



ANNUAL REPORT 2002

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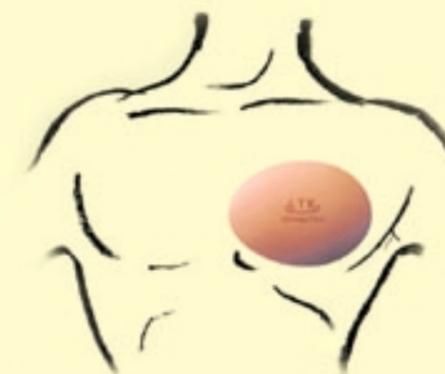
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LTK Omega Plus

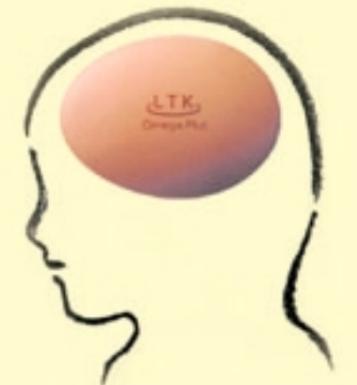
The Healthier Egg vital for the...



Eye



Heart



Brain

Corporate Information

BOARD OF DIRECTORS

Ahmad Khairuddin bin Ilias
Chairman

Tan Kok
Managing Director

Tan Kark Bin
Executive Director

Tan Kim Hock
Tan Wah
Lim Hooi Tin
Syed Abdul Rani bin Syed Abdullah**
Kamarudin bin Md Derom
Ooi Chee Seng

AUDIT COMMITTEE

Ahmad Khairuddin bin Ilias
Chairman & Independent Non-Executive Director

Kamarudin bin Md Derom
Independent Non-Executive Director

Ooi Chee Seng
Independent Non-Executive Director

Tan Kark Bin
Executive Director

REMUNERATION COMMITTEE

Tan Kok
Chairman & Managing Director

Ooi Chee Seng
Independent Non-Executive Director

Kamarudin bin Md Derom
*Independent Non-Executive Director**

Syed Abdul Rani bin Syed Abdullah**
Non-Executive Director

NOMINATION COMMITTEE

Kamarudin bin Md Derom
Chairman & Independent Non-Executive Director

Ahmad Khairuddin bin Ilias
Independent Non-Executive Director

Tan Kim Hock
Non-Executive Director

EMPLOYEES' SHARE OPTION SCHEME COMMITTEE

Tan Kok
Chairman

Loo Leng Fong
Secretary

Tan Kark Bin
Member

Tan Boon In
Member

COMPANY SECRETARIES

Ng Yim Kong (LS0008343)
Ooi Hoy Bee @ Ooi Hooi Bee
(MIA1835)

REGISTERED OFFICE

10th Floor, Tower Block
Kompleks Antarabangsa
Jalan Sultan Ismail
50250 Kuala Lumpur
Tel: 03-21454337
Fax: 03-21415757

SHARE REGISTRAR

Signet Share Registration Services
Sdn Bhd (506293-D)
11th Floor, Tower Block
Kompleks Antarabangsa
Jalan Sultan Ismail
50250 Kuala Lumpur
Tel: 03-21454337
Fax: 03-21421353

CORPORATE OFFICE AND PLACE WHERE REGISTER OF OPTIONS IS KEPT

102, Batu 1 1/2 Jalan Meru
41050 Klang
Selangor Darul Ehsan
Tel: 03-33422830
Fax: 03-33411967

SUBSIDIARIES

LTK (Melaka) Sdn. Bhd. (156852-X)
LTK Bio-Fer Sdn. Bhd. (271978-M)
LTK Breeder Farm Sdn. Bhd.
(557468-D)

AUDITORS

Ernst & Young
Chartered Accountants
4th Floor, Kompleks
Antarabangsa
Jalan Sultan Ismail
50250 Kuala Lumpur

PRINCIPAL BANKERS

Public Bank Berhad (6463-H)
RHB Bank Berhad (6171-M)
Hong Leong Bank Berhad
(97141-X)

SOLICITORS

Majid & Chen

STOCK EXCHANGE LISTING

Second Board of the Kuala Lumpur Stock Exchange

* Appointed w.e.f. 21 August 2002

** Resigned w.e.f. 20 August 2002

Chairman's Statement

On behalf of the Board of Directors of LTKM Berhad, it is a great pleasure to 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 2002.

FINANCIAL REVIEW

The Group's turnover was RM 56.7 million, a drop of 10% from the previous year's. Profit before tax (PBT) was RM 1.76 million, as compared to last year's RM 5.01 million, a reduction of 65%. The unfavourable results were due to the continued depressed prices of eggs and organic fertilizers, caused by a prolonged over-supply situation in Malaysia throughout the year under review. Selling prices of eggs to Singapore dropped by about 15%, due to an increase in new entrants into that market. Fortunately, the selling prices of our Omega Plus eggs were only marginally affected, although more producers are venturing into value-added eggs. In response to the unfavourable situation, the Group had reduced its capital expenditure to RM 3.3 million as compared to RM 10.8 million in 2001. It had also reviewed all other expenditure without affecting the essentials, such as birds' health and operation safety.

Profit after tax (PAT) was RM 1.1 million. The major portion of the tax provided was for deferred taxation, as the tax liability for the current year was only RM 84,000. To date, subject to approval from the Inland Revenue Board, the Group has approximately RM 8 million of future tax benefit in the form of re-investment allowance which can be offset against its future profits.

The Group's net earning per share dropped to 2.8 sen, as compared to 10.9 sen in 2001. The net tangible asset backing per share drop slightly to 148 sen from 151 sen in 2001. Despite a performance that was below our expectations, the Group's gearing was maintained at 0.22. We expect to continue with our modernization plans when the selling prices of eggs and organic fertilizers improve.

DIVIDENDS

The Board of Directors is pleased to recommend a first and final tax-exempt dividend of 2 sen per share for the financial year ended 31 March 2002. This is subject to the approval of the shareholders at the forthcoming Annual General Meeting.

PROSPECTS FOR THE FINANCIAL YEAR ENDING 2003

Barring any unforeseen circumstances, the Group intends to maintain profitability. Our export to Singapore has increased and we are also looking at alternatives to increase productivity, one of which is to redesign the configuration of new cages. We are monitoring the market situation very closely and will proceed with the diversification plans when the time is right.

We do not expect to see any significant improvement in the selling prices of eggs or organic fertilizers in the ensuing year as the over-supply situation is expected to continue. Concerted efforts will have to be concentrated on productivity and cost efficiency. We are preparing ourselves to face continuing competition from other major producers. However, with prudent and efficient financial management, we expect to see some improvement in the next year's results and we do not expect our gearing to increase significantly.

Chairman's Statement (contd.)

EMPLOYEES' SHARE OPTION SCHEME (ESOS)

The Company had obtained shareholders' approval at the Extraordinary Meeting held on 25 September 2001, to establish an ESOS. The object of this Scheme is to motivate and reward the employees of the Group and the Scheme, which is governed by its By-Laws, is open to all eligible employees and executive directors of the Group. The ESOS Committee, appointed by the Board, decides on the eligibility of the staff.

As at the date of this statement, the ESOS Committee has granted 3,600,000 shares to 240 eligible employees (including executive directors) of the Group at an Option Price of RM1.05 per share. The basis of allocation and the maximum allowable allotment for each category of employees has been verified by the external auditors.

NOTE OF APPRECIATION

On behalf of the Board of Directors, I wish to express my sincere appreciation and gratitude to the Management and Staff, whose contribution, dedication and commitment have ensure that our Group performed satisfactory throughout this very difficult year.

I would also like to convey my sincere appreciation and gratitude to the dedicated staff at the Department of Veterinary Services, Malaysian Agriculture Research and Development Institute (MARDI) and Marditech Corporation Sdn Bhd, including those at the various other government authorities for their continuing support and guidance. I would like to thank our valued customers, suppliers, financiers and our shareholders for their confidence and continued support to our Group. Last but not least, I would like to place on record my appreciation to Tuan Syed Abdul Rani bin Syed Abdullah who has resigned on 20 August 2002 for his past contributions and invaluable advice to the Company.

Thank you,

AHMAD KHAIRUDDIN BIN ILIAS

Chairman

Profile of Directors

○ Ahmad Khairuddin bin Ilias

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

A Malaysian, aged 44, 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 the oil palm industry. Currently, he also sits on the Board of several private limited companies.

He has neither any family relationship with any Director and / or substantial shareholder of the Company nor has he any conflict of interest with the Company.

○ Tan Kok

Managing Director, Chairman of Remuneration Committee & Chairman of ESOS Committee

A Malaysian, aged 51, he was appointed to the Board on 23 December 1999. He has more than 25 years of experience in the poultry sector, particularly in layer farming. He participated actively in the development of the layer industry and is the Chairman of the Layer Division Committee of the Federation of Livestock Farmers' Association of Malaysia and a Committee Member of the Selangor Livestock Farmers' Association. He also sits on the Board of several private limited companies.

He is the spouse of Mdm Lim Hooi Tin and the brother of Mr Tan Kim Hock and Mr Tan Wah. He does not have any conflict of interest with the Company other than those as disclosed in note 21 to the financial statements.

○ Tan Kark Bin

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

A Malaysian, aged 52, he was appointed to the Board on 24 December 1999. He graduated with a degree in Accounting from the University of Western Australia and is a Chartered Accountant with the Malaysian Institute of Accountants and the Institute of Chartered Accountants in Australia. He has his own public accounting firm and also sits on the Board of several private companies.

He has neither any family relationship with any Director and / or substantial shareholder of the Company nor has he any conflict of interest with the Company.

○ Tan Kim Hock

Non-Executive Director & Member of Nomination Committee

A Malaysian, aged 48, he was appointed to the Board on 23 December 1999. He has more than 20 years experience in poultry farming. He also sits on the Board of various private companies.

He is the brother of Mr Tan Kok and Mr Tan Wah. He does not have any conflict of interest with the Company other than those as disclosed in note 21 to the financial statements.

○ Tan Wah

Non-Executive Director

A Malaysian, aged 54, he was appointed to the Board on 23 December 1999. He has more than 20 years experience in poultry farming. He also sits on the Board of several private limited companies.

He is the brother of Mr Tan Kok and Mr Tan Kim Hock. He does not have any conflict of interest with the Company other than those as disclosed in note 21 to the financial statements.

