



LAY HONG BERHAD (107129-H)
Incorporated in Malaysia

Condensed Consolidated Income Statements

	3 months ended		3 months ended	
	30 June 2009 Unaudited	30 June 2008 Unaudited	30 June 2009 Unaudited	30 June 2008 Unaudited
	RM' 000	RM' 000	RM' 000	RM' 000
Revenue	92,215	84,643	92,215	84,643
Operating expenses	(86,769)	(84,368)	(86,769)	(84,368)
Other Income	325	295	325	295
Finance costs	(1,390)	(1,554)	(1,390)	(1,554)
Profit before tax	4,381	(984)	4,381	(984)
Income tax	(600)	356	(600)	356
Profit for the period	3,781	(628)	3,781	(628)
Attributable to:				
Equity holders of the parent	2,343	(1,553)	2,343	(1,553)
Minority interest	1,438	925	1,438	925
	3,781	(628)	3,781	(628)
Earnings per share attributable to equity holders of the parent (sen):				
Basic	5.07	(3.36)	5.07	(3.36)
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 2009 and the accompanying explanatory notes attached to this interim financial statements.



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Condensed Consolidated Balance Sheets

	As at 30 June 2009 Unaudited	As at 31 Mar 2009 Audited
	RM' 000	RM' 000
ASSETS		
Non-current assets		
Property, plant and equipment	160,233	157,892
Prepaid lease payments	6,944	6,961
Intangible assets	2,744	2,769
Other investments	1,919	2,119
Deferred tax assets	9,182	9,698
	181,022	179,439
Current assets		
Biological assets	22,398	21,938
Inventories	37,618	35,973
Trade receivables	40,048	41,469
Other receivables	8,708	7,415
Short term investment	1,219	1,212
Cash and bank balances	2,717	2,417
	112,708	110,424
TOTAL ASSETS	293,730	289,863
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	46,240	46,240
Reserves	38,743	36,400
	84,983	82,640
Minority interests	16,417	14,979
Total equity	101,400	97,619
Non-current liabilities		
Long term borrowings	40,794	42,743
Due to corporate shareholders	1,548	1,706
Deferred tax liabilities	19,576	20,071
	61,918	64,520
Current liabilities		
Short term borrowings	55,169	55,769
Trade payables	58,063	57,038
Other payables	16,978	14,777
Due to corporate shareholders	128	128
Income tax payable	74	12
	130,412	127,724
Total liabilities	192,330	192,244
TOTAL EQUITY AND LIABILITIES	293,730	289,863

Net assets per share attributable to ordinary equity holders of the parent (RM)	1.8379	1.7872
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The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 31 March 2009 and the accompanying explanatory notes attached to this interim financial statements.



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Condensed Consolidated Statement of Changes in Equity

	Attributable to Equity Holders of the Parent				Minority Interest	Total Equity
	Share Capital	Revaluation Reserve	Retained Profits	Total		
	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
At 1 April 2009	46,240	11,490	24,910	82,640	14,979	97,619
Transfer to distributable reserve on realisation of revaluation reserve	-	(60)	60	-	-	-
Profit for the period	-	-	2,343	2,343	1,438	3,781
At 30 June 2009	46,240	11,430	27,313	84,983	16,417	101,400
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	-	(111)	111	-	-	-
Profit for the period	-	-	(1,553)	(1,553)	925	(628)
At 30 June 2008	46,240	11,690	16,071	74,001	12,367	86,368

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 March 2009 and the accompanying explanatory notes attached to the interim financial statements.



LAY HONG BERHAD (107129-H)
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Condensed Consolidated Cash Flow Statements

	3 months ended 30 June 2009 Unaudited RM' 000	3 months ended 30 June 2008 Audited RM' 000
Net cash generated from operating activities	6,985	2,296
Net cash used in investing activities	(3,642)	(1,593)
Net cash (used in)/generated from financing activities	(4,092)	(1,202)
Net (decrease)/increase in cash and cash equivalents	(749)	(499)
Cash and cash equivalents at beginning of year	(3,799)	(411)
Cash and cash equivalents at end of period	(4,548)	(910)
Cash and cash equivalents at the end of the period comprises :		
Short term investment	1,219	4,245
Cash and bank balances	2,274	1,045
Bank overdrafts (included within the short term borrowings in Part B Note 9)	(8,041)	(6,200)
	(4,548)	(910)

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 March 2009 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.

