

# **Condensed Consolidated Income Statements**

	3 months ended		6 months ended	
	30 Sept 2008 Unaudited	30 Sept 2007 Unaudited	30 Sept 2008 Unaudited	30 Sept 2007 Unaudited
	RM' 000	RM' 000	RM' 000	RM' 000
Revenue	92,108	74,495	176,751	138,830
Operating expenses	(88,437)	(71,718)	(172,805)	(136,186)
Other Income	264	227	559	514
Finance costs	(1,583)	(1,729)	(3,137)	(3,409)
Profit before tax	2,352	1,275	1,368	(251)
Income tax expense	571	(455)	927	(63)
Profit for the period	2,923	820	2,295	(314)
Attributable to:				
Equity holders of the parent	987	1,109	(566)	(1,486)
Minority interest	1,936	(289)	2,861	1,172
	2,923	820	2,295	(314)
Earnings/(loss) per share attributable				
to equity holders of the parent (sen): Basic	2.13	2.40	(1.22)	(3.21)
Diluted	N/A	N/A	N/A	N/A

The condensed consolidated income statements should be read in conjunction with the audited financial statements for the year ended 31 March 2008 and the accompanying explanatory notes attached to this interim financial statements.



## LAY HONG BERHAD (107129-H) Incorporated in Malaysia

**Condensed Consolidated Balance Sheets** 

30 Sept 2008 Unaudited31 Mar 2008 AuditedASSETS Non-current assets Property, plant and equipment Prepaid lease paymentsRM' 000RM' 000Intangible assets2,4252,66Other investments2,1192,111Deferred tax assets2,1192,111Short term investment2,186420,79Inventories31,64328,66Trade receivables44,22847,84Other receivables5,4544,52Short term investment2,6832,22Cash and bank balances2,6832,22TOTAL ASSETS274,302266,94Equity utributable to equity holders of the parent Share capital Reserves43,72542,27Minority interests13,91111,44Total equity88,89986,99Non-current liabilities2,0312,33Deferred tax liabilities12,26213,50Long term borrowings3,72542,27Due to corporate shareholders2,0312,36Deferred tax liabilities56,85052,66Trade payables57,27955,31Other apyables57,27955,31Other payables56,85052,66Trade payables199-Lorent tiabilities12,94411,77Due to corporate shareholders113111Income tax payable12,945119,66Total liabilities12,944177,94Total liabilities12,944177,94Total l		As at	As at
UnauditedAuditedASSETSRM'000RM'000Non-current assets144,181140,51Property, plant and equipment144,181140,51Property, plant and equipment144,181140,51Property, plant and equipment144,181140,51Property, plant and equipment144,181140,51Property, plant and equipment2,122,26Other investments2,1192,11Deferred tax assets21,86420,75Inventories31,64328,65Trade receivables5,4544,52Other receivables5,4544,52Other receivables2,6832,22114,648108,22114,648Other receivables2,6832,22114,648108,22114,648Current lassets2,74,302264,94Equity attributable to equity holders of the parent46,24046,240Short term borrowings2,3722,42,93Current liabilities13,91111,44Long term borrowings43,72542,27Due to corporate shareholders2,0312,30Deferred tax liabilities56,85052,66Trade payables57,27955,31Other payables57,27955,31Other payables57,27955,31Other payables12,94411,77Due to corporate shareholders11311Income tax payable12,944117,94Total liabilities185,40317			
ASSETS Non-current assets Property, plant and equipment Prepaid lease payments Other investments Other investments Deferred tax assets Biological assets Trade receivables Current assets Biological assets Trade receivables Other investment Cash and bank balances EQUITY AND LIABILITIES Equity attributable to equity holders of the parent Share capital Reserves Non-current liabilities Long term borrowings Long term borrowings Short term borrowings Short term borrowings Short term borrowings Current liabilities Short term borrowings Current liabilities Current liabilities Short term borrowings Long term borrowings Current liabilities Short term borrowings Current liabilities Current liabilities Short term borrowings Trade payables Total liabilities Current liabilities Current liabilities Short term borrowings Trade payables Total liabilities Total liabilities Total liabilities Total liabilities Total liabilities			
