



LAY HONG BERHAD (107129-H)
Incorporated in Malaysia

Condensed Consolidated Income Statements

	3 months ended		12 months ended	
	31 Mar 2010 Unaudited	31 Mar 2009 Unaudited	31 Mar 2010 Unaudited	31 Mar 2009 Unaudited
	RM'000	RM'000	RM'000	RM'000
Revenue	95,058	85,862	388,754	350,546
Operating expenses	(93,946)	(79,054)	(369,860)	(336,142)
Other Income	699	995	1,725	3,543
Finance costs	(1,331)	(1,474)	(5,426)	(6,173)
Profit before tax	480	6,329	15,193	11,774
Income tax	226	(1,444)	(2,378)	(758)
Profit for the period	706	4,885	12,815	11,016
Attributable to:				
Equity holders of the parent	1,008	5,261	10,326	7,087
Minority interest	(302)	(376)	2,489	3,929
	706	4,885	12,815	11,016
Earnings per share attributable to equity holders of the parent (sen):				
Basic	2.18	11.38	22.33	15.33
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 Mar 2010 Unaudited RM'000	As at 31 Mar 2009 Audited RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	161,782	157,892
Prepaid lease payments	7,120	6,961
Intangible assets	2,671	2,769
Other investments	1,119	2,119
Deferred tax assets	5,995	9,698
	178,687	179,439
Current assets		
Biological assets	21,124	21,938
Inventories	41,520	35,973
Trade receivables	37,739	41,469
Other receivables	4,918	7,415
Short term investment	13,031	1,212
Cash and bank balances	2,454	2,417
	120,786	110,424
TOTAL ASSETS	299,473	289,863
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	46,240	46,240
Reserves	46,294	36,401
	92,534	82,641
Minority interests	17,468	14,979
Total equity	110,002	97,620
Non-current liabilities		
Long term borrowings	39,044	42,743
Due to corporate shareholders	1,093	1,706
Deferred tax liabilities	18,029	20,071
	58,166	64,520
Current liabilities		
Short term borrowings	56,320	55,769
Trade payables	59,467	57,038
Other payables	15,390	14,776
Due to corporate shareholders	128	128
Income tax payable	-	12
	131,305	127,723
Total liabilities	189,471	192,243
TOTAL EQUITY AND LIABILITIES	299,473	289,863

Net assets per share attributable to ordinary equity holders of the parent (RM)	2.0012	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	24,911	82,641	14,979	97,620
Transfer to distributable reserve on realisation of revaluation reserve	-	(680)	680	-	-	-
Profit for the period	-	-	10,326	10,326	2,489	12,815
Dividend	-	-	(433)	(433)	-	(433)
At 31 March 2010	46,240	10,810	35,484	92,534	17,468	110,002
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	-	(311)	311	-	-	-
Acquisition of additional equity interest in a subsidiary company	-	-	-	-	(392)	(392)
Profit for the period	-	-	7,087	7,087	3,929	11,016
At 31 March 2009	46,240	11,490	24,911	82,641	14,979	97,620

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

	12 months ended 31 Mar 2010 Unaudited RM'000	12 months ended 31 Mar 2009 Audited RM'000
Net cash generated from operating activities	33,857	23,606
Net cash used in investing activities	(11,979)	(17,098)
Net cash used in financing activities	(10,840)	(9,895)
Net increase/(decrease) in cash and cash equivalents	11,038	(3,387)
Cash and cash equivalents at beginning of year	(3,799)	(411)
Cash and cash equivalents at end of year	7,239	(3,798)
Cash and cash equivalents at the end of the period comprises :		
Short term investment	13,031	1,212
Cash and bank balances	2,023	1,987
Bank overdrafts (included within the short term borrowings in Part B Note 9)	(7,815)	(6,997)
	7,239	(3,798)

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 annual 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
Amendments to FRS 7	Financial Instruments: Disclosures	01 January 2010
FRS 8	Operating Segments	01 July 2009
Amendments to FRS 101	Presentation of Financial Statements - Puttable Financial Instruments and Obligations Arising on Liquidation	01 January 2010
FRS 123	Borrowing Costs (revised)	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
Amendments to FRS 132	Financial Instruments: Presentation - Puttable Financial Instruments and Obligations Arising on Liquidation - Separation of Compound Instruments	01 January 2010
FRS 139	Financial Instruments: Recognition and Measurement	01 January 2010
Amendments to FRS 139	Financial Instruments: Recognition and Measurement - Reclassification of Financial Assets - Collective Assessment of Impairment for Financial Institutions	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
Amendments to FRS 132	Financial Instruments: Presentation - Classification of Rights Issues	01 March 2010
FRS 1	First-time Adoption of Financial Reporting Standards (revised)	01 July 2010
FRS 3	Business Combinations (revised)	01 July 2010
FRS 127	Consolidated and Separate Financial Statements (revised)	01 July 2010
Amendments to FRS 2	Share-based Payment - Vesting Conditions and Cancellations	01 July 2010
Amendments to FRS 5	Non-current Assets Held for Sale and Discontinued Operations	01 July 2010
Amendments to FRS 138	Intangible Assets	01 July 2010
IC Interpretation 12	Service Concession Agreements	01 July 2010
IC Interpretation 15	Agreements for the Construction of Real Estates	01 July 2010
IC Interpretation 16	Hedges of A Net Investment in a Foreign Operation	01 July 2010
IC Interpretation 17	Distribution of Non-cash Assets to Owners	01 July 2010
Amendments to IC Interpretation 9	Reassessment of Embedded Derivatives	01 July 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.