Profile of Directors (contd.)

○ **Lim Hooi Tin**

Non-Executive Director

A Malaysian, aged 50, 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.

She is the spouse of Mr Tan Kok. She does not have any conflict of interest with the Company other than those as disclosed in note 21 to the financial statements.

○ **Kamarudin bin Md Derom**

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

A Malaysian, aged 44, 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 Vice Chairman of Haisan Resources Berhad and sits on the Board of several private limited companies.

He has neither any family relationship with any Director and / or substantial shareholder of the Company nor has he any conflict of interest with the Company.

○ **Ooi Chee Seng**

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

A Malaysian, aged 56, 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.

He has neither any family relationship with any Director and / or substantial shareholder of the Company nor has he any conflict of interest with the Company.

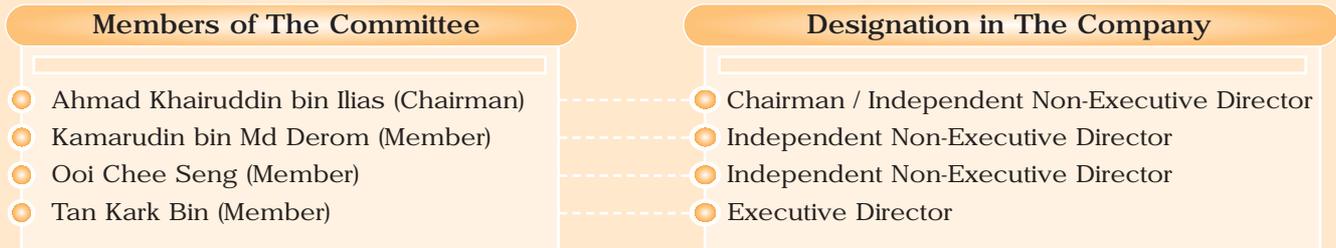
General Information

None of the Directors has had convictions for any offences within the past 10 years other than traffic offences.

All Directors attended all six Board meetings held during the financial year ended 31 March 2002 except for En Ahmad Khairuddin bin Ilias, En Syed Abdul Rani bin Syed Abdullah and En Kamaruddin bin Md Derom who did not attend one meeting each for which they had extended their apologies. Mr. Ooi Chee Seng who was appointed on 26 June 2001, attended all the Boards meetings held after his appointment.

Audit Committee

COMPOSITION



TERMS OF REFERENCE

Objective

The committee shall:

- a) assist the Board of Directors in fulfilling its fiduciary responsibilities relating to accounting and reporting practices of the Company and the Group
- b) oversee and appraise the quality of the audits conducted both by the Company's internal and external auditors
- c) maintain open lines of communication between the Board of Directors, the internal auditors and the external auditors for the exchange of views and information, as well as to confirm their respective authorities and responsibilities
- d) determine the adequacy of the Group's administrative, operating and accounting controls.

Members

- a) The Committee shall be appointed by the Board of Directors from amongst the Directors of the Company and shall comprise not less than three members, of whom a majority shall be independent directors.
- b) At least one member of the Committee:-
 - i) must be a member of the Malaysian Institute of Accountants; or
 - ii) if he is not a member of the Malaysian Institute of Accountants, he must have at least three years' working experience and:-
 - he must have passed the examinations specified in part I of the 1st Schedule of the Accountants Act 1967; or
 - he must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967.
- c) No alternate director shall be appointed as a member of the Committee.
- d) The members of the Committee shall elect a Chairman from among their number who shall be an independent director.
- e) The Board of Directors shall review the term of office and performance of the Committee and each of its members at least once every three years to determine whether such Committee and members have carried out their duties in accordance with their terms of reference.
- f) If a member of the Committee resigns, dies or for any other reason ceases to be a member with the result that the number of members is reduced to below three, the Board of Directors shall, within three months of that event, appoint such number of new members as may be required to make up the minimum number of three members.

Audit Committee (contd.)

Rights

The Committee shall, whenever necessary and reasonable for its performance and in accordance with a procedure to be determined by the Board of Directors and at the Company's cost:-

- a) have authority to investigate any matter within its terms of reference
- b) have resources which are required to perform its duties
- c) have full and unrestricted access to any information pertaining to the Company
- d) have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity (if any)
- e) be able to obtain independent professional advice or other advice
- f) be able to convene meetings with the external auditors, excluding the attendance of the executive members of the Committee, whenever deemed necessary.

Functions

The Committee shall discharge the following functions:-

- a) review the following and report the same to the Board of Directors of the Company:-
 - i) with the external auditor, the audit plan
 - ii) with the external auditor, his evaluation of the system of internal controls
 - iii) with the external auditor, his audit report
 - iv) the assistance given by the employees of the Group to the external auditor
 - v) the adequacy of the scope, functions and resources of the internal audit functions and that it has the necessary authority to carry out its work
 - vi) the internal audit programme, processes, the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function
 - vii) the quarterly results and year end financial statements focusing particularly on the changes in accounting policy, significant unusual events, and compliance with the requirements of the applicable approved accounting standards, the Kuala Lumpur Stock Exchange (KLSE) and other statutory authorities
 - viii) any related party transaction and conflict of interest situation that may arise within the Group including any transaction, procedure or course of conduct that raises questions of management integrity
 - ix) any letter of resignation from the external auditors of the Group
 - x) whether there is reason (supported by grounds) to believe that the Group's external auditor is not suitable for re-appointment
- b) recommend the nomination of a person or persons as external auditors
- c) prepare an audit committee report at the end of each financial year
- d) report promptly to the Exchange where the Committee is of the view that a matter reported by it to the Board of Directors of the Company has not been satisfactorily resolved resulting in a breach of the KLSE's Listing Requirements
- e) any other functions as may be agreed to by the Committee and the Board of Directors.

Attendance and Meeting

- a) The quorum of the Committee shall be two of whom the majority of members present shall be independent directors.
- b) Apart from the members of the Committee who will be present at the meetings, the Committee may invite any member of the management, employees, other directors and representatives of the external auditors to be present at meetings of the Committee.

Audit Committee (contd.)

- c) The Committee shall meet at least four times a year and such additional meetings as the Chairman shall decide in order to fulfil its duties. In addition, the Chairman may call a meeting of the Committee if a request is made by any Committee member, the Company's Managing Director, or the internal or external auditors.

Minutes

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

Secretary

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

General Information

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

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

Summary of attendance at Audit Committee meetings for the financial year ended 31 March 2002

Member	No. of Meetings Attended
● Ahmad Khairuddin bin Ilias	4 of 5
● Kamarudin bin Md Derom	4 of 5
● Ooi Chee Seng*	4 of 5
● Tan Kark Bin	5 of 5

* appointed on 26 June 2001

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 eight directors, three of whom are independent non-executive directors. The independent non-executive directors are independent of management, and free from any business which could interfere with their independent judgment and their ability to act in the Group’s best interest.

The Board has nominated Mr Ooi Chee Seng, a senior independent non-executive director, to whom any concern may be conveyed.

(ii) Board Responsibilities

The Board is responsible for the following:

- Reviewing and adopting a strategic plan for the Group
- Overseeing the conduct of the company’s business to evaluate whether the business is being properly managed
- Identifying principal risks and ensure the implementation of appropriate systems to manage these risks
- Succession planning, including appointing, training, fixing the compensation of and where appropriate, replacing senior management
- Developing and implementing an investor relations program or shareholder communications policy for the company
- Reviewing the adequacy and the integrity of the company’s internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.

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

(iii) Appointments of the Board and Re-election

The Board has appointed a Nomination Committee comprising two independent non-executive directors and a non-executive director.

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

One third of the Board members are required to retire at every Annual General Meeting (“AGM”) and be subject to re-election by shareholders. Newly appointed directors shall hold office until the next following AGM and shall then be eligible for re-election by shareholders. All directors, including the Managing Director shall retire from office at least once in every three years but shall be eligible for re-election.

Corporate Governance Statement (contd.)

(iv) Board Meeting and Supply of Information

The Board held six 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 the directors 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 Secretary. 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 expense.

(v) Directors' Training

In order to be abreast with the regulatory development, all Directors have successfully completed the Mandatory Accreditation Programme conducted by the Research Institute of Investment Analysis Malaysia.

B. BOARD COMMITTEES

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

Board Committees

Audit Committee (AC)

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

Remuneration Committee (RC)

The responsibilities of the RC are set out below in this Statement on Corporate Governance. The RC meets whenever necessary.

Nomination Committee (NC)

The responsibilities of NC are set out above in this Statement on Corporate Governance. The NC meets whenever necessary.

ESOS Committee (EC)

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

Corporate Governance Statement (contd.)

C. DIRECTORS' REMUNERATION

The Board has appointed the RC comprising two independent non-executive directors and the managing director. The RC reviews and recommends to the Board the remuneration of the executive and non-executive directors. The respective director would abstain from participating in decisions regarding his/her own remuneration package.

The remuneration of executive director is linked to corporate and individual performance. The remuneration of non-executive directors are related to their experience and level of responsibilities and would be subject to the approval of the Board.

Details of Directors' remuneration are given in Note 17 to the financial statements. Their respective ESOS entitlements are also disclosed in the Directors' Report.

D. ACCOUNTABILITY AND AUDIT

(i) Internal Control

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

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

○ Business system

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

○ Financial and operational reporting

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

○ Authorisation limits

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

○ Financial controls and procedural compliance reporting

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

There is an ongoing process for identifying, evaluating and managing the significant risks faced by the LTKM Group, which has been in place for the year under review and up to the date of approval of the Annual Report. The AC, through the Group internal audit department, regularly reviews and reveals to the Board on the adequacy and effectiveness of the accounting and operating control systems. Please refer to the AC Report for the details on its terms of reference, functions and activities carried out during the year.

Corporate Governance Statement (contd.)

(ii) Financial Reporting

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

The Board of Directors is responsible for preparing financial statements for each financial year which give a true and fair view of the state of affairs of the Group and of the Company as at the end of the financial year and the results and cash flows of the Group and of the Company for the year then ended. The Board of Directors is also responsible in ensuring that the financial statements of the Group and the Company are drawn up in accordance with applicable 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.

(iii) Relationship with Auditors

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

E. RELATIONSHIP WITH SHAREHOLDERS

The annual report and the quarterly announcements are the primary modes of communication to report on the Group's business activities and financial performance.