ASSETS Non-current assets Property, plant and equipment Prepaid lease payments Other investments Current assets Biological assets Current assets Biological assets Trade receivables Cother receivables Trade receivables Cother receivables Cother investment Cash and bank balances EQUITY AND LIABILITIES Equity attributable to equity holders of the parent Share capital Reserves Non-current liabilities Long term borrowings Long term borrowings Short term borrowings Current liabilities Current liabilities Curre		BM' 000	BM' 000
Property, plant and equipment   144,181   140,61     Prepaid lease payments   6,973   7,03     Intangible assets   2,425   2,868     Other investments   2,119   2,111     Deferred tax assets   3,956   4,02     Biological assets   21,864   20,75     Inventories   31,643   28,66     Trade receivables   44,228   47,84     Other receivables   49,228   47,84     Other receivables   5,454   4,52     Short term investment   3,776   4,22     Cash and bank balances   2,683   2,22     TOTAL ASSETS   274,302   264,94     EQUITY AND LIABILITIES   2114,648   108,22     Equity attributable to equity holders of the parent   46,240   46,240     Reserves   13,911   11,44     Total equity   88,899   86,993     Non-current liabilities   2,031   2,262     Long term borrowings   43,725   42,27     Due to corporate shareholders   2,031	ASSETS		
Property, plant and equipment   144,181   140,61     Prepaid lease payments   6,973   7,03     Intangible assets   2,425   2,868     Other investments   2,119   2,111     Deferred tax assets   3,956   4,02     Biological assets   21,864   20,75     Inventories   31,643   28,66     Trade receivables   44,228   47,84     Other receivables   49,228   47,84     Other receivables   5,454   4,52     Short term investment   3,776   4,22     Cash and bank balances   2,683   2,22     TOTAL ASSETS   274,302   264,94     EQUITY AND LIABILITIES   2114,648   108,22     Equity attributable to equity holders of the parent   46,240   46,240     Reserves   13,911   11,44     Total equity   88,899   86,993     Non-current liabilities   2,031   2,262     Long term borrowings   43,725   42,27     Due to corporate shareholders   2,031	Non-current assets		
Propaid lease payments   6,973   7,03     Intangible assets   2,425   2,86     Other investments   2,119   2,111     Deferred tax assets   21,864   20,72     Investments   21,864   20,73     Biological assets   31,643   28,65     Inventories   31,643   28,65     Trade receivables   49,228   47,84     Other receivables   5,454   4,52     Short term investment   3,776   4,21     Cash and bank balances   27,633   2,26     TOTAL ASSETS   274,302   264,94     EQUITY AND LIABILITIES   21,468   108,226     Equity attributable to equity holders of the parent   54,64,94   46,240     Reserves   23,748   29,311   11,44     Total equity   88,899   86,99   86,99     Non-current liabilities   43,725   42,27   2,262   13,50     Long term borrowings   2,262   13,50   56,850   52,66     Short term borrowings   <		144.181	140,615
Intangible assets   2,425   2,86     Other investments   2,119   2,11     Deferred tax assets   3,956   4,02     Current assets   21,864   20,77     Biological assets   31,643   28,65     Inventories   31,643   28,65     Trade receivables   49,228   47,84     Other receivables   5,454   4,52     Short term investment   3,776   4,21     Cash and bank balances   2,683   2,25     Intangible assets   2,264,94   2,64,94     EQUITY AND LIABILITIES   274,302   264,94     EQUITY AND LIABILITIES   274,302   264,94     EQUITY AND LIABILITIES   28,748   29,31     Factor and bank balances   2,274   28,748     Non-current liabilities   13,911   11,44     Total equity   88,899   86,99     Non-current liabilities   2,031   2,30     Long term borrowings   2,266   58,018     Short term borrowings   56,850   52,66		,	7,030
