080,099	(17,410,266)	(19,966,749)	6,860,170	9,082,049
Unallocated corporate liabilities											18,795,130	27,690,627
Consolidated total liabilities											25,655,300	36,772,676
Other Information												
Capital expenditure	1,932,672	5,219,642	1,697,994	2,001,332	1,143,945	746,088	9,274	3,765	-	-	4,783,885	7,970,827
Depreciation	6,659,617	7,043,550	568,917	265,341	60,347	35,986	412	-	-	-	7,289,293	7,344,877
Non-cash expenses other than depreciation and impairment loss	1,494	111,118	260,649	-	15,169	-	39,592	39,593	-	-	316,904	150,711

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
31 March 2009

35. SIGNIFICANT EVENTS

(a) On 20 June 2008, a subsidiary entered into a Sale and Purchase Agreement ("SPA") to acquire a parcel of freehold land located at HS (M) 18423 - 18448, Mukim Tanjung Dua Belas, Daerah Kuala Langat, Negeri Selangor measuring in area approximately 0.8123 hectare for a total cash consideration of RM990,000. The SPA was completed during the financial year.

(b) On 30 December 2008, the Company has incorporated a subsidiary company namely, LTK Engineering & Construction Sdn. Bhd. ("LTKEC"). The principal activity of LTKEC is to carry on construction related business.

36. SUBSEQUENT EVENTS

(a) On 5 May 2009 and 6 July 2009 respectively, the Company has incorporated subsidiary companies namely, Lumiglass Sdn. Bhd. ("LSB") and Lumi Secuglass Sdn. Bhd. ("LSSB"). The principal activity of LSB is to carry out business relating to the manufacturing and trading of processed glass whereas the principal activity of LSSB is to carry out the business relating to the manufacturing and trading of security glass. On 6 July 2009, subsequent to the incorporation of LSB, the Company announced that LSB is setting up a glass processing plant in Klang, Selangor. Further to this, LSB has entered into an agreement to acquire glass processing equipment at a consideration of EUR983,000, equivalent to approximately RM4,915,000.

(b) On 23 June 2009, the Company has granted additional 17,000 new ordinary shares of RM1.05 each in pursuant to the ESOS scheme.

LIST OF PROPERTIES
As at 31 March 2009

Location	Existing use & description	Approximate Area	Tenure	Remaining Lease Period (Expiry Date)	Age of buildings	Net Book Value As At 31.3.09 (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	49,364*	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	28 years (29.11.2037)	-	497	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	-	-	8,279	May 2003 (Acquisition)
Lot Nos. 270, 271 and 272, Mukim Jus, District of Jasin, Melaka	Vacant land	32.3 acres	Leasehold	48 years (21.03.2057)	-	1,098	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	-	28 years	716	May 2007 (Acquisition)
HS(M) 18423-18448, Mukim Tanjung Dua Belas, Daerah Kuala Langat, Selangor	Vacant land	0.8123 hectare	Freehold	-	-	990	June 2008 (Acquisition)

* Net book value of both land and farm buildings

ANALYSIS OF SHAREHOLDINGS
As at 30 June 2009

CLASS OF SHARES	:	ORDINARY SHARES OF RM1.00 EACH
NUMBER OF HOLDERS	:	1,799
VOTING RIGHTS	:	ONE VOTE PER ORDINARY SHARE

ANALYSIS BY SIZE OF SHAREHOLDINGS AS AT 30 JUNE 2009

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
Less than 100	12	0.67	350	0.00
100 to 1,000	851	47.30	822,986	2.00
1,001 to 10,000	736	40.91	3,199,800	7.78
10,001 to 100,000	169	9.40	5,630,564	13.69
100,001 to 2,056,599(*)	27	1.50	7,734,402	18.80
2,056,600 and above (**)	4	0.22	23,743,900	57.73
Total	**1,799**	**100.00**	**41,132,002**	**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 2009

	Shareholdings			
Name	**Direct**	**%**	**Indirect**	**%**
Ladang Ternakan Kelang Sdn. Berhad	24,493,902	59.55	-	-
Tan Kok	-	-	*24,860,102	60.44
Lim Hooi Tin	200,000	0.49	**24,860,102	60.44

* 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.