The AGM is the main forum where dialogue with shareholders can be effectively conducted. Shareholders are notified of the meeting with a copy of the Company's Annual Report sent to the shareholders at least 21 days before the meeting. At each AGM, shareholders are given ample time and opportunity to ask for more information, without limiting the type of queries asked, prior to seeking approval from the shareholders. During the meeting, the Managing Director and the Executive Director are prepared to provide responses to queries and to receive feedback from the shareholders during the meeting. The external auditors are also present to provide their professional and independent clarification on issues of concern raised by the shareholders, if any. In addition, the requests for briefings from the press are usually met.

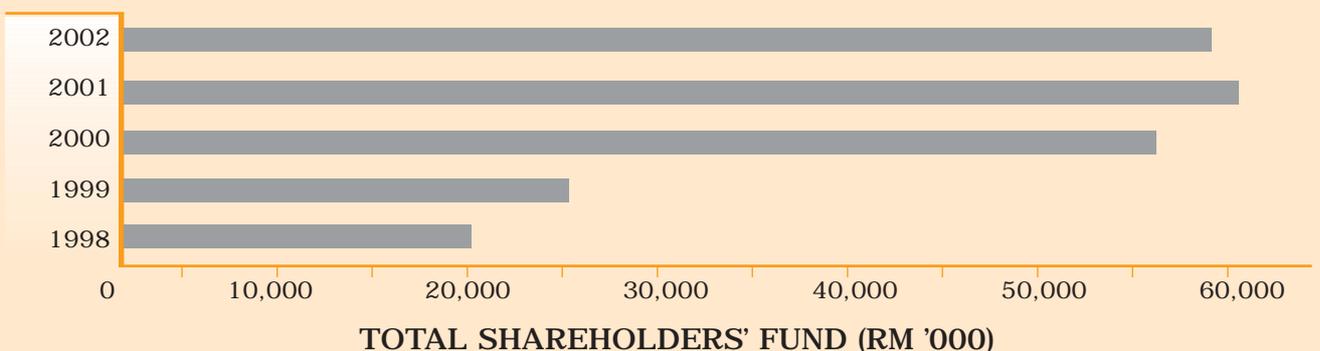
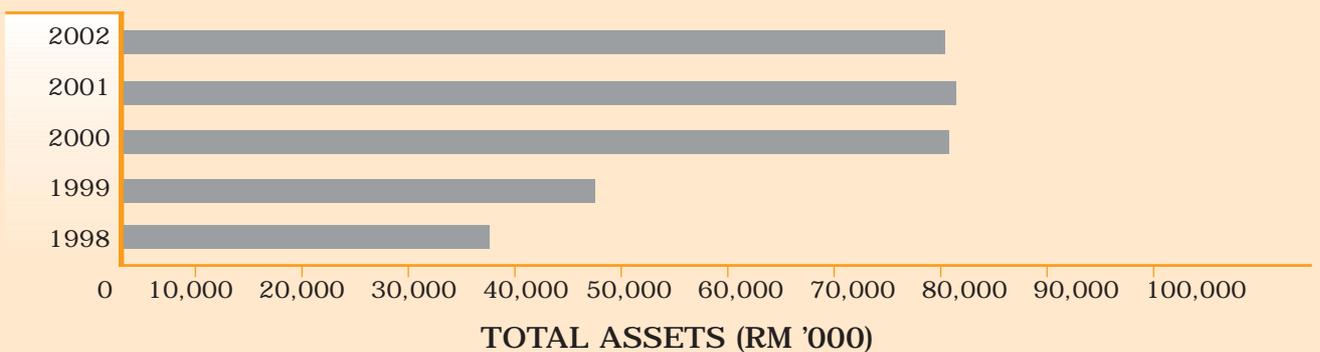
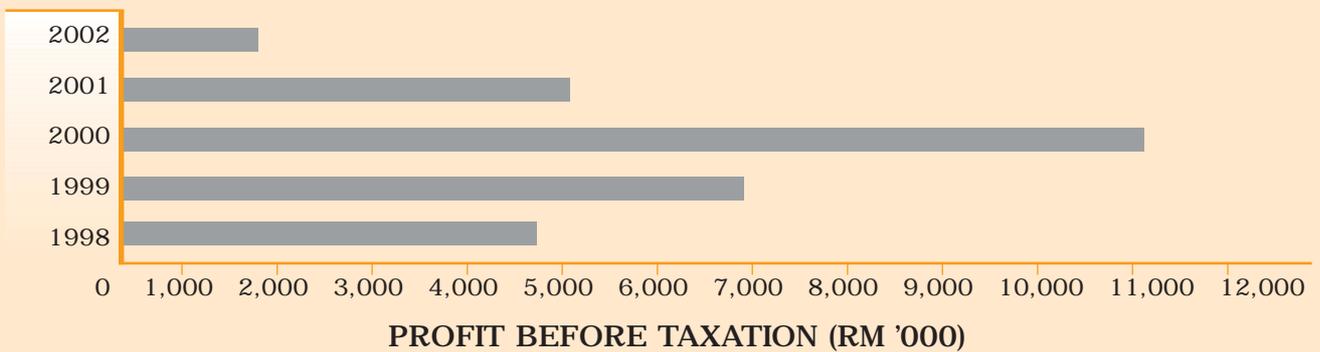
F. OTHER INFORMATION

There were no material contracts entered into by the Company and its subsidiaries involving Directors' and substantial shareholders' interest which were still subsisting at the end of the financial year or entered into since the end of the previous financial year.

Financial Highlights

Year ended 31 March

	1998 (RM '000)	1999 (RM '000)	2000 (RM '000)	2001 (RM '000)	2002 (RM '000)
Turnover	45,760	55,907	70,980	62,961	56,691
Profit before taxation	4,715	6,956	11,226	5,009	1,757
Total assets	37,049	47,641	80,558	80,995	80,301
Total shareholders' fund	20,790	25,940	56,046	60,380	59,318
Total borrowings	6,794	13,347	8,749	11,549	12,833
	(sen)	(sen)	(sen)	(sen)	(sen)
Gross earnings per share	15.72	23.19	37.42	12.52	4.38
Net tangible assets per share	69	86	140	151	148



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FINANCIAL STATEMENTS

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Directors' Report

The Directors have pleasure in presenting their report together with the audited financial statements of the Company and of the Group for the year ended 31 March 2002.

PRINCIPAL ACTIVITIES

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

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

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

FINANCIAL RESULTS

	GROUP RM	COMPANY RM
Profit before taxation	1,756,843	1,178,644
Taxation	(618,409)	(55,961)
Profit after taxation	<u>1,138,434</u>	<u>1,122,683</u>

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

In the opinion of the Directors, the results of the Company and of the Group during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDEND

During the year, the Company paid a first and final dividend of 8% less tax at 28%, amounting to RM2,304,000 in respect of the previous financial year ended 31 March 2001.

SIGNIFICANT EVENT

Employees' Share Option Scheme (ESOS)

- (a) At an Extraordinary General Meeting held on 25 September 2001, the shareholders of the Company approved the implementation by the Company of an ESOS which will offer eligible employees (including executive directors) of the Group options to subscribe for new ordinary shares of RM1 each in the Company.

The salient features of the ESOS are as follows:-

- (i) The scheme is in force for a period of 5 years and expires on 17 October 2006.
- (ii) 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.
- (iii) Eligible persons 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.
- (iv) No option shall be granted for less than 1,000 shares nor more than 400,000 shares to any eligible employee.
- (v) 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.
- (vi) 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.

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

(viii) No more than 10% of the shares to be offered under the ESOS 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.

(b) The share options granted and exercised during the financial year are as follows:-

Exercisable from	Exercise price per ordinary share RM	No. of options over ordinary shares of RM1 each				As at 31.3.2002
		As at 1.4.2001	Granted	Exercised	Lapsed	
26.11.2001	1.05	-	3,600,000	(99,000)	-	3,501,000

SHARE CAPITAL

During the year, the issued and paid-up share capital of the Company was increased from RM40,000,002 to RM40,099,002 by the issue of 99,000 new ordinary shares of RM1 each arising from the exercise of the share options under the ESOS of the Company at an exercise price of RM1.05 per ordinary share.

The share premium amounting to RM4,950 arising therefrom is credited to share premium account.

DIRECTORS

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

Ahmad Khairuddin bin Ilias
 Tan Kok
 Tan Kark Bin
 Tan Kim Hock
 Tan Wah
 Lim Hooi Tin
 Syed Abdul Rani bin Syed Abdullah
 Kamarudin bin Md Derom
 Ooi Chee Seng

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company is a party, whereby Directors might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

The following Directors who held office at the end of the financial year had according to the register required to be kept under Section 134 of the Companies Act, 1965, an interest in shares and options over shares pursuant to the ESOS of the Company and an interest in shares of a related corporation as stated below:-

(a) Interest in shares and share options of the Company:-	No. of ordinary shares of RM1 each			As at 31.3.2002
	As at 1.4.2001	Bought During the year	Sold	
LTKM Berhad				
Direct interest				
Tan Kim Hock	65,000	-	-	65,000
Tan Kark Bin	425,000	20,000	-	445,000
Syed Abdul Rani bin Syed Abdullah	2,551,000	-	(2,482,000)	69,000
Ahmad Khairuddin bin Ilias	881,000	-	(80,000)	801,000
Indirect interest				
Tan Kok	20,800,002	620,000	-	21,420,002
Lim Hooi Tin	20,800,002	620,000	-	21,420,002
Tan Wah	20,800,002	620,000	-	21,420,002
Tan Kim Hock	20,800,002	620,000	-	21,420,002

	No. of options to subscribe for ordinary shares of RM1 each			
	As at 1.4.2001	Granted	Exercised	As at 31.3.2002
Tan Kok	-	400,000	-	400,000
Lim Hooi Tin	-	200,000	-	200,000
Tan Wah	-	200,000	-	200,000
Tan Kim Hock	-	200,000	-	200,000
Tan Kark Bin	-	200,000	(20,000)	180,000

(b) Interest in shares of the holding company:-	No. of ordinary shares of RM1 each			
	As at 1.4.2001	Bought During the year	Sold	As at 31.3.2002
Ladang Ternakan Kelang Sdn. Bhd.				
Direct interest				
Tan Kok	5,579,200	-	-	5,579,200
Tan Kim Hock	3,366,000	-	-	3,366,000
Tan Wah	3,366,000	-	-	3,366,000
Lim Hooi Tin	1,152,800	-	-	1,152,800

In accordance with Article 83 of the Company's Articles of Association, Tan Kok, Lim Hooi Tin and Syed Abdul Rani bin Syed Abdullah retire and being eligible, offer themselves for re-election at the forthcoming Annual General Meeting.