Other investments Deferred tax assets   2,119   2,111     Deferred tax assets   3,956   4,02     Current assets   159,654   156,65     Biological assets   21,864   20,75     Inventories   31,643   28,66     Trade receivables   49,228   47,64     Other receivables   3,776   4,21     Cash and bank balances   2,683   2,25     TOTAL ASSETS   274,302   264,94     EQUITY AND LIABILITIES   274,302   264,94     EQUITY AND LIABILITIES   28,748   29,31     Frade capital   46,240   46,240     Reserves   13,911   11,44     Total equity   88,899   86,99     Non-current liabilities   12,262   13,50     Long term borrowings   43,725   42,27     Due to corporate shareholders   2,031   2,350     Short term borrowings   56,850   52,66     Trade equables   57,279   55,31     Other payables   12,944   11,77			2,866
Deferred tax assets   3,956   4,02     Current assets   159,654   156,65     Current assets   21,864   20,79     Inventories   31,643   28,65     Trade receivables   49,228   47,84     Other receivables   5,454   4,52     Short term investment   3,776   4,21     Cash and bank balances   2,683   2,25     TOTAL ASSETS   274,302   264,94     EQUITY AND LIABILITIES   28,748   29,31     Fegurity attributable to equity holders of the parent   46,240   46,240     Reserves   13,911   11,44     Total equity   88,899   86,99     Non-current liabilities   2,031   2,35     Long term borrowings   12,262   13,50     Deferred tax liabilities   20,31   2,35     Current liabilities   56,850   52,66     Short term borrowings   56,850   52,66     Trade payables   57,279   55,31     Other payables   127,385   119,36	-		2,119
159,654   156,65     Biological assets   21,864   20,77     Inventories   31,643   28,65     Trade receivables   49,228   47,84     Other receivables   5,454   4,52     Short term investment   3,776   4,21     Cash and bank balances   2,683   2,25     TOTAL ASSETS   274,302   264,94     EQUITY AND LIABILITIES   28,748   29,31     Equity attributable to equity holders of the parent   46,240   46,240     Reserves   13,911   11,464   20,75     Minority interests   13,911   11,464   108,22     Non-current liabilities   13,911   11,464   28,748   29,31     Non-current liabilities   13,911   11,44   46,240   46,240     Long term borrowings   2,031   2,335   12,262   13,56     Deferred tax liabilities   12,262   13,56   56,850   52,66     Short term borrowings   56,850   52,66   57,279   55,53     Ot	Deferred tax assets		4,028
Biological assets   21,864   20,79     Inventories   31,643   28,65     Trade receivables   49,228   47,84     Other receivables   3,776   4,21     Cash and bank balances   2,683   2,25     TOTAL ASSETS   274,302   264,94     EQUITY AND LIABILITIES   274,302   264,94     EQUITY AND LIABILITIES   28,748   29,31     Finance capital   46,240   46,240     Reserves   13,911   11,44     Total equity   88,899   86,99     Non-current liabilities   2,031   2,30     Long term borrowings   43,725   42,27     Due to corporate shareholders   12,262   13,500     Deferred tax liabilities   58,018   58,005     Short term borrowings   57,279   55,31     Other payables   57,279   55,31     Other payables   112,944   11,77     Due to corporate shareholders   113   11     Income tax payable   127,385   119,96			156,658
