



LAY HONG BERHAD (107129-H)
Incorporated in Malaysia

Condensed Consolidated Statement of Comprehensive Income

	3 months ended		6 months ended	
	30 Sep 2011 Unaudited	30 Sep 2010 Unaudited	30 Sep 2011 Unaudited	30 Sep 2010 Unaudited
	RM'000	RM'000	RM'000	RM'000
Revenue	125,163	104,817	239,407	200,985
Operating expenses	(119,731)	(98,179)	(228,558)	(190,091)
Other Income	706	392	1,432	854
Finance costs	(1,082)	(1,370)	(2,182)	(2,744)
Profit before tax	5,056	5,660	10,099	9,004
Income tax	(1,117)	(1,216)	(2,343)	(2,470)
Profit for the period	3,939	4,444	7,756	6,534
Other comprehensive income, net of tax				
Fair value of available-for sale financial assets	(5)	47	37	127
Other comprehensive income for the period	(5)	47	37	127
Total comprehensive income for the period	3,934	4,491	7,793	6,661
Profit attributable to:				
Owners of the parent	2,613	3,804	5,274	6,167
Minority interest	1,326	640	2,482	367
	3,939	4,444	7,756	6,534
Total comprehensive income attributable to :				
Owners of the parent	2,608	3,851	5,311	6,294
Minority interest	1,326	640	2,482	367
	3,934	4,491	7,793	6,661
Earnings per share (sen) :				
Basic	5.28	8.09	10.77	13.23
Diluted	5.20	7.70	10.56	12.59

The condensed consolidated income statements should be read in conjunction with the audited financial statements for the year ended 31 March 2011 and the accompanying explanatory notes attached to this interim financial statements.



LAY HONG BERHAD (107129-H)
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Condensed Consolidated Statement of Financial Position

	As at 30 Sep 2011 Unaudited	As at 31 Mar 2011 Audited
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	187,488	188,297
Intangible assets	2,842	2,895
Investment in associate	980	980
Other investments	119	119
Deferred tax assets	5,146	5,348
	196,575	197,639
Current assets		
Biological assets	24,937	22,477
Inventories	48,582	44,299
Trade and other receivables	53,920	47,489
Due from associate	3,872	1,708
Short term investment	7,393	6,973
Cash and bank balances	7,565	5,939
	146,269	128,885
TOTAL ASSETS	342,844	326,524
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	49,678	48,778
Reserves	75,884	72,435
	125,562	121,213
Minority interest	22,976	20,494
Total equity	148,538	141,707
Non-current liabilities		
Long term borrowings	13,893	26,295
Deferred tax liabilities	23,904	24,816
	37,797	51,111
Current liabilities		
Short term borrowings	66,890	54,848
Trade and other payables	84,145	77,055
Income tax payable	3,611	1,803
Dividend payable	1,863	-
	156,509	133,706
Total liabilities	194,306	184,817
TOTAL EQUITY AND LIABILITIES	342,844	326,524

Net assets per share attributable to ordinary equity holders of the parent (RM)	2.5275	2.4850
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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 2011 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 Owners of the Parent					Minority Interest	Total Equity
	Share capital	Revaluation reserve	Fair value reserve	Retained profit	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 April 2011	48,778	22,931	84	49,421	121,214	20,494	141,708
Transfer to distributable reserve on realisation of revaluation reserve	-	(518)	-	518	-	-	-
Total comprehensive income for the period	-	-	37	5,274	5,311	2,482	7,793
Dividends	-	-	-	(1,863)	(1,863)	-	(1,863)
Issue of new ESOS shares	900	-	-	-	900	-	900
At 30 Sept 2011	49,678	22,413	121	53,350	125,562	22,976	148,538
At 1 April 2010							
- as previously stated	46,240	10,754	-	35,539	92,533	17,468	110,001
- effects of adopting FRS139	-	-	30	-	30	-	30
As restated	46,240	10,754	30	35,539	92,563	17,468	110,031
Transfer to distributable reserve on realisation of revaluation reserve	-	(73)	-	73	-	-	-
Total comprehensive income for the period	-	-	127	6,167	6,294	367	6,661
Dividends	-	-	-	(1,092)	(1,092)	(980)	(2,072)
Issue of new ESOS shares	2,095	-	-	-	2,095	-	2,095
At 30 Sept 2010	48,335	10,681	157	40,687	99,860	16,855	116,715

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 March 2011 the accompanying explanatory notes attached to the interim financial statements.