Since the end of the previous financial year, no Director has received or become entitled to receive any benefits (other than a benefit included in the aggregate amount of emoluments received or due and receivables by the Directors) by reason of a contract made by the Company or a related corporation with any Director or with a firm of which the Director is a member or with a company in which the Director has a substantial financial interest required to be disclosed by Section 169(8) of the Companies Act 1965 other than those disclosed in the financial statements.

EVENT SUBSEQUENT TO BALANCE SHEET DATE

Proposed Dividend

Subsequent to the balance sheet date, the Directors have proposed a first and final tax exempt dividend of 2% amounting to RM801,980 be paid in respect of the financial year ended 31 March 2002. The proposed dividend is subject to approval of the shareholders at the forthcoming Annual General Meeting of the Company and accordingly, has not been recognised as a liability in the financial statements for the year ended 31 March 2002.

OTHER STATUTORY INFORMATION

- (a) Before the financial statements of the Company and of the Group were made out, the Directors took reasonable steps:-
- to ascertain that proper action has 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
 - 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 have 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:-
- the amount written off for bad debts or the amount of the provision for doubtful debts in the Company and the Group inadequate to any substantial extent; and
 - the values attributed to current assets in the financial statements of the Company and of the Group misleading.

- (c) At the date of this report, the Directors are not aware of any circumstances which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Company and of the Group misleading or inappropriate.
- (d) At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Company and of the Group which would render any amount stated in the financial statements and consolidated financial statements misleading.
- (e) As at the date of this report, there does not exist:-
 - (i) any charge on the assets of the Company or of the Group which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - (ii) any contingent liability in respect of the Company or of the Group which has arisen since the end of the financial year.
- (f) In the opinion of the Directors:-
 - (i) no contingent liability 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 Company or of the Group to meet its obligations as and 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 Company or of the Group for the financial year in which this report is made other than as disclosed in Note 24 to the financial statements.

AUDITORS

Ernst & Young have expressed their willingness to accept re-appointment as auditors.

On behalf of the Board,

TAN KOK)
)
)
) **DIRECTORS**
)
)
)
 TAN KARK BIN)

Klang, Selangor Darul Ehsan
 22 July 2002

Auditors' Report

TO THE MEMBERS OF LTKM BERHAD

We have audited the financial statements set out on pages 23 to 41. These financial statements are the responsibility of the Company's Directors. 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. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Directors, as well as evaluating the overall adequacy of the presentation of information in the financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:-

- (a) the financial statements are properly drawn up in accordance with the provisions of the Companies Act 1965 and applicable approved accounting standards in Malaysia so as to give a true and fair view of:
 - (i) the financial position of the Company and of the Group as at 31 March 2002 and of the results and the cash flows of the Company and of the Group for the year then ended; and
 - (ii) the matters required by Section 169 of the Companies Act 1965 to be dealt with in the financial statements of the Company and of the Group;
- (b) the accounting and other records and the registers required by the Act to be kept by the Company and by its subsidiary companies for which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

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

The Auditors' Reports on the financial statements of the subsidiary companies were not subject to any qualification and did not include any comment required to be made under Section 174(3) of the Companies Act 1965.

ERNST & YOUNG AF: 0039
Chartered Accountants

Yeo Eng Seng 1212/12/02(J)
Partner

Kuala Lumpur, Malaysia
22 July 2002

Balance Sheets

AS AT 31 MARCH 2002

	Note	GROUP		COMPANY	
		2002 RM	2001 RM	2002 RM	2001 RM
PROPERTY, PLANT AND EQUIPMENT	3	57,435,246	58,313,036	77,966	87,750
SUBSIDIARY COMPANIES	4	-	-	30,003,000	30,000,000
CURRENT ASSETS					
Inventories	5	13,184,436	11,460,385	-	-
Trade receivables	6	3,711,054	3,273,932	-	-
Other receivables		390,763	901,006	4,373	300
Tax recoverable		1,022,968	-	-	-
Amount due from subsidiary companies	7	-	-	9,535,266	8,779,046
Short term deposits	8	3,801,009	5,623,485	3,740,838	5,565,763
Cash and bank balances		755,197	1,422,897	95,539	144,351
		22,865,427	22,681,705	13,376,016	14,489,460
CURRENT LIABILITIES					
Trade payables		3,526,377	3,573,805	-	-
Other payables and accruals	9	628,938	1,216,036	99,273	72,644
Hire purchase creditors	11	352,320	1,655,901	-	-
Bank borrowings - secured	12	10,037,849	7,379,595	-	-
Taxation		-	880,123	5,510	75,000
		14,545,484	14,705,460	104,783	147,644
NET CURRENT ASSETS		8,319,943	7,976,245	13,271,233	14,341,816
		65,755,189	66,289,281	43,352,199	44,429,566
FINANCED BY:					
SHARE CAPITAL	13	40,099,002	40,000,002	40,099,002	40,000,002
SHARE PREMIUM		2,007,701	2,002,751	2,007,701	2,002,751
RETAINED PROFITS	14	17,211,310	18,376,876	1,245,496	2,426,813
SHAREHOLDERS' FUNDS		59,318,013	60,379,629	43,352,199	44,429,566
LONG TERM LIABILITIES					
Deferred taxation	15	3,994,396	3,396,396	-	-
Hire purchase creditors	11	163,755	361,964	-	-
Bank borrowings - secured	12	2,279,025	2,151,292	-	-
		65,755,189	66,289,281	43,352,199	44,429,566

The annexed notes form an integral part of these financial statements.

Income Statements

FOR THE YEAR ENDED 31 MARCH 2002

	Note	GROUP		COMPANY	
		2002 RM	2001 RM	2002 RM	2001 RM
REVENUE	16	56,690,789	62,960,874	1,240,000	3,340,000
COST OF SALES		(50,289,329)	(53,888,152)	-	-
GROSS PROFIT		6,401,460	9,072,722	1,240,000	3,340,000
OTHER OPERATING INCOME		404,917	428,840	371,161	284,548
DISTRIBUTION COSTS		(966,971)	(1,009,771)	-	-
ADMINISTRATION EXPENSES		(3,268,864)	(2,792,771)	(431,816)	(257,149)
PROFIT FROM OPERATIONS		2,570,542	5,699,020	1,179,345	3,367,399
FINANCE COSTS		(813,699)	(690,236)	(701)	(600)
PROFIT BEFORE TAXATION	17	1,756,843	5,008,784	1,178,644	3,366,799
TAXATION	18	(618,409)	(667,134)	(55,961)	(946,000)
PROFIT ATTRIBUTABLE TO SHAREHOLDERS		1,138,434	4,341,650	1,122,683	2,420,799
EARNINGS PER SHARE					
- Basic (sen)	19	2.8	10.9	2.8	6.1
DIVIDEND PER SHARE					
- Net (sen)	20	5.8	5.8	5.8	5.8

The annexed notes form an integral part of these financial statements.

Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED 31 MARCH 2002

	Note	Share capital RM	(Non- Distributable) Share premium RM	(Distributable) Retained profits RM	Total RM
At 1 April 2000 (as previously reported)		40,000,002	2,010,371	14,035,226	56,045,599
Prior year adjustment	25	-	-	2,304,000	2,304,000
At 1 April 2000 (as restated)		40,000,002	2,010,371	16,339,226	58,349,599
Listing expenses written off		-	(7,620)	-	(7,620)
Profit for the year		-	-	4,341,650	4,341,650
Dividend	20	-	-	(2,304,000)	(2,304,000)
At 31 March 2001 (as restated)		40,000,002	2,002,751	18,376,876	60,379,629
At 1 April 2001 (as previously reported)		40,000,002	2,002,751	16,072,876	58,075,629
Prior year adjustment	25	-	-	2,304,000	2,304,000
At 1 April 2001 (as restated)		40,000,002	2,002,751	18,376,876	60,379,629
Share options exercised		99,000	4,950	-	103,950
Profit for the year		-	-	1,138,434	1,138,434
Dividend	20	-	-	(2,304,000)	(2,304,000)
At 31 March 2002		40,099,002	2,007,701	17,211,310	59,318,013

The annexed notes form an integral part of these financial statements.

Statement of Changes in Equity

FOR THE YEAR ENDED 31 MARCH 2002

	Note	Share capital RM	(Non- Distributable) Share premium RM	(Distributable) Retained profits RM	Total RM
At 1 April 2000 (as previously reported)		40,000,002	2,010,371	6,014	42,016,387
Prior year adjustment	25	-	-	2,304,000	2,304,000
At 1 April 2000 (as restated)		40,000,002	2,010,371	2,310,014	44,320,387
Listing expenses written off		-	(7,620)	-	(7,620)
Profit for the year		-	-	2,420,799	2,420,799
Dividend	20	-	-	(2,304,000)	(2,304,000)
At 31 March 2001 (as restated)		40,000,002	2,002,751	2,426,813	44,429,566
At 1 April 2001 (as previously reported)		40,000,002	2,002,751	122,813	42,125,566
Prior year adjustment	25	-	-	2,304,000	2,304,000
At 1 April 2001 (as restated)		40,000,002	2,002,751	2,426,813	44,429,566
Share options exercised		99,000	4,950	-	103,950
Profit for the year		-	-	1,122,683	1,122,683
Dividend	20	-	-	(2,304,000)	(2,304,000)
At 31 March 2002		40,099,002	2,007,701	1,245,496	43,352,199

The annexed notes form an integral part of these financial statements.