Biological assets   21,864   20,79     Inventories   31,643   28,65     Trade receivables   49,228   47,84     Other receivables   3,776   4,21     Cash and bank balances   2,683   2,25     TOTAL ASSETS   274,302   264,94     EQUITY AND LIABILITIES   274,302   264,94     EQUITY AND LIABILITIES   28,748   29,31     Finance capital   46,240   46,240     Reserves   13,911   11,44     Total equity   88,899   86,99     Non-current liabilities   2,031   2,30     Long term borrowings   43,725   42,27     Due to corporate shareholders   12,262   13,500     Deferred tax liabilities   58,018   58,005     Short term borrowings   57,279   55,31     Other payables   57,279   55,31     Other payables   112,944   11,77     Due to corporate shareholders   113   11     Income tax payable   127,385   119,96	Current assets		
Inventories   31,643   28,65     Trade receivables   49,228   47,84     Other receivables   5,454   4,52     Short term investment   3,76   4,21     Cash and bank balances   2,683   2,25     TOTAL ASSETS   274,302   264,94     EQUITY AND LIABILITIES   274,302   264,94     Equity attributable to equity holders of the parent   46,240   46,240     Reserves   28,748   29,31   74,988     Minority interests   13,911   11,44     Total equity   88,899   86,99     Non-current liabilities   2,031   2,031     Long term borrowings   43,725   42,27     Due to corporate shareholders   2,031   2,350     Deferred tax liabilities   56,850   52,66     Trade payables   57,279   55,31     Other payables   112,944   11,77     Due to corporate shareholders   113   11     Income tax payable   199   -     127,385   119,86		21 864	20 797
Trade receivables 49,228 47,84   Other receivables 3,776 4,27   Short term investment 3,776 4,21   Cash and bank balances 2,663 2,22   TOTAL ASSETS 274,302 264,94   EQUITY AND LIABILITIES 274,302 264,94   EQUITY AND LIABILITIES 274,302 264,94   EQUITY AND LIABILITIES 28,748 29,31   Feaserves 13,911 11,44   Total equity 88,899 86,99   Non-current liabilities 2,031 2,031   Long term borrowings 43,725 42,27   Due to corporate shareholders 12,262 13,50   Deferred tax liabilities 56,018 58,018   Short term borrowings 56,850 52,66   Trade payables 57,279 55,31   Other payables 112,944 11,77   Due to corporate shareholders 113 11   Income tax payable 113, 01 19   Total liabilities 185,403 177,94	-		,
Other receivables Short term investment   5,454   4,52     Short term investment   3,776   4,21     Cash and bank balances   2,683   2,25     I114,648   108,28   114,648   108,28     TOTAL ASSETS   274,302   264,94     EQUITY AND LIABILITIES Equity attributable to equity holders of the parent Share capital Reserves   46,240   46,240     Ninority interests   13,911   11,44     Total equity   88,899   86,99     Non-current liabilities Long term borrowings   2,031   2,350     Deferred tax liabilities   12,262   13,500     Short term borrowings   56,850   52,660     Current liabilities   58,018   58,018     Short term borrowings   56,850   52,660     Trade payables   57,279   55,31     Other payables   12,944   11,77     Due to corporate shareholders   199   1     Income tax payable   199   1     100   127,385   119,86			
Short term investment Cash and bank balances3,7764,21Cash and bank balances2,6832,25114,648108,22TOTAL ASSETS274,302264,94EQUITY AND LIABILITIES Equity attributable to equity holders of the parent Share capital Reserves46,24046,240Reserves28,74829,31Total equity88,89986,99Non-current liabilities Long term borrowings43,72542,27Due to corporate shareholders Short term borrowings2,0312,30Current liabilities Short term borrowings56,85052,66Current liabilities Short term borrowings55,351112,944Other payables Other payables11311Income tax payable199-Total liabilities185,403177,94			4,528