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

FRSs, Amendments to FRSs and Interpretations		Effective for financial periods beginning on or after
Amendments to FRS 1	First-time Adoption of Financial Reporting Standards	01 January 2010
Amendments to FRS 2	Share-based Payment - Vesting Conditions and Cancellations	01 January 2010
FRS 4	Insurance Contracts	01 January 2010
FRS 7	Financial Instruments: Disclosures	01 January 2010
FRS 8	Operating Segments	01 July 2009
FRS 123	Borrowing Costs	01 January 2010
Amendments to FRS 127	Consolidated and Separate Financial Statements : Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	01 January 2010
FRS 139	Financial Instruments: Recognition and Measurement	01 January 2010
IC Interpretation 9	Reassessment of Embedded Derivatives	01 January 2010
IC Interpretation 10	Interim Financial Reporting and Impairment	01 January 2010
IC Interpretation 11	FRS 2 - Group and Treasury Share Transactions	01 January 2010
IC Interpretation 13	Customer Loyalty Programmes	01 January 2010
IC Interpretation 14	FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	01 January 2010

The adoption of the above FRSs and Interpretations upon their effective dates are not expected to have any significant impact on the interim financial statements of the Group.

2. Auditors' Report on Preceding Annual Financial Statements

The auditors' report of the previous annual financial year ended 31 March 2009 was not subject to any qualification.

3. Segmental Information

	3 months ended 30 June 2009	
	Segment revenue	Segment results
	RM'000	
Integrated livestock farming	80,332	4,876
Retail supermarket	13,248	(495)
	<u>93,580</u>	<u>4,381</u>
Inter-segment eliminations	(1,365)	-
	<u>92,215</u>	<u>4,381</u>

All business operations 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 June 2009.

5. Changes in Estimates

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 2009.

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

There were no material changes in the composition of the Group in the current financial quarter.

11. Subsequent Events

There were no events subsequent to 30 June 2009 that would have a material effect on the interim financial statement of the current quarter.

12. Changes In Contingent Liabilities

Credit facilities amounting to RM33.6 million granted by financial institutions and utilised by subsidiaries are secured by corporate guarantees from Lay Hong Berhad.

13. Capital Commitments

Commitments for the purchase of property, plant and equipment not provided for in the interim financial statements as at 30 June 2009 amounted as follows:

	RM'000
Approved and contracted for	3,300
Approved but not contracted for	-
	<u>3,300</u>

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 current quarter of RM92.2 million is 8.9% higher than the RM84.6 million recorded in the corresponding quarter last year, due largely to sales contributed by the retail supermarket outlets in Sabah in the current quarter.

The Group recorded a pre-tax profit of RM4.4 million compared to a pre-tax loss of RM984,000 in the corresponding quarter last year, resulting from the higher selling prices of poultry products and lower price of feed in the current quarter.

2. Comparison with Immediate Preceding Quarter's Result

The Group's revenue in the current quarter of RM92.2 million is higher than the RM85.9 million recorded in the immediate preceding quarter, due mainly to higher sales contributed by the supermarket outlets in Sabah in the current quarter.

The Group recorded pre-tax profit of RM4.4 million in the current quarter compared to RM5.9 million in the immediate preceding quarter, attributed to the lower average selling price of eggs and the expensing off of refurbishment and start-up costs of the retail supermarket outlets.

**3. Current Year Prospects**

The price of raw materials has remained stable in the current quarter and to date, we have managed to open eight of the nine retail supermarket outlets. Barring any unforeseen circumstances, and the commencement of contribution from the retail supermarket business, the Group is expected to remain profitable in the coming quarters.

4. Profit Forecast or Profit Guarantee

Not applicable.

5. Income Tax

	Current quarter RM'000	Year-to- date RM'000
Current Tax	579	579
Deferred Tax	21	21
	<u>600</u>	<u>600</u>

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 June 2009 :

	<u>RM'000</u>
At cost	<u>6</u>
At book value	<u>1</u>
Market value as at 30 June 2009	<u>1</u>

8. Status of Corporate Proposals

Not applicable

9. Borrowings

The Group's borrowings as at 30 June 2009 are as follows :

	Secured RM'000	Unsecured RM'000	Total RM'000
Short Term			
Overdraft	4,835	3,206	8,041
Bankers' Acceptances	17,937	17,524	35,461
Hire Purchase	4,193	-	4,193
Term Loan	6,904	570	7,474
	<u>33,869</u>	<u>21,300</u>	<u>55,169</u>
Long Term			
Hire Purchase	8,983	-	8,983
Term Loan	10,828	20,983	31,811
	<u>19,811</u>	<u>20,983</u>	<u>40,794</u>
Grand Total	<u>53,680</u>	<u>42,283</u>	<u>95,963</u>



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 June 2009, other than the following operating lease commitments :

	<u>RM'000</u>
Not later than 1 year	365
Later than 1 year and not later than 5 years	1,313
Later than 5 years	966
	<u>2,644</u>

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 proposed a final dividend of 1.25% less 25% income tax for the year ended 31 March 2009, to be approved by shareholders at the forthcoming Annual General Meeting. No dividend is proposed 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	
	30 June 2009	30 June 2008
Profit attributable to ordinary equity holders of the parent (RM'000)	2,343	(1,553)
Weighted average number of ordinary shares in issue ('000)	46,240	46,240
Basic earnings per share (sen)	5.07	(3.36)

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 25 August 2009.