

PART A – Explanatory Notes Pursuant to FRS 134 – Paragraph 16**A1. Basis of Preparation**

The interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 March 2008. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 March 2008.

The accounting policies and methods of computation adopted are consistent with those of the audited financial statements for the year ended 31 March 2008, except for the adoption of the following revised Financial Reporting Standards (FRS) and new Interpretations that have become effective for the financial periods beginning 1 July 2007 .

| | |
|-----------------------|--|
| FRS 107 | Cash Flow Statement |
| FRS 111 | Construction Contracts |
| FRS 112 | Income Taxes |
| FRS 118 | Revenue |
| FRS 120 | Accounting for Government Grants and Disclosure of Government Assistance |
| FRS 134 | Interim Financial Reporting |
| FRS 137 | Provisions, Contingent Liabilities and Contingent Assets |
| Amendments to FRS 121 | The Effects of Changes in Foreign Exchange Rates – Net Investment In A Foreign Operation |
| IC Interpretation 1 | Changes in Existing Decommissioning, Restoration and Similar Liabilities |
| IC Interpretation 2 | Members’ Shares in Co-operative Entities and Similar Instruments |
| IC Interpretation 5 | Rights to Interest Arising from Decommissioning and Environmental Rehabilitations Funds Restoration |
| IC Interpretation 6 | Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment |
| IC Interpretation 7 | Applying the Restatement Approach under FRS 129 ₂₀₀₄ - Financial Reporting in Hyperinflationary Economies |
| IC Interpretation 8 | Scope of FRS 2 |

The adoption of the above mentioned FRS does not have any significant impact on the financial statements of the Group.

A2. Audit Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the year ended 31 March 2008 was not qualified.

A3. Segmental Information

The segmental information of the Group for the current quarter and year-to-date was summarised as below: -

| | 3 months ended 31.12.08 RM000 | 9 months ended 31.12.08 RM000 |
|------------------------------------|-------------------------------------|-------------------------------------|
| Segment revenue | | |
| Revenue from continuing operations | | |
| Poultry farming | 33,828 | 95,540 |
| Investment holdings | - | - |
| Sand mining | 804 | 2,720 |
| Others | - | - |
| Total | 34,632 | 98,260 |
| Segment results | | |
| Results from continuing operations | | |
| Poultry farming | 4,617 | 6,304 |
| Investment holdings | (299) | (502) |
| Sand mining | 267 | 603 |
| Others | (278) | (716) |
| Total | 4,307 | 5,689 |

A4. Unusual Items due to their Nature, Size or Incidence

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the financial period ended 31 December 2008.

A5. Changes in Estimate

There were no changes in the estimates that have had a material effect in the current quarter results.

A6. Comments about Seasonal or Cyclical Factors

The Group's performance is not significantly affected by major festive seasons.

A7. Dividends Paid

On 7 October 2008, the Company paid a final dividend of 7% less tax (25%) in respect of the financial year ended 31 March 2008, amounted to RM2.15 million.

A8. Carrying Amount of Revalued Assets

There were no amendments in the valuation of property, plant and equipment brought forward from the previous annual financial statements.

A9. Debt and Equity Securities

There were no other issuances, repurchases, and repayments of debt and equity securities during the quarter under review.

A10. Changes in Composition of the Group

A subsidiary company namely LTK Engineering & Construction Sdn Bhd was incorporated on 30 December 2008 with an authorized capital of RM100,000 divided into 100,000 ordinary shares of RM1.00 each of which 1,000 ordinary shares of RM1.00 had been issued and fully paid-up. The Group holds 99.9% of the fully-paid up capital during the quarter under review.

There were no other changes in the composition of the Group during the quarter under review.

A11. Changes in Contingent Liabilities and Contingent Assets

There were no changes in other contingent liabilities or contingent assets since the last annual balance sheet as at 31 March 2008.

A12. Subsequent Events

There were no material events subsequent to the end of the interim period that have not been reflected in the financial statements for the interim period.

B. BMSB Listing Requirements (Part A of Appendix 9B)

B1. Review of Performance

The Group's revenue jumped 28% to RM98.2 million for the period ended 31 December 2008 compared with RM76.6 million posted in last year corresponding period. However, pre-tax profit slipped 9% to RM5.7 million from RM 6.3 million mainly due to higher cost of major raw materials as compared to last year corresponding period. The increase in selling prices did not fully set-off the rise in the cost of major raw materials.

B2. Comment on Material Change in Profit before Taxation

The Group recorded a pre-tax profit of RM4.3 million for current quarter under review compared with a pre-tax profit of RM2.5 million registered in preceding quarter. The improvement was mainly contributed by cost of major raw materials which had eased during the quarter coupled with stronger selling prices as compared to preceding quarter.