Cash and bank balances   2,683   2,25     TOTAL ASSETS   274,302   264,94     EQUITY AND LIABILITIES Equity attributable to equity holders of the parent Share capital Reserves   46,240   46,240     Minority interests   13,911   11,44     Total equity   88,899   86,99     Non-current liabilities Long term borrowings   43,725   42,27     Due to corporate shareholders   2,031   2,30     Deferred tax liabilities   12,262   13,50     Short term borrowings   56,850   52,66     Trade payables   57,279   55,31     Other payables   113   11     Income tax payable   199   -     Total liabilities   199   -			4,214
114,648108,22TOTAL ASSETS274,302264,94EQUITY AND LIABILITIES Equity attributable to equity holders of the parent Share capital Reserves46,24046,24Reserves28,74829,3174,98875,55Minority interests13,91111,44Total equity88,89986,99Non-current liabilities Long term borrowings43,72542,27Due to corporate shareholders Deferred tax liabilities2,0312,30Current liabilities Short term borrowings56,85052,66Current liabilities Trade payables56,85052,66Total liabilities112,94411,77Due to corporate shareholders 11311311Income tax payable112,94411,77Total liabilities185,403177,94			2,252
TOTAL ASSETS274,302264,94EQUITY AND LIABILITIES Equity attributable to equity holders of the parent Share capital Reserves46,24046,24Reserves28,74829,3174,98875,55Minority interests13,91111,44Total equity88,89986,99Non-current liabilities Long term borrowings43,72542,27Due to corporate shareholders Deferred tax liabilities2,0312,30Current liabilities Short term borrowings56,85052,66Current liabilities Trade payables57,27955,31Other payables Income tax payable1131110e to corporate shareholders 113113111131199-127,385119,86Total liabilities185,403177,94			108,284
EQUITY AND LIABILITIES Equity attributable to equity holders of the parent Share capital Reserves46,24046,240Reserves28,74829,3174,98875,55Minority interests13,91111,44Total equity88,89986,99Non-current liabilities Long term borrowings Deferred tax liabilities43,72542,27Due to corporate shareholders Deferred tax liabilities2,0312,30Current liabilities Short term borrowings Trade payables Other payables56,85052,66Total liabilities12,94411,77Due to corporate shareholders 12,94411311Income tax payable127,385119,86Total liabilities185,403177,94	TOTAL ASSETS		264,942
Equity attributable to equity holders of the parent Share capital Reserves46,240 46,240Reserves28,74829,3174,98875,55Minority interests13,91111,44Total equity88,89986,99Non-current liabilities Long term borrowings43,72542,27Due to corporate shareholders Deferred tax liabilities2,0312,30Current liabilities Short term borrowings12,26213,50Current liabilities Short term borrowings56,85052,66Trade payables Other payables57,27955,31Other payables Income tax payable11311Income tax payable199-Total liabilities185,403177,94		21 1,002	20 1,0 12
Share capital Reserves46,24046,240Reserves28,74829,3174,98875,55Minority interests13,91111,44Total equity88,89986,99Non-current liabilities Long term borrowings43,72542,27Due to corporate shareholders Deferred tax liabilities2,0312,30Current liabilities Short term borrowings12,26213,50Current liabilities Short term borrowings56,85052,66Trade payables Other payables57,27955,31Other payables Income tax payable11311Income tax payable199-Total liabilities185,403177,94	EQUITY AND LIABILITIES		
Reserves   28,748   29,31     74,988   75,55     Minority interests   13,911   11,44     Total equity   88,899   86,99     Non-current liabilities   43,725   42,27     Due to corporate shareholders   2,031   2,30     Deferred tax liabilities   12,262   13,50     Current liabilities   56,850   52,66     Short term borrowings   56,850   52,66     Trade payables   57,279   55,31     Other payables   57,279   55,31     Income tax payable   113   11     Income tax payable   127,385   119,86     Total liabilities   185,403   177,94	Equity attributable to equity holders of the parent		