Cash Flow Statements

FOR THE YEAR ENDED 31 MARCH 2002

	GROUP		COMPANY	
	2002 RM	2001 RM	2002 RM	2001 RM
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before taxation	1,756,843	5,008,784	1,178,644	3,366,799
Adjustments for:				
Depreciation	3,885,225	3,516,383	9,784	9,784
Bad debts written off	5,582	7,063	-	-
Interest expense	689,339	585,040	-	-
Gain on disposal of property, plant and equipment	(175,632)	(71,130)	-	-
Interest income	(163,160)	(288,879)	(362,761)	(276,148)
Operating profit before working capital changes	5,998,197	8,757,261	825,667	3,100,435
Receivables	(286,356)	393,974	(4,073)	(300)
Inventories	(1,724,051)	(2,100,701)	-	-
Subsidiary companies	-	-	(1,756,220)	(9,423,658)
Payables	(634,527)	(2,647,130)	26,629	(548,217)
Holding company	-	(353,371)	-	-
Cash generated from/(absorbed by) operations	3,353,263	4,050,033	(907,997)	(6,871,740)
Dividend paid	(2,304,000)	(2,304,000)	(2,304,000)	(2,304,000)
Income tax paid	(1,923,500)	(2,057,152)	(125,451)	(868,000)
Interest paid	(689,339)	(585,040)	-	-
Interest received	163,160	288,879	362,761	276,148
Net cash used in operating activities	(1,400,416)	(607,280)	(2,974,687)	(9,767,592)
CASH FLOWS FROM INVESTING ACTIVITIES				
Dividend received	-	-	1,000,000	2,232,000
Acquisition of a subsidiary company (Note 4)	-	-	(3,000)	-
Purchase of property, plant and equipment (A)	(3,024,078)	(8,964,512)	-	(94,744)
Proceeds from disposal of property, plant and equipment	423,563	433,899	-	-
Net cash (used in)/generated from investing activities	(2,600,515)	(8,530,613)	997,000	2,137,256
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from issue of shares	103,950	-	103,950	-
Listing expenses paid	-	(7,620)	-	(7,620)
Repayment of hire purchase creditors	(1,379,182)	(2,288,110)	-	-
Net drawdown of bank borrowings	3,008,202	2,713,182	-	-
Short term deposits pledged as security with licensed financial institutions	(2,449)	(2,229)	-	-
Net cash generated from/(used in) financing activities	1,730,521	415,223	103,950	(7,620)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(2,270,410)	(8,722,670)	(1,873,737)	(7,637,956)
CASH AND CASH EQUIVALENTS AT 1 APRIL	6,472,527	15,195,197	5,710,114	13,348,070
CASH AND CASH EQUIVALENTS AT 31 MARCH (B)	4,202,117	6,472,527	3,836,377	5,710,114

FOR THE YEAR ENDED 31 MARCH 2002

Notes to the Cash Flow Statements

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

	GROUP		COMPANY	
	2002 RM	2001 RM	2002 RM	2001 RM
Cash	3,024,078	8,964,512	-	94,744
Hire purchase	231,287	1,923,548	-	-
	3,255,365	10,888,060	-	94,744

(B) Cash and cash equivalents at 31 March comprise the following balance sheet amounts:-

	GROUP		COMPANY	
	2002 RM	2001 RM	2002 RM	2001 RM
Bank overdraft (Note 12)	(293,918)	(516,133)	-	-
Short term deposits	3,801,009	5,623,485	3,740,838	5,565,763
Cash and bank balances	755,197	1,422,897	95,539	144,351
	4,262,288	6,530,249	3,836,377	5,710,114
Less : Short term deposits pledged with a licensed bank	(60,171)	(57,722)	-	-
	4,202,117	6,472,527	3,836,377	5,710,114

The annexed notes form an integral part of these financial statements.

Notes to the Financial Statements

31 MARCH 2002

1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Second Board of the Kuala Lumpur Stock Exchange.

The financial statements are expressed in Ringgit Malaysia.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

The financial statements of the Company and of the Group are prepared under the historical cost convention modified to include the revaluation of certain property, plant and equipment, (unless stated otherwise in the summary of significant accounting policies below), and comply with applicable approved accounting standards issued by the Malaysian Accounting Standards Board ("MASB").

(b) Change in Accounting Policy

In previous years, dividends were accrued as a liability when proposed by Directors. The Group has now changed its accounting policy to recognise dividends in shareholders' equity in the period in which the obligation to pay is established in accordance with MASB 19 - Events After the Balance Sheet Date. Therefore, final dividends are now accrued as a liability after approval by shareholders at the Annual General Meeting.

(c) Subsidiaries Companies and Basis of Consolidation

Investment in subsidiary companies are stated at cost unless in the opinion of the Directors, there has been a permanent decline in value in which case provision is made for the diminution in value.

The Group financial statements incorporate the audited financial statements of the Company and all its subsidiary companies made up to 31 March 2002. A subsidiary company is a company over which the Company has control. Control is the power to govern the financial and operating policies of the subsidiary company so as to obtain benefits from its activities. Subsidiary companies are consolidated, where appropriate, on the merger method of accounting or the acquisition method of accounting.

Under the merger method of accounting, the results of the subsidiary company are presented as if the subsidiary had been owned by the Company throughout the current and previous accounting periods. The excess in the carrying value of the investment over the nominal value of the share capital of the subsidiary is treated as a reduction of reserves.

Under the acquisition method of accounting, the results of the subsidiary company acquired or disposed of are included in the consolidated financial statements from the date of acquisition or up to the date of disposal. Goodwill or reserve on consolidation represents the difference between the consideration paid for the shares in the subsidiary company and the value of attributable net assets acquired, as applicable.

(d) Property, Plant and Equipment

Property, plant and equipment are stated at cost or valuation less accumulated depreciation and amortisation, and impairment losses foreseeable (if any). Cost comprises purchase cost and any incidental costs of acquisition.

The Group revalues its land and buildings on an existing use basis at least once in every five years.

A surplus arising from revaluation of land and buildings is credited to revaluation reserve while a deficit is recognised as an expense in the income statement. However, a deficit relating to a previous revaluation is charged directly against revaluation reserve to the extent that the decrease does not exceed the amount held in the revaluation reserve.

Freehold land is not amortised. Leasehold land is amortised over the remaining period of the lease. All other property, plant and equipment are depreciated over their estimated useful lives on a straight line basis. The principal annual rates used are as follows:-

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

Capital work-in-progress is stated at cost. Cost includes earthworks and other direct costs incurred during the period of expansion of the poultry farm and is not depreciated until the expansion is significantly completed and ready for use.

2. SIGNIFICANT ACCOUNTING POLICIES (contd.)

(e) Inventories

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

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

Livestocks are valued at the original cost of purchase, plus the cost of bringing the inventories to its present location and condition.

(f) Receivables

Known bad debts are written off and specific provision is made for any debts considered to be doubtful of collection. In addition, a general provision is made to cover possible losses which are not specifically identified.

(g) Deferred Taxation

Provision is made in the income statement by the liability method for taxation which is deferred due to timing differences except where it can be demonstrated, with reasonable probability, that the timing differences will continue in the foreseeable future.

No account is taken of any debit balances arising on deferred taxation account.

(h) Foreign Currency Transactions

Foreign currency transactions have been converted into Ringgit Malaysia at rates of exchange ruling at the dates of the transactions, or where settlement has not taken place by the year end at the approximate rates ruling at that date. All exchange differences are taken to the income statement.

The closing rate used by the Group in translation of foreign currency amounts is as follows:-

	2002 RM	2001 RM
1 Singapore Dollar	2.041	2.098

(i) Property, Plant and Equipment Acquired Under Hire Purchase

Property, plant and equipment acquired under hire purchase is capitalised at its cost and the corresponding obligation treated as a liability. The property, plant and equipment are depreciated in accordance with the accounting policy on property, plant and equipment. The total interest, being the difference between the total instalments payable and the capitalised amount, is charged to the income statement over the period of the hire purchase in proportion to the balance of capital repayments outstanding.

(j) Revenue Recognition

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

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

(ii) Interest income

Interest income on short term deposits is recognised on an accrual basis.

(iii) Dividend income

Dividend income from subsidiary companies is included in the income statement of the Company when the Company's right to receive the payment is established.

(iv) Rental income

Rental income is recognised on an accrual basis.

(v) Management fee income

Management fee income from subsidiary companies is recognised on an accrual basis.

(k) Cash and Cash Equivalents

Cash and cash equivalents consist of cash and bank balances, short term deposits and bank overdraft. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

3. PROPERTY, PLANT AND EQUIPMENT
GROUP

	Freehold land RM	Short leasehold land RM	Farm buildings RM	Renovation RM	Plant and machinery RM	Furniture, fittings and equipment RM	Motor vehicles RM	Capital work-in progress RM	2002 RM	2001 RM
COST/VALUATION										
At 1 April	15,743,472	-	40,253,587	73,334	10,822,010	1,011,025	2,796,749	1,290,966	71,991,143	62,324,306
Additions	-	582,943	-	-	20,636	139,912	406,118	2,105,756	3,255,365	10,888,060
Reclassifications	-	-	1,595,590	-	683,953	52,755	-	(2,332,298)	-	-
Disposals	-	-	-	-	(531,287)	-	(152,042)	-	(683,329)	(1,221,223)
At 31 March	15,743,472	582,943	41,849,177	73,334	10,995,312	1,203,692	3,050,825	1,064,424	74,563,179	71,991,143
ACCUMULATED DEPRECIATION										
At 1 April	-	-	7,339,109	7,333	3,723,943	515,148	2,092,574	-	13,678,107	11,020,178
Charge for the year	-	6,731	2,460,878	7,333	1,002,784	93,868	313,631	-	3,885,225	3,516,383
Reclassifications	-	-	2,076	-	(2,076)	-	-	-	-	-
Disposals	-	-	-	-	(283,358)	-	(152,041)	-	(435,399)	(858,454)
At 31 March	-	6,731	9,802,063	14,666	4,441,293	609,016	2,254,164	-	17,127,933	13,678,107
NET BOOK VALUE										
As at 31 March 2002	15,743,472	576,212	32,047,114	58,668	6,554,019	594,676	796,661	1,064,424	57,435,246	-
As at 31 March 2001	15,743,472	-	32,914,478	66,001	7,098,067	495,877	704,175	1,290,966	-	58,313,036

3. PROPERTY, PLANT AND EQUIPMENT (contd.)

COMPANY	Renovation	Furniture, fittings and equipment RM	2002 RM	Total 2001 RM
COST				
At 1 April	73,334	24,510	97,844	3,100
Additions	-	-	-	94,744
At 31 March	73,334	24,510	97,844	97,844
ACCUMULATED DEPRECIATION				
At 1 April	7,333	2,761	10,094	310
Charge for the year	7,333	2,451	9,784	9,784
At 31 March	14,666	5,212	19,878	10,094
NET BOOK VALUE				
As at 31 March 2002	58,668	19,298	77,966	-
As at 31 March 2001	66,001	21,749	-	87,750

Analysis of cost and valuation:-

GROUP	At Cost RM	At June 1999 Valuation RM	Total RM
As at 31 March 2002			
Freehold land	-	15,743,472	15,743,472
Short leasehold land	582,943	-	582,943
Farm buildings	32,678,890	9,170,287	41,849,177
Renovation	73,334	-	73,334
Plant and machinery	10,995,312	-	10,995,312
Furniture, fittings and equipment	1,203,692	-	1,203,692
Motor vehicles	3,050,825	-	3,050,825
Capital work-in-progress	1,064,424	-	1,064,424
	49,649,420	24,913,759	74,563,179
As at 31 March 2001			
Freehold land	-	15,743,472	15,743,472
Farm buildings	31,083,300	9,170,287	40,253,587
Renovation	73,334	-	73,334
Plant and machinery	10,822,010	-	10,822,010
Furniture, fittings and equipment	1,011,025	-	1,011,025
Motor vehicles	2,796,749	-	2,796,749
Capital work-in-progress	1,290,966	-	1,290,966
	47,077,384	24,913,759	71,991,143

- (a) In June 1999, the freehold land and farm buildings of a subsidiary company were revalued by the Directors based on an independent valuation carried out on an existing use basis. The revaluation surplus of RM12,396,000 (after deducting deferred tax of RM650,000) arising from the revaluation of the freehold land and farm buildings is credited to asset revaluation reserve.