B3. Commentary on Prospects

The Board is optimistic that the Group will achieve stronger earnings from the poultry farming segment in the final quarter ending 31 March 2009 as selling prices are expected to maintain due to supply shortage, and no significant changes are expected in the costs of major raw materials.

However revenue from the sand mining segment will continue to be affected by the sluggish economy as many construction companies have deferred some of their projects.

B4. Profit Forecast or Profit Guarantee

This is not applicable.

B5. Income Tax Expenses

| | 3 months ended 31.12.08 | 9 months ended 31.12.08 |
|--------------------------------|----------------------------|----------------------------|
| | RM000 | RM000 |
| Tax expense | | |
| - provision for the quarter | 1,093 | 1,656 |
| - over provision in prior year | - | (2) |
| | 1,093 | 1,654 |

B6. Sale of Unquoted Investments and Properties

There was no sale of unquoted investments and/or properties for the current quarter and financial year to date.

B7. Quoted Investments

| | 3 months ended | 9 months ended |
|------------------------------------|----------------|----------------|
| | 31.12.08 | 31.12.08 |
| | RM000 | RM000 |
| (a) Purchases and disposals | | |
| Total purchase consideration | 4 | 2,722 |
| Total sale proceeds | 433 | 6,368 |
| Total loss on disposal | (161) | (842) |
| | | |
| (b) Investment | | As at 31.12.08 |
| At cost | | 3,888 |
| At book value | | 3,628 |
| At market value | | 3,726 |

B8. Corporate Proposals

- (a) Status of Corporate Proposals
There were no corporate proposals announced but not completed as at 19 February 2009.
- (b) Status of Utilisation of Proceeds
Not applicable as there was no corporate proposal to raise funds.

B9. Borrowings

The total Group borrowings as at 31 December 2008 were as follows:

| | Secured | Unsecured | Total |
|------------------------------|--------------|--------------|---------------|
| | RM000 | RM000 | RM000 |
| Short term borrowings | | | |
| Bank overdraft | 87 | - | 87 |
| Other bank borrowings | 2,751 | 6,895 | 9,646 |
| Hire purchase payables | 18 | - | 18 |
| | <u>2,856</u> | <u>6,895</u> | <u>9,751</u> |
| Long term borrowings | | | |
| Other bank borrowings | 2,247 | 2,025 | 4,272 |
| | <u>2,247</u> | <u>2,025</u> | <u>4,272</u> |
| Total | <u>5,103</u> | <u>8,920</u> | <u>14,023</u> |

There were no borrowings in any foreign currency as at 31 December 2008.

B10. Off Balance Sheet Financial Instrument

There were no off balance sheet financial instruments as at 19 February 2009.

B11. Changes in Material Litigations

There were no material litigations involving the Group for the current quarter under review.

B12. Dividend Payable

No interim ordinary dividend has been declared for the financial period ended 31 December 2008 (31 December 2007 : Nil)

B13. Earnings per share

| | 3 months ended | | 9 months ended | |
|--|----------------|----------|----------------|----------|
| | 31.12.08 | 31.12.07 | 31.12.08 | 31.12.07 |
| Profit attributable to ordinary equity holders of the parent (RM000) | 3,214 | 2,550 | 4,035 | 4,938 |
| Weighted average number of shares (000) | 41,010 | 40,992 | 41,010 | 40,992 |
| Basic earnings per share (sen) | 7.84 | 6.22 | 9.84 | 12.05 |

B14. Authorisation for Issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 26 February 2009.

B15. Dividends Paid / Declared (LTKM)

Dividend paid and declared since listing and up to the date of this report.

| Dividend No. | Financial Year | Type | Rate | Payment Date |
|--------------|----------------|------------------|--------------------------|--------------|
| 1 | 2000 | Final dividend | 8% per share less tax | 22.9.2000 |
| 2 | 2001 | Final dividend | 8% per share less tax | 29.10.2001 |
| 3 | 2002 | Final dividend | 2% per share, tax exempt | 20.11.2002 |
| 4 | 2003 | Final dividend | 2% per share, tax exempt | 28.10.2003 |
| 5 | 2004 | Interim dividend | 2% per share, tax exempt | 9.1.2004 |
| 6 | 2004 | Final dividend | 5% per share less tax | 15.9.2004 |
| 7 | 2005 | Final dividend | 6% per share less tax | 15.9.2005 |
| 8 | 2006 | Interim dividend | 3% per share, tax exempt | 15.2.2006 |
| 9 | 2006 | Final dividend | 7% per share less tax | 15.9.2006 |
| 10 | 2007 | Interim dividend | 3% per share, tax exempt | 15.5.2007 |
| 11 | 2007 | Final dividend | 7% per share less tax | 8.10.2007 |
| 12 | 2008 | Interim dividend | 3% per share, tax exempt | 21.4.2008 |
| 13 | 2008 | Final dividend | 7% per share less tax | 7.10.2008 |