Minority interests74,98875,55Minority interests13,91111,44Total equity88,89986,99Non-current liabilities43,72542,27Long term borrowings43,72542,23Due to corporate shareholders2,0312,30Deferred tax liabilities12,26213,50Current liabilities56,85052,66Short term borrowings56,85052,66Trade payables57,27955,31Other payables112,94411,77Due to corporate shareholders11311Income tax payable127,385119,86Total liabilities185,403177,94	Share capital		46,240
Minority interests13,91111,44Total equity88,89986,99Non-current liabilities43,72542,27Due to corporate shareholders2,0312,30Deferred tax liabilities12,26213,50Current liabilities56,85052,66Short term borrowings56,85052,66Trade payables57,27955,31Other payables112,94411,77Due to corporate shareholders11311Income tax payable199-Total liabilities185,403177,94	Reserves	28,748	29,314
Total equity88,89986,99Non-current liabilities43,72542,27Due to corporate shareholders2,0312,30Deferred tax liabilities12,26213,50Current liabilities56,85052,66Short term borrowings56,85052,66Trade payables57,27955,31Other payables12,94411,77Due to corporate shareholders11311Income tax payable199-Total liabilities185,403177,94		74,988	75,554
Non-current liabilitiesLong term borrowings43,725Due to corporate shareholders2,031Deferred tax liabilities12,262Short term borrowings56,850Trade payables57,279Other payables57,279Due to corporate shareholders113Income tax payable199Total liabilities185,403	Minority interests	13,911	11,442
Long term borrowings43,72542,27Due to corporate shareholders2,0312,30Deferred tax liabilities12,26213,50Current liabilities58,01858,06Short term borrowings56,85052,66Trade payables57,27955,31Other payables112,94411,77Due to corporate shareholders11311Income tax payable199-Total liabilities185,403177,94	Total equity	88,899	86,996
Long term borrowings43,72542,27Due to corporate shareholders2,0312,30Deferred tax liabilities12,26213,50Current liabilities58,01858,06Short term borrowings56,85052,66Trade payables57,27955,31Other payables112,94411,77Due to corporate shareholders11311Income tax payable199-Total liabilities185,403177,94	Non-current liabilities		
Due to corporate shareholders2,0312,30Deferred tax liabilities12,26213,50Current liabilities58,01858,08Short term borrowings56,85052,66Trade payables57,27955,31Other payables112,94411,77Due to corporate shareholders11311Income tax payable199-Total liabilities185,403177,94		43,725	42,270
Deferred tax liabilities12,26213,50Current liabilities58,01858,08Short term borrowings56,85052,66Trade payables57,27955,31Other payables12,94411,77Due to corporate shareholders11311Income tax payable199-Total liabilities185,403177,94		,	2,309
Current liabilities58,01858,08Short term borrowings56,85052,66Trade payables57,27955,31Other payables12,94411,77Due to corporate shareholders11311Income tax payable199-Total liabilities185,403177,94			13,503
Short term borrowings56,85052,66Trade payables57,27955,31Other payables12,94411,77Due to corporate shareholders11311Income tax payable199-Total liabilities185,403177,94			58,082
Short term borrowings56,85052,66Trade payables57,27955,31Other payables12,94411,77Due to corporate shareholders11311Income tax payable199-Total liabilities185,403177,94	Current liabilities		
Trade payables57,27955,31Other payables12,94411,77Due to corporate shareholders11311Income tax payable199-Total liabilities185,403177,94		56 850	52,665
Other payables12,94411,77Due to corporate shareholders11311Income tax payable199-127,385119,86Total liabilities185,403177,94			,
Due to corporate shareholders11311Income tax payable199-Total liabilities185,403177,94			
Income tax payable   199   -     127,385   119,86     Total liabilities   185,403   177,94			113
127,385   119,86     Total liabilities   185,403   177,94			-
Total liabilities 185,403 177,94			119,864
	Total liabilities		177,946
TOTAL EQUITY AND LIABILITIES 2/4,302 264,94			
	TOTAL EQUITY AND LIABILITIES	274,302	264,942