LAY HONG BERHAD (107129-H)
Incorporated in Malaysia

Condensed Consolidated Statement of Cash Flows

	6 months ended 30 Sep 2011 Unaudited RM'000	6 months ended 30 Sep 2010 Unaudited RM'000
Net cash generated from operating activities	8,831	7,872
Net cash used in investing activities	(7,051)	(3,567)
Net cash used in financing activities	1,284	(3,537)
Net increase in cash and cash equivalents	3,064	768
Cash and cash equivalents at beginning of year	3,801	4,241
Cash and cash equivalents at end of the quarter	6,865	5,009
Cash and cash equivalents at the end of the quarter comprises :		
Short term investment	7,393	12,729
Cash and bank balances	7,565	(36)
Bank overdrafts (included within the short term borrowings in Part B Note 9)	(5,710)	(4,253)
Deposit pledged to licensed bank	(2,383)	(3,431)
	6,865	5,009

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 March 2011 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 interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 March 2011. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 March 2011.

2. Significant accounting policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the financial year ended 31 March 2011. The following new Financial Reporting Standards (FRSs), Amendments to FRSs and Interpretations were applicable with effect from the financial period commencing 01 April 2011 :

FRSs, Amendments to FRSs and Interpretations

FRS 1	First-time Adoption of Financial Reporting Standards (revised)
FRS 3	Business Combinations (revised)
FRS 127	Consolidated and Separate Financial Statements (revised)
Improvements to FRSs (2010)	
Amendments to FRS 1	First-time Adoption of Financial Reporting Standards - Limited Exemption from Comparative FRS 7 Disclosure for First-time Adopters - Additional Exemptions for First-time Adopters
Amendments to FRS 2	Share-based Payments
Amendments to FRS 2	Group Cash-settled Share-based Payment Transactions
Amendments to FRS 5	Non-current Assets Held for Sale and Discontinued Operations
Amendments to FRS 7	Financial Instrument: Disclosures - Improving Disclosures about Financial Instruments
Amendments to FRS 132	Financial Instrument: Presentation - Classification of Rights Issue
Amendments to FRS 138	Intangible Assets
IC Interpretation 4	Determining Whether an Arrangement Contains a Lease
IC Interpretation 12	Service Concession Agreements
IC Interpretation 16	Hedged of a Net Investment in a Foreign Operation
IC Interpretation 17	Distributions of Non-cash Asset to Owners
IC Interpretation 18	Transfer of Assets from Customers
Amendments to IC Interpretation 9, Reassessment of Embedded Derivatives	

The adoption of the above FRSs and Interpretations do not have a significant impact on the interim financial statements of the Group.

3. Comments about seasonality or cyclical factors

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

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 2011.

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. Debt and equity securities

The company issued additional 542,300 new ordinary shares of RM1.00 each pursuant to the Employees Share Option Scheme (ESOS) in the current quarter. On a cumulative basis, the company has issued 900,300 new ordinary shares pursuant to the ESOS scheme in the current financial year . There were no other issuances, cancellations, repurchases, resale or repayment of debt and equity securities.



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7. Dividends paid

The was no dividend paid to shareholders of the Company in the current quarter.

8. Segmental information

	3 months ended 30 Sept 2011		6 months ended 30 Sept 2011	
	Segment revenue	Segment results	Segment revenue	Segment results
	RM'000		RM'000	
Integrated livestock farming	101,255	5,023	196,773	10,025
Retail supermarket	27,293	33	48,146	74
	128,548	5,056	244,919	10,099
Inter-segment eliminations	(3,385)	-	(5,512)	-
	125,163	5,056	239,407	10,099

All business operations are conducted in Malaysia.

9. Subsequent events

There were no events subsequent to 30 Sept 2011 that would have a material effect on the interim financial statement of the current quarter.

10. Changes in composition of the Group

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

11. Changes in contingent liabilities

Credit facilities amounting to RM30.5 million granted by financial institutions and utilised by subsidiaries are secured by corporate guarantees from Lay Hong Berhad.

