



LAY HONG BERHAD (107129-H)
Incorporated in Malaysia

Condensed Consolidated Statement of Comprehensive Income

	3 months ended		12 months ended	
	31 March 2012 Unaudited	31 March 2011 Unaudited	31 March 2012 Unaudited	31 March 2011 Unaudited
	RM'000	RM'000	RM'000	RM'000
Revenue	121,962	111,810	492,096	423,105
Operating expenses	(119,111)	(109,946)	(472,403)	(401,448)
Other Income	966	1,960	2,915	3,339
Finance costs	(1,192)	(1,240)	(4,440)	(5,341)
Profit before tax	2,625	2,584	18,168	19,655
Income tax	726	1,432	(3,324)	(2,718)
Profit for the period	3,351	4,016	14,844	16,937
Other comprehensive income, net of tax				
Fair value of available-for sale financial assets	73	(156)	134	53
Other comprehensive income for the period	73	(156)	134	53
Total comprehensive income for the period	3,424	3,860	14,978	16,990
Profit attributable to:				
Owners of the parent	4,923	3,674	11,640	14,763
Minority interest	(1,572)	342	3,204	2,174
	3,351	4,016	14,844	16,937
Total comprehensive income attributable to :				
Owners of the parent	4,996	3,518	11,774	14,816
Minority interest	(1,572)	342	3,204	2,174
	3,424	3,860	14,978	16,990
Earnings per share (sen) :				
Basic	9.91	7.53	23.59	30.98
Diluted	9.78	7.34	23.18	29.97

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.



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Condensed Consolidated Statement of Financial Position

	As at 31 March 2012 Unaudited RM'000	As at 31 Mar 2011 Audited RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	197,924	188,297
Intangible assets	3,543	2,895
Other investments	1,099	1,099
Deferred tax assets	3,054	5,348
	205,620	197,639
Current assets		
Biological assets	24,948	22,477
Inventories	56,749	44,299
Trade receivables	47,520	42,005
Other receivables	13,110	7,192
Short term investment	8,558	6,973
Cash and bank balances	4,089	5,939
	154,974	128,885
TOTAL ASSETS	360,594	326,524
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	49,678	48,778
Reserves	82,172	72,435
	131,850	121,213
Minority interest	22,716	20,494
Total equity	154,566	141,707
Non-current liabilities		
Long term borrowings	21,611	26,295
Long term payables	1,385	-
Deferred tax liabilities	22,611	24,816
	45,607	51,111
Current liabilities		
Short term borrowings	75,301	54,848
Trade payables	69,603	61,951
Other payables	14,441	15,104
Income tax payable	1,076	1,803
	160,421	133,706
Total liabilities	206,028	184,817
TOTAL EQUITY AND LIABILITIES	360,594	326,524

Net assets per share attributable to ordinary equity holders of the parent (RM)	2.6541	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							
- as previously stated	48,778	22,931	83	49,421	121,213	20,494	141,707
- prior year adjustment		(520)		56	(464)	(681)	(1,145)
As restated	48,778	22,411	83	49,477	120,749	19,813	140,562
Transfer to distributable reserve on realisation of revaluation reserve	-	(945)	-	945	-	-	-
Dilution of MI in subsidiary	-	-	-	290	290	(290)	-
Total comprehensive income for the period	-	-	134	11,640	11,774	3,204	14,978
Dividends	-	-	-	(1,863)	(1,863)	(11)	(1,874)
Issue of new ESOS shares	900	-	-	-	900	-	900
At 31 Mar 2012	49,678	21,466	217	60,489	131,850	22,716	154,566
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	-	(211)	-	211	-	-	-
Total comprehensive income for the period	-	-	53	14,763	14,816	2,174	16,990
Revaluation surplus	-	12,388	-	-	12,388	2,651	15,039
Dividends	-	-	-	(1,092)	(1,092)	(1,013)	(2,105)
Issue of new ESOS shares	2,538	-	-	-	2,538	-	2,538
Dilution of MI in subsidiary	-	-	-	-	-	(786)	(786)
At 31 Mar 2011	48,778	22,931	83	49,421	121,213	20,494	141,707

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)
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Condensed Consolidated Statement of Cash Flows

	12 months ended 31 March 2012 Unaudited RM'000	12 months ended 31 March 2011 Unaudited RM'000
Net cash generated from operating activities	13,414	25,336
Net cash used in investing activities	(25,351)	(8,606)
Net cash used in financing activities	7,849	(17,170)
Net increase in cash and cash equivalents	(4,088)	(440)
Cash and cash equivalents at beginning of year	3,801	4,241
Cash and cash equivalents at end of the quarter	(287)	3,801
Cash and cash equivalents at the end of the quarter comprises :		
Short term investment	8,558	6,973
Cash and bank balances	4,089	5,939
Bank overdrafts (included within the short term borrowings in Part B Note 9)	(10,551)	(6,689)
Deposit pledged to licensed bank	(2,383)	(2,422)
	(287)	3,801

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. Changes in accounting policies

The accounting policies and methods of computation adopted by the Group in these interim financial statements are consistent with those adopted in the financial statements for the year ended 31 March 2011, except for the following new Financial Reporting Standards (FRSs), Amendments to FRSs and Interpretations adopted by the Group for the financial year commencing 1 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, amendments to FRSs and IC interpretations did not have any material impact on the financial statements of the Group.