3. PROPERTY, PLANT AND EQUIPMENT (contd.)

Had the freehold land and farm buildings been carried at historical cost (prior to the June 1999 valuation) less depreciation, the carrying amount of the revalued assets that would have been included in the financial statements at the end of the year are as follows:-

	GROUP	
	2002 RM	2001 RM
Freehold land	6,174,199	6,174,199
Farm buildings	4,408,671	4,840,810
	10,582,870	11,015,009

- (b) Included in property, plant and equipment of the Group are assets acquired under hire purchase arrangements with net book value amounting to RM2,129,420 (2001: RM6,414,347).
- (c) The freehold land of a subsidiary company with a net book value of RM15,743,472 (2001: RM15,743,472) is pledged as security by way of a fixed charge for certain bank borrowings of the subsidiary company.

4. SUBSIDIARY COMPANIES

	COMPANY	
	2002 RM	2001 RM
Unquoted shares, at cost	30,003,000	30,000,000

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

Name of Company	Principal Activities	Percentage of Equity Held	
		2002 %	2001 %
LTK (Melaka) Sdn. Bhd.	Production and sale of chicken eggs and chickens	100	100
LTK Bio-Fer Sdn. Bhd.	Manufacturing and trading of organic fertilizers	100	100
LTK Breeder Farm Sdn. Bhd. (Formerly known as Organic Choice Sdn. Bhd.)	Dormant	100	-

- (b) Acquisition of a subsidiary company

During the year, the Company acquired 100% of the equity interest in LTK Breeder Farm Sdn. Bhd. (formerly known as Organic Choice Sdn. Bhd.) for a cash consideration of RM3,000.

- (i) The net cash proceeds on acquisition and the fair value of assets acquired are as follows:-

	GROUP RM
Cash in hand	2
Goodwill on acquisition	2,998
Total purchase consideration	3,000
Cash in hand	(2)
Net cash payment on acquisition of a subsidiary company	2,998

- (ii) The subsidiary company has not commenced operations during the financial year. The effect of the acquisition is to reduce net assets and increase loss for the year of the Group by RM10,871.

5. INVENTORIES

	GROUP		COMPANY	
	2002 RM	2001 RM	2002 RM	2001 RM
At cost:-				
Livestocks	8,695,141	6,898,614	-	-
Consumable goods	3,607,204	3,848,094	-	-
Produce inventories	816,648	620,508	-	-
Spare parts	65,443	93,169	-	-
	13,184,436	11,460,385	-	-

6. TRADE RECEIVABLES

Trade receivables	4,111,054	3,673,932	-	-
Less : Provision for doubtful debts	(400,000)	(400,000)	-	-
	3,711,054	3,273,932	-	-

7. AMOUNT DUE FROM SUBSIDIARY COMPANIES

The amount due from LTK (Melaka) Sdn. Bhd. is unsecured, has no fixed term of repayment and interest is charged at a rate of 3% (2001: NIL) per annum.

The amount due from LTK Breeder Farm Sdn. Bhd. is unsecured, has no fixed term of repayment and is interest free.

8. SHORT TERM DEPOSITS

	GROUP		COMPANY	
	2002 RM	2001 RM	2002 RM	2001 RM
Deposits placed with:-				
- Licensed bank (Note)	60,171	972,505	-	914,783
- Licensed finance companies	3,740,838	4,650,980	3,740,838	4,650,980
	3,801,009	5,623,485	3,740,838	5,565,763

Note:-

Included in the balance is a fixed deposit pledged as security amounting to RM60,171 (2001 : RM57,722) for a bank guarantee facility extended by the bank to a subsidiary company, LTK (Melaka) Sdn. Bhd.

9. OTHER PAYABLES AND ACCRUALS

	GROUP		COMPANY	
	2002 RM	2001 RM	2002 RM	2001 RM
Other payables	41,122	40,885	14,936	6,301
Accruals	587,816	1,175,151	84,337	66,343
	628,938	1,216,036	99,273	72,644

10. HOLDING COMPANY

The immediate and ultimate holding company is Ladang Ternakan Kelang Sdn. Bhd., a company incorporated in Malaysia.

11. HIRE PURCHASE CREDITORS

	GROUP		COMPANY	
	2002 RM	2001 RM	2002 RM	2001 RM
Minimum hire purchase payments payable				
- not later than one year	388,172	1,825,084	-	-
- later than one year and not later than five years	184,503	396,521	-	-
	572,675	2,221,605	-	-
Hire purchase interest allocated to future periods	(56,600)	(203,740)	-	-
	516,075	2,017,865	-	-
Repayable as follows:-				
- not later than one year	352,320	1,655,901	-	-
- later than one year but not later than five years	163,755	361,964	-	-
	516,075	2,017,865	-	-

12. BANK BORROWINGS - SECURED
CURRENT

Revolving credit	2,000,000	1,000,000	-	-
Bank overdraft	293,918	516,133	-	-
Bankers' acceptance	6,819,000	5,195,000	-	-
Bank term loans - repayable within twelve months	924,931	668,462	-	-
	10,037,849	7,379,595	-	-

NON-CURRENT

Bank term loans - repayable after twelve months	2,279,025	2,151,292	-	-
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The bank overdraft, bankers' acceptance, revolving credit and bank term loans of the Group are secured by way of a fixed charge over the freehold land of a subsidiary company, LTK (Melaka) Sdn. Bhd. and a corporate guarantee of the Company.

The bank overdraft bears interest at a margin of 1.00% to 1.75% (2001 : 1.50% to 1.75%) per annum above the bank's prevailing base lending rate.

The revolving credit bears interest at a margin of 1.00% to 1.50% (2001 : 1.50%) per annum above the bank's cost of funds.

The bankers' acceptance bears interest at a rate ranging from 3.00% to 3.40% (2001 : 2.90% to 3.50%) per annum.

The bank term loans bear interest at a rate of 4.00% to 5.00% (2001: 4.00%) per annum or at a margin of 1.50% (2001 : 1.50%) per annum above the bank's prevailing base lending rate, as applicable.

The term loans as at 31 March 2002 are made up of three loans with remaining tenure ranging from 32 months to 55 months.

The loans are fully repayable from 2004 to 2006.

13. SHARE CAPITAL

	GROUP / COMPANY			
	2002		2001	
	No. of ordinary shares of RM1 each	RM	No. of ordinary shares of RM1 each	RM
Authorised:				
At 1 April and 31 March	50,000,000	50,000,000	50,000,000	50,000,000
Issued and fully paid:-				
At 1 April	40,000,002	40,000,002	40,000,002	40,000,002
Share options exercised	99,000	99,000	-	-
At 31 March	40,099,002	40,099,002	40,000,002	40,000,002

- (a) During the year, the issued and paid-up share capital of the Company was increased from RM40,000,002 to RM40,099,002 by the issue of 99,000 new ordinary shares of RM1 each arising from exercise of the share options pursuant to the ESOS of the Company at an exercise price of RM1.05 per ordinary share.

The share premium amounting to RM4,950 arising therefrom is credited to share premium account.

The new ordinary shares issued rank parri passu in all respects with the existing shares.

- (b) At an Extraordinary General Meeting held on 25 September 2001, the shareholders of the Company approved the implementation by the Company of an ESOS which will offer eligible employees (including executive directors) of the Group options to subscribe for new ordinary shares of RM1 each in the Company.

The share options granted and exercised during the financial year are as follows:-

Exercisable from	Exercise price per ordinary share RM	No. of options over ordinary shares of RM1 each				As at 31.3.2002
		As at 1.4.2001	Granted	Exercised	Lapsed	
26.11.2001	1.05	-	3,600,000	(99,000)	-	3,501,001

The salient features of the ESOS are as follows:-

- (i) The scheme is in force for a period of 5 years and expires on 17 October 2006.
- (ii) 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.
- (iii) 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.
- (iv) No option shall be granted for less than 1,000 shares nor more than 400,000 shares to any eligible employee.
- (v) 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.
- (vi) 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.
- (vii) 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.
- (viii) 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.

14. RETAINED PROFITS

Based on estimated tax credits available and subject to agreement of the Inland Revenue Board, the retained profits of the Company can be distributed by way of dividends without incurring additional tax liability.

In addition, the Group has an estimated tax exempt account balance of RM15.4 million (2001 : RM16.3 million) available for distribution as tax exempt dividends subject to agreement of the Inland Revenue Board.

15. DEFERRED TAXATION

	GROUP		COMPANY	
	2002 RM	2001 RM	2002 RM	2001 RM
(a) At 1 April	3,396,396	3,079,396	-	-
Charge for the year	598,000	317,000	-	-
At 31 March	3,994,396	3,396,396	-	-
Arising from:-				
Excess of capital allowances over book depreciation	3,456,396	2,858,396	-	-
General provision for doubtful debts	(112,000)	(112,000)	-	-
Revaluation surplus on freehold land and farm buildings	650,000	650,000	-	-
	3,994,396	3,396,396	-	-

(b) All material timing differences have been accounted for.