Net assets per share attributable to ordinary equity holders of the parent (RM)

1.6217 1.6340

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 31 March 2008 and the accompanying explanatory notes attached to this interim financial statements.



## Condensed Consolidated Statement of Changes in Equity

	Attributable to Equity Holders of the Parent					
	Share Capital	Revaluation Reserve	Retained Profits	Total	Minority Interest	Total Equity
	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
At 1 April 2008	46,240	11,801	17,513	75,554	11,442	86,996
Transfer to distributable reserve on realisation of revaluation reserve Dilution of minority interest in a	-	(156)	156	-	-	-
subsidiary	-	-	-	-	(392)	(392)
Profit/(loss) for the period	-	-	(566)	(566)	2,861	2,295
At 30 Sept 2008	46,240	11,645	17,103	74,988	13,911	88,899
At 1 April 2007	46,240	12,056	15,790	74,086	7,818	81,904
Transfer to distributable reserve on realisation of revaluation reserve Profit/(loss) for the period	-	(159) -	159 (1,486)	- (1,486)	- 1,172	- (314)
At 30 Sept 2007	46,240	11,897	14,463	72,600	8,990	81,590

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 March 2008 and the accompanying explanatory notes attached to the interim financial statements.



### LAY HONG BERHAD (107129-H) Incorporated in Malaysia

## **Condensed Consolidated Cash Flow Statements**

	6 months Ended 30 Sept 2008 Unaudited RM' 000	6 months Ended 30 Sept 2007 Unaudited RM' 000
Net cash used in operating activities Net cash (used in)/generated from investing activities Net cash (used in)/generated from financing activities Net decrease in cash and cash equivalents Cash and cash equivalents at beginning of financial period Cash and cash equivalents at end of financial period	4,116 (2,787) (1,870) (540) 4 (536)	(215) (5,943) 1,019 (5,139) <u>3,412</u> (1,727)
Cash and cash equivalents at the end of the financial period comprise the following:		
Short term investment Deposits with licensed bank Cash and bank balances Bank overdrafts (included within the short term borrowings in Part B Note 9)	3,776 400 2,283 (6,994) (535)	4,650 400 395 (7,172) (1,727)

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 March 2008 and the accompanying explanatory notes attached to this interim financial statements.



# PART A : EXPLANATORY NOTES PURSUANT TO FRS 134

## 1. 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 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 new/revised FRSs that have become effective for the current financial year :

Amendment to FRS 107, Cash Flow Statements Amendment to FRS 111, Construction Contracts Amendment to FRS 112, Income Taxes Amendment to FRS 118, Revenue Amendment to FRS 120. Accounting for Government Grants and Disclosure of Government Assistance Amendment to FRS 121, The Effects of Changes in Foreign Exchange Rates - Net Investment in a Foreign Operation Amendment to FRS 134, Interim Financial Reporting, and Amendment to FRS 137, Provisions, Contingent Liabilities and Contingent Assets

FRS 111 is not applicable to the Group. The adoption of the other FRSs do not have a material impact on the disclosure in this Interim Report.

## 2. Auditors' Report on Preceding Annual Financial Statements

The auditors' report of the previous annual financial year ended 31 March 2008 was not subject to any qualification.

## 3. Segmental Information

The Group's activities are primarily in one industry segment of poultry farming and are conducted in Malaysia.

## 4. Unusual Items due to their Nature, Size or Incidence

There were no material unusual items affecting assets, liabilities, equity, net income, or cash flows during the financial period ended 30 September 2008.

## 5. Changes in Estimates

As required under the revised FRS 116: Property, Plant & Equipment ("PPE"), the Group reviews the residual value and remaining useful life of PPE at least at each financial year end. For the current quarter, there are no major changes in accounting estimates.

### 6. Comments about Seasonality or Cyclical Factors

The Group's business operations were not affected by any seasonal and cyclical factors.

### 7. Dividends Paid

There were no dividends paid in the current quarter.

### 8. Carrying Amount of Revalued Assets

The valuation of property, plant and equipment have been brought forward without any amendments from the financial statements for the year ended 31 March 2008.



### 9. Debt and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayment of debt and equity securities during the current financial quarter.

### 10. Changes In Composition of the Group

On 01 July 2008, Lay Hong Berhad (LHB) entered into a share sale agreement to acquire 880,000 ordinary shares of RM1.00 each in Innobrid Sdn Bhd (ISB) for a nominal cash consideration of RM1.00. As a result of this acquisition, LHB's equity interest in ISB increased from 75% to 97%.

There were no other changes in the composition of the Group which includes business combination, acquisition or disposal of subsidiaries and long term investments, restructuring and discontinuing of operations in the current financial quarter.

### **11. Subsequent Events**

There were no events subsequent to 30 Sept 2008 that would have a material effect on the interim financial statement of the current quarter.