12. Capital commitments

Commitments for the purchase of property, plant and equipment not provided for in the interim financial statements as at 30 June 2011 amounted to :

	RM'000
Approved and contracted for	5,706
Approved but not contracted for	-
	<u>5,706</u>

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

1. Review of performance

	Current quarter RM'000	Corresponding quarter last year RM'000	Variance RM'000	Variance %
Revenue	125,163	104,817	20,346	19.41
Profit before tax	5,056	5,660	(604)	(10.67)

The Group recorded a higher revenue of RM125.2 million compared with RM104.8 million recorded in the corresponding quarter last year, due mainly to higher sales of poultry products and the additional revenue from the opening of an additional retail supermarket outlet in the current financial quarter.

The Group's pre-tax profit declined from RM5.7 million in the corresponding quarter last year to RM5.1 million in the current quarter due mainly to lower selling prices of eggs resulting from lower demand in the current quarter.

**LAY HONG BERHAD (107129-H)****2. Comparison with immediate preceding quarter's results**

	Current quarter RM'000	Immediate preceding quarter RM'000	Variance RM'000	Variance %
Revenue	125,163	114,244	10,919	9.56
Profit before tax	5,056	5,043	13	0.26

The Group's revenue in the current quarter of RM125.2 million is higher than the RM114.2 million recorded in the immediate preceding quarter due mainly to higher sales of poultry products and additional revenue from the opening of an additional retail supermarket outlet in the current financial quarter.

Pretax profit of RM5.1 million in the current quarter is similar to the RM5.0 million achieved in the immediate preceding quarter. Margins have declined due mainly to the lower selling prices of chicken eggs in the current quarter.

3. Current year prospects

The prices of raw materials have stabilised in recent months. Barring unforeseen circumstances and any adverse fluctuations in raw material and sale prices, the Directors are confident that the Group profitability can be maintained for the remaining quarters of this financial year

4. Profit forecast or profit guarantee

Not applicable.

5. Income tax

	Current quarter RM'000	Year-to- date RM'000
Current tax	1,650	3,202
Deferred tax	(533)	(860)
	<u>1,118</u>	<u>2,343</u>

6. Profit/(loss) on disposal of unquoted investments and properties

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

7. Purchase or disposal of quoted investments

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

8. Status of corporate proposals

Not applicable

9. Borrowings

The Group's borrowings as at 30 Sept 2011 are as follows :

	Secured RM'000	Unsecured RM'000	Total RM'000
Short term			
Overdraft	4,914	796	5,710
Bankers' Acceptances	18,051	36,482	54,533
Hire Purchase	4,794	-	4,794
Term Loan	1,659	194	1,853
	<u>29,418</u>	<u>37,472</u>	<u>66,890</u>
Long term			
Hire Purchase	8,008	-	8,008
Term Loan	5,861	24	5,885
	<u>13,869</u>	<u>24</u>	<u>13,893</u>
Grand Total	<u>43,287</u>	<u>37,496</u>	<u>80,783</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 2011.

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 any dividend for the current quarter. The final dividend for the year ended 31 March 2011 of 5.0% less 25% tax was approved by the shareholders at the Annual General Meeting held on 29 September 2011 and was paid out on 3 November 2011.

13. Earnings per share

	3 months ended		6 months ended	
	30 Sept 2011	30 Sept 2010	30 Sept 2011	30 Sept 2010
Profit attributable to ordinary equity holders of the parent (RM'000)	2,613	3,804	5,274	6,167
Weighted average number of ordinary shares ('000)	49,517	47,022	48,978	46,631
Basic earnings per share (sen)	5.28	8.09	10.77	13.23
Weighted average number of ordinary shares (diluted) ('000)	50,230	49,390	49,939	48,999
Diluted earnings per share (sen)	5.20	7.70	10.56	12.59

Basic earnings per share is computed based on the profit attributable to ordinary equity holders of the parent and the weighted average number of ordinary shares in issue during the period.

Diluted earnings per share is computed based on the profit attributable to ordinary equity holders of the parent and the weighted average number of ordinary shares in issue during the period after adjustment for full conversion of the ESOS.

14. Auditors' report on preceding annual financial statements

The auditors' report of the previous annual financial year ended 31 March 2011 was not subject to any qualification.

15. 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 24 November 2011.