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3. Segmental Information

	3 months ended 31 March 2010		12 months ended 31 March 2010	
	Segment revenue	Segment results	Segment revenue	Segment results
	RM'000		RM'000	
Integrated livestock farming	75,532	360	324,507	14,987
Retail supermarket	21,876	120	72,510	206
	97,408	480	397,017	15,193
Inter-segment eliminations	(2,350)	-	(8,263)	-
	95,058	480	388,754	15,193

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 March 2010.

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

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 was 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 March 2010 that would have a material effect on the interim financial statement of the current quarter.

12. Changes in Contingent Liabilities

Credit facilities amounting to RM30.8 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 March 2010 amounted as follows:

	RM'000
Approved and contracted for	839
Approved but not contracted for	-
	<u>839</u>

PART B : EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**1. Review of Performance**

	Current quarter <u>RM'000</u>	Corresponding quarter last year <u>RM'000</u>	Variance <u>RM'000</u>	Variance <u>%</u>
Revenue	95,058	85,862	9,196	10.71
Profit before tax	480	6,329	(5,849)	(92.42)

The Group recorded a higher revenue RM95.1 million compared with RM85.9 million recorded in the corresponding quarter last year, due mainly to higher contribution from our retail supermarket chain and higher sales of processed food products.

The Group's pre-tax profit declined from RM6.3 million in the corresponding quarter last year to RM0.5 million in the current quarter due mainly to lower selling prices of poultry products as well as additional allowances required for doubtful debts and inventories in the current quarter.

2. Comparison with Immediate Preceding Quarter's Result

	Current quarter <u>RM'000</u>	Immediate preceding quarter <u>RM'000</u>	Variance <u>RM'000</u>	Variance <u>%</u>
Revenue	95,058	101,316	(6,258)	(6.18)
Profit before tax	480	5,006	(4,526)	(90.41)

The Group's revenue in the current quarter of RM95.1 million is lower than the RM101.3 million recorded in the immediate preceding quarter, due mainly to lower quantity and price of poultry products sold in the current quarter.

The Group's pre-tax profit declined from RM5.0 million in the immediate preceding quarter to RM0.5 million in the current quarter due mainly to lower selling prices of poultry products as well as additional allowances required for doubtful debts and inventories in the current quarter.

3. Current Year Prospects

Barring any major increase in raw material prices and major fluctuations in selling prices, the Directors expect the performance of the Group in the current year to be satisfactory.

4. Profit Forecast or Profit Guarantee

Not applicable.

5. Income Tax

	Current quarter RM'000	Year-to- date RM'000
Current Tax	(615)	717
Deferred Tax	390	1,661
	<u>(225)</u>	<u>2,378</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 March 2010 :

	<u>RM'000</u>
At cost	<u>6</u>
At book value	<u>1</u>
Market value as at 31 March 2010	<u>1</u>

8. Status of Corporate Proposals

Not applicable

9. Borrowings

The Group's borrowings as at 31 March 2010 are as follows :

	Secured RM'000	Unsecured RM'000	Total RM'000
Short Term			
Overdraft	5,852	1,964	7,816
Bankers' Acceptances	19,054	19,254	38,308
Hire Purchase	4,473	-	4,473
Term Loan	5,125	598	5,723
	<u>34,504</u>	<u>21,816</u>	<u>56,320</u>
Long Term			
Hire Purchase	10,116	-	10,116
Term Loan	8,399	20,529	28,928
	<u>18,515</u>	<u>20,529</u>	<u>39,044</u>
Grand Total	<u>53,019</u>	<u>42,345</u>	<u>95,364</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 March 2010, 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	1,251
Later than 5 years	801
	<u>2,417</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 Directors do not propose dividend payment for the current quarter under review.



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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		12 months ended	
	31 Mar 2010	31 Mar 2009	31 Mar 2010	31 Mar 2009
Profit attributable to ordinary equity holders of the parent (RM'000)	1,008	5,261	10,326	7,087
Weighted average number of ordinary shares in issue ('000)	46,240	46,240	46,240	46,240
Basic earnings per share (sen)	2.18	11.38	22.33	15.33

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 31 May 2010.