ANALYSIS OF SHAREHOLDINGS (cont'd)

As at 30 June 2009

DIRECTORS' SHAREHOLDINGS AS AT 30 JUNE 2009

	Shareholdings			
Name	Direct	%	Indirect	%
Ahmad Khairuddin bin Ilias	# 801,000	1.95	-	-
Tan Kok	-	-	* 24,860,102	60.44
Lim Hooi Tin	200,000	0.49	**24,860,102	60.44
Kamarudin bin Md Derom	-	-	-	-
Ooi Chee Seng	-	-	-	-
Tan Soh Yee	45,000	0.11	-	-

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 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 2009

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

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

Name	Granted	Exercised as at 30 June 2009	Balance as at 30 June 2009	Percentage
Tan Kok	400,000	-	400,000	9.78

ANALYSIS OF SHAREHOLDINGS (cont'd)

As at 30 June 2009

THIRTY (30) LARGEST SHAREHOLDERS AS PER THE RECORD OF DEPOSITORS AS AT 30 JUNE 2009

	Name	No. of Shares	%
1.	Ladang Ternakan Kelang Sdn. Berhad	7,181,000	17.46
2.	Ladang Ternakan Kelang Sdn. Berhad	6,586,700	16.01
3.	Ladang Ternakan Kelang Sdn. Berhad	6,000,000	14.59
4.	Ladang Ternakan Kelang Sdn. Berhad	3,976,200	9.67
5.	Pui Cheng Wui	1,739,100	4.23
6.	Phuah Chai Tin	900,500	2.19
7.	Ladang Ternakan Kelang Sdn. Berhad	750,002	1.82
8.	Kok Chiew Heng	350,000	0.85
9.	Chua Sim Neo @ Diana Chua	309,400	0.75
10.	Koperasi Polis Diraja Malaysia Berhad	279,000	0.68
11.	Chia Song Swa	262,400	0.64
12.	Wong Hok Yim	243,000	0.59
13.	Leng Tong Choo	217,800	0.53
14.	Public Invest Nominees (Tempatan) Sdn. Bhd. *- Pledged Securities Account For Yoong Fui Kien*	209,200	0.51
15.	Tan Soon Hui	201,800	0.49
16.	Lim Hooi Tin	200,000	0.49
17.	Yong Nget Min	196,000	0.48
18.	Tan Ah Moi	176,000	0.43
19.	Lim Sze Ying	160,000	0.39
20.	ECML Nominees (Tempatan) Sdn. Bhd. *- Visitor Christian Brothers' Schools Malaysia*	157,100	0.38
21.	Hong Weng Hwa	156,500	0.38
22.	Lee Chee Gaip	154,000	0.37
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.	AIBB Nominees (Tempatan) Sdn. Bhd. *- Pledged Securities Account For Tai Kok Kong*	123,900	0.30
27.	Tan Yee Boon	113,500	0.28
28.	Tan Lai Soon	108,000	0.26
29.	Citigroup Nominees (Asing) Sdn. Bhd. *- PLL For Robotti Global Fund LLC*	107,000	0.26
30.	Tan Kark Bin	105,000	0.25
	Total	**31,373,802**	**76.28**

Note

Note

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LTKM BERHAD (442942 H)

(Incorporated in Malaysia)

FORM OF PROXY

I/We ______________________________ (NRIC No./ Company 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 Twelfth 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, 26 August 2009 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.	Ordinary Resolution 1		
2.	Ordinary Resolution 2		
3.	Ordinary Resolution 3		
4.	Ordinary Resolution 4		
5.	Ordinary Resolution 5		
6.	Ordinary Resolution 6		
7.	Ordinary Resolution 7		

*Strike out whichever is not applicable.

Dated this __________ day of ________________ , 2009

____
Signature of Member/Common Seal

Number of shares held

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.*

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stamp

The Company Secretary
LTKM BERHAD (Company No. 442942-H)
Unit 07-02, Level 7, Menara Luxor
6B Persiaran Tropicana
47410 Petaling Jaya
Selangor Darul Ehsan

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