The following are the FRSs, amendments to FRSs and IC interpretations which had been effected but not yet adopted by the Group :

Effective for financial periods beginning on or after 1 January 2012

FRS 124 : Related Party Disclosures
Amendments to FRS 1 : Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters
Amendments to FRS 7 : Disclosures - Transfers of Financial Assets
Amendments to FRS 112 : Deferred tax : Recovery of Underlying Assets

Malaysian Financial Reporting Standards (MFRS Framework)

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (MFRS Framework).

The Group will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 March 2013.

The financial performance and financial position prepared under current accounting framework would not be significantly different if prepared under the MFRS Framework.

**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 31 March 2012.

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

There were no additional shares issued under 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.

7. Dividends paid

The final dividend for the year ended 31 March 2011 of 5% less 25% income tax, was paid to shareholders on 3 November 2011.

8. Segmental information

	3 months ended 31 Mar 2012		12 months ended 31 Mar 2012	
	Segment revenue	Segment results	Segment revenue	Segment results
	RM'000		RM'000	
Integrated livestock farming	99,286	2,323	403,428	17,568
Retail supermarket	25,262	302	98,775	600
	124,548	2,625	502,203	18,168
Inter-segment eliminations	(2,586)	-	(10,107)	-
	121,962	2,625	492,096	18,168

All business operations are conducted in Malaysia.

9. Subsequent events

There were no events subsequent to 31 March 2012 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 other changes in the composition of the group in the current financial quarter.

11. Changes in contingent liabilities

Credit facilities amounting to RM41.6 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 31 March 2012 amounted to :

	RM'000
Approved and contracted for	5,819
Approved but not contracted for	-
	<u>5,819</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	121,962	111,810	10,152	9.08
Profit before tax	2,625	2,584	41	1.59

The Group recorded a higher revenue of RM121.9 million compared with RM111.8 million recorded in the corresponding quarter last year, due mainly to higher quantity sales of poultry products and revenue from retail supermarkets in the current financial quarter.

As such, the Group's pre-tax profit also increased from RM2.58 million in the corresponding quarter last year to RM2.63 million in the current quarter.

2. Comparison with immediate preceding quarter's results

	Current quarter <u>RM'000</u>	Immediate preceding quarter <u>RM'000</u>	Variance <u>RM'000</u>	Variance <u>%</u>
Revenue	121,962	130,727	(8,765)	-6.70
Profit before tax	2,625	5,444	(2,819)	-51.78

The Group's revenue in the current quarter of RM121.9 million is lower than the RM130.7 million recorded in the immediate preceding quarter due mainly to lower prices of poultry products sold.

Pretax profit of RM2.63 million in the current quarter is lower compared to the RM5.44 million achieved in the immediate preceding quarter due to lower revenue achieved in the current quarter.

3. Prospects

The raw material prices especially corn has been on an upward trend and this will impact earnings. Given this adverse scenario, the performance of the Group going forward will be challenging.

4. Profit forecast or profit guarantee

Not applicable.

5. Income tax

	Current quarter <u>RM'000</u>	Year-to- date <u>RM'000</u>
Current tax	(2,441)	2,820
Deferred tax	1,714	504
	<u>(726)</u>	<u>3,324</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



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9. Borrowings

The Group's borrowings as at 31 March 2012 are as follows :

	Secured RM'000	Unsecured RM'000	Total RM'000
Short term			
Overdraft	8,059	2,492	10,551
Bankers' Acceptances	23,442	34,116	57,558
Hire Purchase	4,791	-	4,791
Term Loan	1,216	1,185	2,401
	<u>37,508</u>	<u>37,793</u>	<u>75,301</u>
Long term			
Hire Purchase	8,929	-	8,929
Term Loan	6,886	5,796	12,682
	<u>15,815</u>	<u>5,796</u>	<u>21,611</u>
Grand Total	<u>53,323</u>	<u>43,589</u>	<u>96,912</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 2012.

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.

13. Earnings per share

	3 months ended		12 months ended	
	31 Mar 2012	31 Mar 2011	31 Mar 2012	31 Mar 2011
Profit attributable to ordinary equity holders of the parent (RM'000)	4,923	3,674	11,640	14,763
Weighted average number of ordinary shares ('000)	49,678	48,778	49,340	47,654
Basic earnings per share (sen)	<u>9.91</u>	<u>7.53</u>	<u>23.59</u>	<u>30.98</u>
Weighted average number of ordinary shares (diluted) ('000)	50,317	50,078	50,223	49,251
Diluted earnings per share (sen)	<u>9.78</u>	<u>7.34</u>	<u>23.18</u>	<u>29.97</u>

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 28 May 2012.