



LAY HONG BERHAD (107129-H)
Incorporated in Malaysia

Condensed Consolidated Income Statements

	3 months ended		9 months ended	
	31 Dec 2009 Unaudited	31 Dec 2008 Unaudited	31 Dec 2009 Unaudited	31 Dec 2008 Unaudited
	RM'000	RM'000	RM'000	RM'000
Revenue	101,316	87,933	293,696	264,684
Operating expenses	(95,255)	(84,283)	(275,914)	(257,088)
Other Income	324	1,989	1,026	2,548
Finance costs	(1,379)	(1,562)	(4,095)	(4,699)
Profit before tax	5,006	4,077	14,713	5,445
Income tax	(1,282)	(241)	(2,604)	686
Profit for the period	3,724	3,836	12,109	6,131
Attributable to:				
Equity holders of the parent	3,200	2,392	9,318	1,826
Minority interest	524	1,444	2,791	4,305
	3,724	3,836	12,109	6,131
Earnings per share attributable to equity holders of the parent (sen):				
Basic	6.92	5.17	20.15	3.95
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 31 Dec 2009 Unaudited RM'000	As at 31 Mar 2009 Audited RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	159,997	157,892
Prepaid lease payments	6,910	6,961
Intangible assets	2,695	2,769
Other investments	1,519	2,119
Deferred tax assets	7,199	9,698
	178,320	179,439
Current assets		
Biological assets	22,379	21,938
Inventories	39,330	35,973
Trade receivables	47,015	41,469
Other receivables	9,343	7,415
Short term investment	3,322	1,212
Cash and bank balances	2,599	2,417
	123,988	110,424
TOTAL ASSETS	302,308	289,863
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	46,240	46,240
Reserves	45,285	36,400
	91,525	82,640
Minority interests	17,770	14,979
Total equity	109,295	97,619
Non-current liabilities		
Long term borrowings	39,705	42,743
Due to corporate shareholders	1,342	1,706
Deferred tax liabilities	18,843	20,071
	59,890	64,520
Current liabilities		
Short term borrowings	53,662	55,769
Trade payables	64,601	57,038
Other payables	14,490	14,777
Due to corporate shareholders	128	128
Income tax payable	242	12
	133,123	127,724
Total liabilities	193,013	192,244
TOTAL EQUITY AND LIABILITIES	302,308	289,863

Net assets per share attributable to ordinary equity holders of the parent (RM)	1.9793	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.



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	-	(144)	144	-	-	-
Profit for the period	-	-	9,318	9,318	2,791	12,109
Dividend	-	-	(433)	(433)	-	(433)
At 31 Dec 2009	46,240	11,346	33,939	91,525	17,770	109,295
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	-	(202)	202	-	-	-
Acquisition of additional equity interest in a subsidiary company	-	-	-	-	(393)	(393)
Profit for the period	-	-	1,826	1,826	4,305	6,131
At 31 Dec 2008	46,240	11,599	19,541	77,380	15,354	92,734

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

	9 months ended 31 Dec 2009 Unaudited RM'000	9 months ended 31 Dec 2008 Audited RM'000
Net cash generated from operating activities	20,312	10,194
Net cash used in investing activities	(8,897)	(5,260)
Net cash used in financing activities	(7,871)	(5,367)
Net increase/(decrease) in cash and cash equivalents	3,544	(433)
Cash and cash equivalents at beginning of year	(3,799)	(411)
Cash and cash equivalents at end of period	(255)	(844)
Cash and cash equivalents at the end of the period comprises :		
Short term investment	3,322	2,203
Cash and bank balances	2,156	2,484
Bank overdrafts (included within the short term borrowings in Part B Note 9)	(5,733)	(5,531)
	(255)	(844)

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 31 Dec 2009		9 months ended 31 Dec 2009	
	Segment revenue	Segment results	Segment revenue	Segment results
	RM'000		RM'000	
Integrated livestock farming	85,939	4,516	248,975	14,628
Retail supermarket	17,724	493	50,634	85
	<u>103,663</u>	<u>5,009</u>	<u>299,609</u>	<u>14,713</u>
Inter-segment eliminations	(2,347)	-	(5,913)	-
	<u>101,316</u>	<u>5,009</u>	<u>293,696</u>	<u>14,713</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 31 Dec 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 31 December 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 RM31.3 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 31 December 2009 amounted as follows:

	RM'000
Approved and contracted for	1,389
Approved but not contracted for	-
	<u>1,389</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 RM101.9 million is 15.9% higher than the RM87.9 million recorded in the corresponding quarter last year, due mainly to sales contributed by the retail supermarket business in Sabah in the current quarter.

The Group recorded a pre-tax profit of RM5.0 million compared to a pre-tax profit of RM4.1 million in the corresponding quarter last year, due mainly to lower price of raw materials in the current quarter.

2. Comparison with Immediate Preceding Quarter's Result

The Group's revenue in the current quarter of RM101.9 million is higher than the RM100.0 million recorded in the immediate preceding quarter, due mainly to higher sales of poultry products.

The Group recorded pre-tax profit of RM5.0 million in the current quarter compared to RM5.3 million in the immediate preceding quarter, attributed to lower selling prices of eggs in the current quarter.

**3. Current Year Prospects**

Selling prices of poultry products traditionally soften in the fourth quarter of the Group's financial year, thus resulting in lower profit margins. Barring any upswing in raw materials prices, the Directors expect the Group to remain profitable.

4. Profit Forecast or Profit Guarantee

Not applicable.

5. Income Tax

	Current quarter RM'000	Year-to- date RM'000
Current Tax	(484)	1,332
Deferred Tax	1,765	1,271
	<u>1,282</u>	<u>2,604</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 31 December 2009 :

	RM'000
At cost	<u>6</u>
At book value	<u>1</u>
Market value as at 31 Dec 2009	<u>1</u>

8. Status of Corporate Proposals

Not applicable

9. Borrowings

The Group's borrowings as at 31 December 2009 are as follows :

	Secured RM'000	Unsecured RM'000	Total RM'000
Short Term			
Overdraft	4,319	1,415	5,734
Bankers' Acceptances	18,644	18,814	37,458
Hire Purchase	4,233	-	4,233
Term Loan	5,647	590	6,237
	<u>32,843</u>	<u>20,819</u>	<u>53,662</u>
Long Term			
Hire Purchase	9,487	-	9,487
Term Loan	9,537	20,681	30,218
	<u>19,024</u>	<u>20,681</u>	<u>39,705</u>
Grand Total	<u>51,867</u>	<u>41,500</u>	<u>93,367</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 31 December 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	1,272
Later than 5 years	869
	<u>2,506</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 paid to shareholders on 3rd November 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		9 months ended	
	31 Dec 2009	31 Dec 2008	31 Dec 2009	31 Dec 2008
Profit attributable to ordinary equity holders of the parent	3,200	2,392	9,318	1,826
Weighted average number of ordinary shares in issue	46,240	46,240	46,240	46,240
Basic earnings per share (sen)	6.92	5.17	20.15	3.95

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 23 February 2010.