16. REVENUE

	GROUP		COMPANY	
	2002 RM	2001 RM	2002 RM	2001 RM
Sales of produce inventories, livestock, and consumable goods, less returns and discounts allowed	56,690,789	62,960,874	-	-
Dividend income	-	-	1,000,000	3,100,000
Management fee	-	-	240,000	240,000
	56,690,789	62,960,874	1,240,000	3,340,000

17. PROFIT BEFORE TAXATION

	GROUP		COMPANY	
	2002 RM	2001 RM	2002 RM	2001 RM
This is arrived at after charging/(crediting):-				
Auditors' remuneration	23,500	23,000	5,000	5,000
Depreciation/amortisation of property, plant and equipment	3,885,225	3,516,383	9,784	9,784
Directors' remuneration (Note a)				
- fees	175,000	160,000	75,000	60,000
- emoluments	540,288	494,368	-	-
- benefits in kind	37,213	27,375	-	-
Interest				
- overdraft	45,289	14,808	-	-
- bankers' acceptance	171,723	120,805	-	-
- revolving credit	69,447	7,236	-	-
- bank term loans	226,568	193,788	-	-
- hire purchase	176,312	248,403	-	-
Bad debt written off	5,582	7,063	-	-
Rental of farm paid to holding company	240,240	240,240	-	-
Rental of office	38,400	38,400	38,400	38,400
Realised gain on foreign exchange	(103,363)	(8,444)	-	-
Gain on disposal of property, plant and equipment	(175,632)	(71,130)	-	-
Rental income	(10,160)	(10,320)	(8,400)	(8,400)
Interest income	(163,160)	(288,879)	(160,190)	(276,148)
Interest income from a subsidiary company	-	-	(202,571)	-
Dividend income from a subsidiary company	-	-	(1,000,000)	(3,100,000)
Management fee from a subsidiary company	-	-	(240,000)	(240,000)
(a) Directors' remuneration:-				
Directors of the Company				
Executive				
- fees	100,000	100,000	-	-
- salaries	510,288	494,368	-	-
- bonuses	30,000	-	-	-
- benefits in kind	37,213	27,375	-	-
	677,501	621,743	-	-
Non-executive				
- fees	75,000	60,000	75,000	60,000
Total				
- fees	175,000	160,000	75,000	60,000
- salaries	510,288	494,368	-	-
- bonuses	30,000	-	-	-
- benefits in kind	37,213	27,375	-	-
	752,501	681,743	75,000	60,000

17. PROFIT BEFORE TAXATION (contd.)

(a) Directors' remuneration (contd.)

	GROUP		COMPANY	
	Executive Directors	Non-Executive Directors	Executive Directors	Non-Executive Directors
Directors of the Company				
Directors' remuneration (No. of Directors)				
2002				
RM1 to RM50,000	1	4	-	4
RM50,001 to RM100,000	1	-	-	-
RM100,001 to RM150,000	2	-	-	-
RM200,001 to RM250,000	1	-	-	-
	5	4	-	4
2001				
RM 1 to RM50,000	1	3	-	3
RM50,001 to RM100,000	1	-	-	-
RM100,001 to RM150,000	2	-	-	-
RM200,001 to RM250,000	1	-	-	-
	5	3	-	3

	GROUP		COMPANY	
	2002 RM	2001 RM	2002 RM	2001 RM
(b) Employee information				
Staff cost (excluding Directors)	5,767,687	5,566,634	114,213	54,881

The number of employees (excluding Directors) of the Group and the Company as at 31 March 2002 were 404 (2001 : 401) and 2 (2001 : 1) respectively.

18. TAXATION

	GROUP		COMPANY	
	2002 RM	2001 RM	2002 RM	2001 RM
Malaysian taxation based on profit for the year (Over)/Underprovision in prior years	83,947 (63,538)	269,786 80,348	56,000 (39)	946,000 -
Deferred taxation	20,409 598,000	350,134 317,000	55,961 -	946,000 -
	618,409	667,134	55,961	946,000

The effective tax rate for the Group in current year is high in relation to the profit before taxation due to certain non-deductible expenses for taxation purposes.

The effective tax rate for the Group in previous year is low in relation to the profit before taxation owing to the availability for utilisation of reinvestment allowance.

The effective tax rate for the Company in the current year is low in relation to the profit before taxation owing to the exempt dividend income from the subsidiary company.

19. EARNINGS PER SHARE

The basic earnings per share is calculated based on the profit attributable to shareholders and the weighted average number of 40,016,643 (2001: 40,000,002) ordinary shares of RM1 each in issue during the year.

There is no dilutive effect on the earnings per share of the Group and of the Company arising from the assumed exercise of the share options into new ordinary shares.

20. DIVIDEND

	GROUP / COMPANY			
	2002 RM	2002 Sen per share	2001 RM	2001 Sen per share
Final dividend of 8% (2001 : 8%) less tax at 28% (2001 : 28%)	2,304,000	5.8	2,304,000	5.8

The first and final dividend of 8% less 28% tax amounting to RM2,304,000 was proposed in respect of the financial year ended 31 March 2001. As mentioned in Note 2(b) and in adopting the requirements of MASB 19 - Events After the Balance Sheet Date, this proposed dividend which was previously recognised as a liability in the financial year ended 31 March 2001 has been adjusted and recognised only upon payment in the current financial year.

The proposed first and final tax exempt dividend of 2% amounting to RM801,980 in respect of the financial year ended 31 March 2002 is subject to approval by shareholders at the forthcoming Annual General Meeting of the Company. Accordingly, this dividend has not been recognised as a liability in the financial statements for the year ended 31 March 2002.

21. SIGNIFICANT RELATED PARTY TRANSACTIONS

	GROUP		COMPANY	
	2002 RM	2001 RM	2002 RM	2001 RM
Rental of farm paid to holding company	240,240	240,240	-	-
Rental of office paid to a Director, Lim Hooi Tin	19,200	38,400	19,200	38,400
Sales to holding company	(53,473)	(239,731)	-	-
Dividend income received from a subsidiary company, LTK (Melaka) Sdn. Bhd.	-	-	(1,000,000)	(3,100,000)
Management fee received from a subsidiary company, LTK (Melaka) Sdn. Bhd.	-	-	(240,000)	(240,000)
Interest income from a subsidiary company, LTK (Melaka) Sdn. Bhd.	-	-	(202,571)	-
Office rental income received from holding company	(8,400)	(8,400)	(8,400)	(8,400)

The above transactions have been entered into in the normal course of business based on negotiated and mutually agreed terms.

22. CAPITAL COMMITMENTS

	GROUP		COMPANY	
	2002 RM	2001 RM	2002 RM	2001 RM
Authorised but not contracted for	4,000,000	4,000,000	-	-

23. CONTINGENT LIABILITIES - UNSECURED

Guarantees to licensed financial institutions in respect of credit facilities granted to a subsidiary company, LTK (Melaka) Sdn. Bhd.	-	-	12,832,950	11,548,752
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24. EVENT SUBSEQUENT TO BALANCE SHEET DATE

Proposed Dividend

Subsequent to the balance sheet date, the Directors have proposed a first and final tax exempt dividend of 2% amounting to RM801,980 be paid in respect of the financial year ended 31 March 2002. The proposed dividend is subject to approval of the shareholders at the forthcoming Annual General Meeting of the Company and accordingly, has not been recognised as a liability in the financial statements for the year ended 31 March 2002.

25. PRIOR YEAR ADJUSTMENT

In compliance with MASB 19 - Events after the Balance Sheet Date, the Company has discontinued the recognition of dividend declared or proposed after the balance sheet date as a liability in the financial year to which the dividend relates. This change in accounting policy has been applied retrospectively with the resulting adjustment reported as an adjustment to the opening balance of retained earnings. Comparative information has been restated accordingly. This change in accounting policy has no effect on the income statement of the current and previous financial years.

26. SEGMENT INFORMATION

There is no disclosure of Segment Information as required by International Accounting Standard No. 14 - Reporting Financial Information by Segment, as the Group operates within one industry and within one country.

27. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with current year's presentation as follows:-

	GROUP		COMPANY	
	As restated RM	As previously reported RM	As restated RM	As previously reported RM
Balance Sheet				
Other receivables	901,006	1,066,769	300	166,063
Short term deposits	5,623,485	5,457,722	5,565,763	5,400,000
Retained earnings	18,376,876	16,072,876	2,426,813	122,813
Income Statement				
Revenue	-	-	3,340,000	-
Other operating income	-	-	284,548	3,624,548
Cash Flow Statement				
Receivables	393,974	235,274	(300)	(166,063)
Subsidiary companies	-	-	(9,423,658)	(7,191,658)
Dividend received	-	-	2,232,000	-
Cash and cash equivalents	6,472,527	6,306,764	5,710,114	5,544,351
Notes to the Financial Statements				
Staff cost	5,566,634	6,293,657	-	-

The reclassification has no impact on the profit attributable to shareholders.

List Of Properties As At 31 March 2002

Location	Existing Use & Description	Approximate Area (Acres)	Tenure	Age (Years)	Net Book Value As At 31.3.2002 (RM'000)	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	Freehold	Less than 9 years	47,791*	June 1999 (Revaluation)
Lot Nos. 863 and 864, Mukim of Ayer Pa'abas, District of Alor Gajah, Melaka	Vacant	24	Leasehold 71 years (expires on 29.11.2037)	36 years	576	November 2001 (Acquisition)

* Net book value of both land and farm buildings.