### 12. Changes In Contingent Liabilities

Credit facilities amounting to RM32.2 million granted to subsidiaries by financial institutions are secured by corporate guarantees from Lay Hong Berhad.

## 13. Capital Commitments

The amount of commitments for the purchase of property, plant and equipment not provided for in the interim financial statements as at 30 Sept 2008 is as follows:

	RM'000
Approved and contracted for	5,861
Approved but not contracted for	2,200
	8,061

# PART B : EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

#### 1. Review of Performance

The Group's revenue in the quarter ended 30 September 2008 increased 23.6% to RM92.1 million compared with RM74.5 million in the corresponding quarter last year. This increase is attributed to increased volume and price of eggs and processed food sales.

The Group recorded a pre-tax profit of RM2.35 million in the current quarter compared to RM1.27 million in the corresponding quarter last year, due to the higher sales volume and higher selling prices for chicken eggs and meat in the current quarter.

### 2. Comparison with Immediate Preceding Quarter's Result

The Group's revenue in the current quarter of RM92.1 million is 8.8% higher than the RM84.6 million recorded in the immediate preceding quarter, due mainly higher volume of processed food sales in the current quarter.

The Group recorded a pre-tax profit of RM2.35 million in the current quarter compared to a loss of RM984,000 in the immediate preceding quarter, as selling prices for chicken eggs and meat improved in the current quarter.

### 3. Current Year Prospects

Cost of production in the poultry industry has decreased due to lower prices of raw materials such as corn and soybean. Baring any unforeseen circumstances, the Group expects its performance for the remaining two quarters to remain positive.



# 4. Profit Forecast or Profit Guarantee

Not applicable.

## 5. Income Tax Expense

	Current	Year-to-	
	quarter	date	
	RM'000	RM'000	
Current Tax	(12)	243	
Deferred Tax	(559)	(1,170)	
	(571)	(927)	

# 6. Sale of Unquoted Investments and Properties

There were no sales of unquoted investments and properties during the current quarter.

# 7. Sale of Quoted Investments

There were no purchase or disposal of quoted securities during the current quarter.

Investment in quoted securities as at 30 Sept 2008 :

	RM'000
At cost	6
At book value	1
Market value as at 30 Sept 2008	2

# 8. Status of Corporate Proposals

Not applicable

## 9. Borrowings

The Group's borrowings as at 30 Sept 2008 are as follows :

	Secured RM'000	Unsecured RM'000	Total RM'000
Short Term			
Overdraft	3,594	3,400	6,994
Bankers' Acceptances	18,055	19,728	37,783
Hire Purchase	4,163	-	4,163
Term Loan	7,385	525	7,910
Total	33,197	23,653	56,850
Long Term			
Hire Purchase	6,786	-	6,786
Term Loan	15,514	21,425	36,939
Total	22,300	21,425	43,725
Grand Total	55,497	45,078	100,575



## 10. Off Balance Sheet Financial Instruments

The Group did not enter into any contracts involving off balance sheet financial instruments during the financial year-to-date ended 30 Sept 2008, other than the following operating lease commitments :

	RM'000
Not later than 1 year	359
Later than 1 year and not later than 5 years	1,343
Later than 5 years	1,037
	2,739

## 11. Changes in Material Litigation

There was no pending material litigation against the Group as at the date of this report.

### 12. Dividend

The Board does not recommend any interim dividend for the current quarter under review.

## 13. Earnings Per Share

### a) Basic earnings per share

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

	3 months ended		6 months ended	
	30/09/2008 RM'000	30/09/2007 RM'000	30/09/2008 RM'000	30/09/2007 RM'000
Profit/(loss) attributable to ordinary equity holders of the parent (RM'000)	987	1,109	(566)	(1,486)
Weighted average number of ordinary shares in issue ('000)	46,240	46,240	46,240	46,240
Basic earnings/(loss) per share (sen)	2.13	2.40	(1.22)	(3.21)

### b) Diluted earnings per share

The fully diluted earnings per share for the Group assuming full conversion of the ESOS is not presented as it is anti-dilutive.

# **14.** 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 27 November 2008.