



LAY HONG BERHAD (107129-H)  
Incorporated in Malaysia

Condensed Consolidated Income Statements

	3 months ended		6 months ended	
	30 Sept 2009 Unaudited	30 Sept 2008 Unaudited	30 Sept 2009 Unaudited	30 Sept 2008 Unaudited
	RM'000	RM'000	RM'000	RM'000
Revenue	100,027	92,108	192,242	176,751
Operating expenses	(94,348)	(88,437)	(181,117)	(172,805)
Other Income	973	264	1,298	559
Finance costs	(1,326)	(1,583)	(2,716)	(3,137)
Profit before tax	5,326	2,352	9,707	1,368
Income tax	(722)	571	(1,322)	927
Profit for the period	4,604	2,923	8,385	2,295
Attributable to:				
Equity holders of the parent	3,775	987	6,118	(566)
Minority interest	829	1,936	2,267	2,861
	4,604	2,923	8,385	2,295
Earnings per share attributable to equity holders of the parent (sen):				
Basic	8.16	2.13	13.23	(1.22)
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 Sept 2009 Unaudited RM'000	As at 31 Mar 2009 Audited RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	159,150	157,892
Prepaid lease payments	6,927	6,961
Intangible assets	2,720	2,769
Other investments	1,719	2,119
Deferred tax assets	9,074	9,698
	179,590	179,439
<b>Current assets</b>		
Biological assets	22,876	21,938
Inventories	41,697	35,973
Trade receivables	39,031	41,469
Other receivables	9,254	7,415
Short term investment	1,507	1,212
Cash and bank balances	2,842	2,417
	117,207	110,424
<b>TOTAL ASSETS</b>	<b>296,797</b>	<b>289,863</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share capital	46,240	46,240
Reserves	42,084	36,400
	88,324	82,640
Minority interests	17,246	14,979
<b>Total equity</b>	<b>105,570</b>	<b>97,619</b>
<b>Non-current liabilities</b>		
Long term borrowings	40,078	42,743
Due to corporate shareholders	1,377	1,706
Deferred tax liabilities	18,952	20,071
	60,407	64,520
<b>Current liabilities</b>		
Short term borrowings	54,483	55,769
Trade payables	62,190	57,038
Other payables	12,572	14,777
Due to corporate shareholders	128	128
Income tax payable	1,013	12
Dividend payable	434	-
	130,820	127,724
<b>Total liabilities</b>	<b>191,227</b>	<b>192,244</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>296,797</b>	<b>289,863</b>

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

1.9101

1.7872

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.



LAY HONG BERHAD (107129-H)  
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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	-	(103)	103	-	-	-
Profit for the period	-	-	6,118	6,118	2,267	8,385
Dividend	-	-	(434)	(434)	-	(434)
At 30 Sept 2009	46,240	11,387	30,697	88,324	17,246	105,570
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	-	(156)	156	-	-	-
Acquisition of additional equity interest in a subsidiary company	-	-	-	-	(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

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

	6 months ended 30 Sept 2009 Unaudited RM'000	6 months ended 30 Sept 2008 Audited RM'000
Net cash generated from operating activities	12,229	4,116
Net cash used in investing activities	(4,810)	(2,771)
Net cash used in financing activities	(5,228)	(1,870)
Net increase/(decrease) in cash and cash equivalents	2,191	(525)
Cash and cash equivalents at beginning of year	(3,799)	(411)
Cash and cash equivalents at end of period	(1,608)	(936)
<b>Cash and cash equivalents at the end of the period comprises :</b>		
Short term investment	1,507	3,776
Cash and bank balances	2,399	2,283
Bank overdrafts (included within the short term borrowings in Part B Note 9)	(5,514)	(6,995)
	(1,608)	(936)

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 :

<b>FRSs, Amendments to FRSs and Interpretations</b>		<b>Effective for financial periods beginning on or after</b>
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 Sept 2009		6 months ended 30 Sept 2009	
	<b>Segment revenue</b>	<b>Segment results</b>	<b>Segment revenue</b>	<b>Segment results</b>
	RM'000		RM'000	
Integrated livestock farming	82,566	5,239	162,899	10,115
Retail supermarket	19,662	87	32,909	(408)
	102,228	5,326	195,808	9,707
Inter-segment eliminations	(2,201)	-	(3,566)	-
	100,027	5,326	192,242	9,707

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 Sept 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 RM32.1 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 Sept 2009 amounted as follows:

	RM'000
Approved and contracted for	1,933
Approved but not contracted for	-
	<u>1,933</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 RM100.0 million is 8.6% higher than the RM92.1 million recorded in the corresponding quarter last year, due largely to sales contributed by the opening of two additional retail supermarket outlets in Sabah in the current quarter.

The Group recorded a pre-tax profit of RM5.3 million compared to a pre-tax profit of RM2.3 million 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 RM100.0 million is higher than the RM92.2 million recorded in the immediate preceding quarter, due mainly to higher sales of eggs and higher retails supermarket sales in Sabah.

The Group recorded pre-tax profit of RM5.3 million in the current quarter compared to RM4.4 million in the immediate preceding quarter, attributed to the higher selling prices of poultry products.

**3. Current Year Prospects**

The price of raw materials and selling prices of poultry products is expected to remain stable. With the opening of two additional new outlets in the current quarter, the retail supermarket operations in Sabah will be increased to eight. This is also expected to contribute to the performance of the group in the remaining quarters.

**4. Profit Forecast or Profit Guarantee**

Not applicable.

**5. Income Tax**

	Current quarter RM'000	Year-to- date RM'000
Current Tax	1,238	1,817
Deferred Tax	(516)	(494)
	<u>722</u>	<u>1,322</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 Sept 2009 :

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

**8. Status of Corporate Proposals**

Not applicable

**9. Borrowings**

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

	Secured RM'000	Unsecured RM'000	Total RM'000
<b>Short Term</b>			
Overdraft	3,918	1,596	5,514
Bankers' Acceptances	18,225	19,052	37,277
Hire Purchase	4,179	-	4,179
Term Loan	6,933	580	7,513
	<u>33,255</u>	<u>21,228</u>	<u>54,483</u>
<b>Long Term</b>			
Hire Purchase	9,693	-	9,693
Term Loan	9,551	20,834	30,385
	<u>19,244</u>	<u>20,834</u>	<u>40,078</u>
<b>Grand Total</b>	<u>52,499</u>	<u>42,062</u>	<u>94,561</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 Sept 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	1,292
Later than 5 years	918
	<u>2,575</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 final dividend for the year ended 31 March 2009 of 1.25% less 25% income tax, was approved by shareholders at the Annual General Meeting held on 28 Sept 2009 and was paid to shareholders on 3 Nov 2009. 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		6 months ended	
	30 June 2009	30 June 2008	30 June 2009	30 June 2008
Profit attributable to ordinary equity holders of the parent	3,775	987	6,118	(566)
Weighted average number of ordinary shares in issue	46,240	46,240	46,240	46,240
Basic earnings per share (sen)	8.16	2.13	13.23	(1.22)

**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 19 November 2009.