Analysis Of Shareholdings As At 30 July 2002

CLASS OF SHARES : ORDINARY SHARES OF RM1.00 EACH
 NUMBER OF HOLDERS : 2,937
 VOTING RIGHTS : ONE VOTE PER ORDINARY SHARE

Size of Shareholdings	No. of Shareholders	%	No. of Ordinary Shares	%
Less than 1,000	0	0	0	0
1,000 to 10,000	2,729	92.92	6,540,236	16.30
10,001 to 100,000	179	6.09	4,652,764	11.60
100,001 to 2,005,699 *	26	0.89	10,011,002	24.96
2,005,700 and above	3	0.10	18,910,000	47.14
Total	2,937	100.00	40,114,002	100.00

* 5% of issued and paid-up shares

Substantial Shareholdings As At 30 July 2002

Names	Direct No. of Shares	%	Indirect No. of Shares	%
Ladang Ternakan Kelang Sdn Bhd	21,455,002	53.49	-	-
Tan Kok	-	-	*21,455,002	53.49
Lim Hooi Tin	-	-	**21,455,002	53.49
Tan Wah	-	-	*21,455,002	53.49
Tan Kim Hock	65,000	0.16	*21,455,002	53.49

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

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

Directors' Shareholdings As At 30 July 2002

NAME	DIRECT	NO. OF SHARES HELD		
		%	INDIRECT	%
Ahmad Khairuddin bin Ilias	#801,000	2.00	-	-
Tan Kok	-	-	*21,455,002	53.49
Tan Kark Bin	445,000	1.11	-	-
Tan Kim Hock	65,000	0.16	*21,455,002	53.49
Lim Hooi Tin	-	-	**21,455,002	53.49
Tan Wah	-	-	*21,455,002	53.49
Syed Abdul Rani bin Syed Abdullah ##	-	-	-	-
Kamaruddin bin Md Derom	-	-	-	-
Ooi Chee Seng	-	-	-	-

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

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

As beneficial owner held through OSK Nominees (Tempatan) Sdn Berhad

Resigned w.e.f. 20 August 2002

Options Allocated To The Directors Pursuant To The Employees' Share Option Scheme

NAME	GRANTED	EXERCISED AS AT 30 JULY 2002	BALANCE AS AT 30 JULY 2002	PERCENTAGE (%)
Tan Kok	400,000	-	400,000	1.00
Lim Hooi Tin	200,000	-	200,000	0.50
Tan Kim Hock	200,000	-	200,000	0.50
Tan Wah	200,000	-	200,000	0.50
Tan Kark Bin	200,000	20,000	180,000	0.45

Directors' Shareholdings In Related Corporation As At 30 July 2002

NAME	DIRECT	NO. OF SHARES HELD		
		%	INDIRECT	%
LADANG TERNAKAN KELANG SDN BHD				
Tan Kok	5,579,200	41.4	-	-
Tan Kim Hock	3,366,000	25.0	-	-
Lim Hooi Tin	1,152,800	8.6	-	-
Tan Wah	3,366,000	25.0	-	-

Thirty (30) Largest Shareholdings As Per The Record Of Depositors As At 30 July 2002

NO	NAME	NO. OF SHARES OF RM1.00	PERCENTAGE (%)
1.	Ladang Ternakan Kelang Sdn Berhad	6,910,000	17.23
2.	Ladang Ternakan Kelang Sdn Berhad	6,000,000	14.96
3.	Ladang Ternakan Kelang Sdn Berhad	6,000,000	14.96
4.	Lembaga Tabung Angkatan Tentera	1,500,000	3.74
5.	Ladang Ternakan Kelang Sdn Berhad	1,395,000	3.48
6.	OSK Nominees (Tempatan) Sdn Berhad - OSK Capital Sdn Bhd For Ahmad Khairuddin bin Ilias	801,000	2.00
7.	Malaysia Nominees (Tempatan) Sendirian Berhad - Malaysian Trustees Berhad For Alliance Vision Fund (00-10033-000)	797,000	1.99
8.	Ladang Ternakan Kelang Sdn Berhad	750,002	1.87
9.	Fawziah Bt Hussein Sazally	570,000	1.42
10.	Tan Kark Bin	445,000	1.11
11.	Mayban Securities Nominees (Tempatan) Sdn Bhd - Pledged Securities Account For Ladang Ternakan Kelang Sdn Bhd (REM 879-MARGIN)	400,000	1.00
12.	Kok Chiew Heng	350,000	0.87
13.	Koperasi Polis Diraja Malaysia Berhad	326,000	0.81
14.	Loo Eng Seng	297,000	0.74
15.	Lee Chee Gaip	230,000	0.57
16.	Lee Chee Gaip	220,000	0.55
17.	Phuah Chai Tin	217,000	0.54
18.	Ang Tin Foo	198,000	0.49
19.	Gan Kwee Chuan	197,000	0.49
20.	Chop Cheong Bee Sdn Bhd	190,000	0.47
21.	Siew Gaik Hong	170,000	0.42
22.	Ng Hooi Kim @ Ooi Hooi Kim	139,000	0.35
23.	Calibre Portfolio Sdn Bhd	130,000	0.32
24.	Tan Leong Choon	125,000	0.31
25.	Ng Chu Peng	120,000	0.30
26.	Tan Ah Moi	117,000	0.29
27.	Wong Hok Yim	116,000	0.29
28.	Low Hin Ching	110,000	0.27
29.	Tan Boon In	101,000	0.25
30.	Ooi Hoy Bee @ Ooi Hooi Bee	100,000	0.25

Notice of Fifth Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Fifth Annual General Meeting of the Company will be held at Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on **Wednesday, 25 September 2002 at 3.00 p.m.** for the purpose of transacting the following business:-

AGENDA

ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the year ended 31 March 2002 together with the Directors' and Auditors' Reports thereon. **Resolution 1**
2. To approve the First and Final Tax Exempt Dividend of 2% for the year ended 31 March 2002. **Resolution 2**
3. To approve the payment of Directors' fees for the year ended 31 March 2002. **Resolution 3**
4. To re-elect the following Directors who are retiring in accordance with Article 83 of the Company's Articles of Association :
 - i. Mr. Tan Kok **Resolution 4**
 - ii. Madam Lim Hooi Tin **Resolution 5**
 - iii. Encik Kamarudin bin Md Derom **Resolution 6**
5. To re-appoint Messrs. Ernst & Young, as Auditors, and to authorise the Board of Directors to fix their remuneration. **Resolution 7**

SPECIAL BUSINESS

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

"THAT pursuant to Section 132D of the Companies Act, 1965, the Directors be and are hereby authorized 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 share capital of the Company at the time of issue, subject always to the approval of all relevant regulatory bodies being obtained for such allotments and issues."

Resolution 8

ANY OTHER BUSINESS

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

NOTICE OF DIVIDEND ENTITLEMENT

NOTICE IS HEREBY GIVEN THAT the First and Final Tax Exempt Dividend of 2% in respect of the financial year ended 31 March 2002, if approved by the shareholders, will be payable on 20 November 2002 to Depositors registered in the Record of Depositors at the close of business on 21 October 2002.

A Depositor shall qualify for entitlement only in respect of:

- a. Shares transferred to the Depositor's Securities Account before 12.30 p.m. on 21 October 2002 in respect of ordinary transfers;
- b. Shares bought on the Kuala Lumpur Stock Exchange on a cum entitlement basis according to the Rules of the Kuala Lumpur Stock Exchange.

By Order Of The Board
LTKM BERHAD

.....
NG YIM KONG (LS 0008343)
OOI HOY BEE @ OOI HOOI BEE (MIA 1835)
Company Secretaries

Kuala Lumpur
Date: 3 September 2002

Notes:-

- a) A member of the Company entitled to attend and vote at the Meeting is entitled to appoint a Proxy to attend and vote on his (her) behalf. Where a member appoints two (2) or more Proxies to attend at the same meeting the appointment shall be invalid unless he (she) specifies the proportion of his (her) holdings to be represented by each Proxy.
- b) A Proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply.
- c) A Proxy Form shall be signed by the appointor or his (her) attorney duly authorized in writing or, if the member is a corporation, must be executed under its common seal or by its duly authorized attorney or officers.
- d) The instrument appointing a Proxy must be deposited at the Registered Office of the Company at 10th Floor, Tower Block, Kompleks Antarabangsa, Jalan Sultan Ismail, 50250 Kuala Lumpur not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof at which the person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid.

Explanatory Notes On Special Business

The Ordinary Resolution No. 8 proposed under item (6) above, if passed, will give powers to the Directors to issue ordinary shares in the capital of the Company up to an aggregate amount not exceeding 10% of the issued share capital of the Company for the time being. This authority unless revoked or varied at a general meeting will expire at the next Annual General Meeting.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

1. Directors who are standing for re-election at the Fifth Annual General Meeting of the Company.
 - i. Mr. Tan Kok (Resolution 4)
 - ii. Madam Lim Hooi Tin (Resolution 5)
 - iii. Encik Kamarudin bin Md Derom (Resolution 6)
2. Details of attendance of Directors at Board Meetings.
There were six (6) Board of Directors' Meetings held during the financial year ended 31 March 2002. Attendance for each Director is shown below :

Name of Director	Attendance
Encik Ahmad Khairuddin bin Ilias	5
Mr. Tan Kok	6
Mr. Tan Kark Bin	6
Mr. Tan Kim Hock	6
Mr. Tan Wah	6
Madam Lim Hooi Tin	6
Encik Kamarudin bin Md Derom	5
Mr. Ooi Chee Seng *	5
Encik Syed Abdul Rani bin Syed Abdullah **	5

- * Appointed w.e.f. 20 June 2001
 ** Resigned w.e.f. 20 August 2002

3. Place, date and time of the Fifth Annual General Meeting.

Date of Meeting	Time of Meeting	Place of Meeting
25 September 2002	3.00 p.m.	Bukit Kiara Equestrian & Country Resort Jalan Bukit Kiara Off Jalan Damansara 60000 Kuala Lumpur

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Form of Proxy

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

of _____
 (Full Address)

being a Member of LTKM BERHAD hereby appoint _____
 (Full Name in Capital Letters)

NRIC No. _____ of _____
 (Full Address)

or failing him, _____ NRIC No. _____ of _____
 (Full Name in Capital Letters)

_____ (Full Address)

or failing him, the CHAIRMAN OF MEETING, as *my/our proxy to attend and vote for *me/us and on *my/our behalf at the Fifth Annual General Meeting to be held at Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Wednesday, 25 September 2002 at 3.00 p.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		
8.	Ordinary Resolution 8		

* Strike out whichever is not applicable.

Dated this _____ day of _____ 2002

Number of shares held:

Signature of Member/Common Seal

NOTES:

1. A member of the Company entitled to attend and vote at the Meeting is entitled to appoint a Proxy to attend and vote on his (her) behalf. Where a member appoints two (2) or more Proxies to attend at the same meeting the appointment shall be invalid unless he (she) specifies the proportions of his (her) holdings to be represented by each Proxy.
2. A Proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply.
3. The Proxy Form shall be signed by the appointor or his(her) attorney duly authorized in writing or, if the member is a corporation, must be executed under its common seal or by its duly authorized attorney or officers.
4. The instrument appointing a Proxy must be deposited at the Registered Office of the Company at 10th Floor, Tower Block, Kompleks Antarabangsa, Jalan Sultan Ismail, 50250 Kuala Lumpur not less than 48 hours before the time appointed for holding the meeting or 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.

