



LAY HONG BERHAD (107129-H)
Incorporated in Malaysia

Condensed Consolidated Statement of Comprehensive Income

	3 months ended		12 months ended	
	31 Mar 2014 Unaudited	31 Mar 2013 Unaudited	31 Mar 2014 Unaudited	31 Mar 2013 Unaudited
	RM'000	RM'000	RM'000	RM'000
Revenue	148,068	137,306	579,223	521,028
Operating expenses	(143,564)	(144,324)	(565,362)	(542,186)
Other Income	2,241	1,448	4,637	4,109
Finance costs	(2,152)	(1,670)	(8,117)	(5,957)
Profit/(Loss) before tax	4,593	(7,240)	10,381	(23,006)
Income tax	(1,269)	176	(3,196)	3,932
Profit/(Loss) for the period	3,324	(7,064)	7,185	(19,074)
Other comprehensive income/(expense), net of tax				
Available-for sale financial assets	23	4	87	7
Exchange differences on translation of foreign operations	(14)	4	96	(1)
Total Other comprehensive income	9	8	183	6
Total comprehensive income/(expense)	3,333	(7,056)	7,368	(19,068)
Profit/(loss) attributable to:				
Owners of the parent	5,042	(5,200)	7,157	(17,793)
Non-controlling interest	(1,718)	(1,864)	28	(1,281)
	3,324	(7,064)	7,185	(19,074)
Total comprehensive income/(expense) attributable to:				
Owners of the parent	5,058	(5,194)	7,293	(17,786)
Non-controlling interest	(1,725)	(1,862)	75	(1,282)
	3,333	(7,056)	7,368	(19,068)
Earnings/(loss) per share (sen) :				
Basic	10.13	(10.45)	14.38	(35.75)
Diluted	9.99	(10.27)	14.15	(35.23)

The condensed consolidated income statements should be read in conjunction with the audited financial statements for the year ended 31 March 2013 and the accompanying explanatory notes attached to this interim financial statements.



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Condensed Consolidated Statement of Financial Position

	As at 31 Mar 2014 Unaudited RM'000	As at 31 Mar 2013 Audited RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	243,350	222,258
Intangible assets	3,556	3,558
Other investments	194	38
Deferred tax assets	7,926	10,519
	255,026	236,373
Current assets		
Biological assets	25,547	25,405
Inventories	61,530	55,833
Trade receivables	58,697	49,304
Other receivables	9,698	14,034
Short term investment	3,420	5,623
Cash and bank balances	4,718	6,871
	163,610	157,070
TOTAL ASSETS	418,636	393,443
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	49,780	49,780
Reserves	69,747	62,454
	119,527	112,234
Non-controlling interest	22,791	22,252
Total equity	142,318	134,486
Non-current liabilities		
Long term borrowings	42,778	33,164
Long term payables	1,185	1,089
Deferred tax liabilities	25,926	25,761
	69,889	60,014
Current liabilities		
Short term borrowings	116,528	109,251
Trade payables	64,862	71,012
Other payables	24,953	18,673
Income tax payable	86	7
	206,429	198,943
Total liabilities	276,318	258,957
TOTAL EQUITY AND LIABILITIES	418,636	393,443

Net assets per share attributable to ordinary equity holders of the parent (RM)	2.4011	2.2546
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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 2013 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						Non-controlling interest	Total Equity
	Share capital	Revaluation reserve	Foreign currency translation reserve	Fair value reserve	Retained profit	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		
At 1 April 2013	49,780	20,493	(1)	157	41,805	112,234	22,252	134,486
Transfer to distributable reserve on realisation of revaluation reserve	-	(921)	-	-	921	-	-	-
Accreditation of non-controlling interest	-	-	-	-	-	-	464	464
Total comprehensive income for the period	-	-	49	87	7,157	7,293	75	7,368
At 31 Mar 2014	49,780	19,572	48	244	49,883	119,527	22,791	142,318
At 1 April 2012	49,678	21,374	-	150	60,583	131,785	22,717	154,502
Transfer to distributable reserve on realisation of revaluation reserve	-	(881)	-	-	881	-	-	-
Accreditation of non-controlling interest	-	-	-	-	-	-	1,057	1,057
Total comprehensive (expense) / income for the period	-	-	(1)	7	(17,792)	(17,786)	(1,282)	(19,068)
Dividends	-	-	-	-	(1,867)	(1,867)	(240)	(2,107)
Issue of new ESOS shares	102	-	-	-	-	102	-	102
At 31 March 2013	49,780	20,493	(1)	157	41,805	112,234	22,252	134,486

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 March 2013 the accompanying explanatory notes attached to the interim financial statements.



LAY HONG BERHAD (107129-H)
Incorporated in Malaysia

Condensed Consolidated Statement of Cash Flows

	12 months ended 31 Mar 2014 Unaudited RM'000	12 months ended 31 Mar 2013 Unaudited RM'000
Cash Flow From Operating Activities		
Profit/(Loss) before tax	10,381	(23,006)
Adjustment for:-		
Depreciation and amortization	20,594	18,217
Loss/(Gain) on disposal of Property, plant and equipment	499	(193)
Property, plant and equipment written off	210	238
Investment and goodwill written (back)/off	(8)	1,161
Stock written off	1,036	-
Interest expense	8,117	5,957
Interest income	(34)	(27)
Bad debts written off	27	125
Reversal of impairment losses on trade receivables	(1,106)	(630)
Impairment losses on trade receivables	1,334	1,846
Fair value adjustment	87	7
Unrealised gain on foreign exchange differences	(64)	(63)
Operating profit before changes in working capital	41,073	3,632
Net change in current assets	(12,800)	(1,875)
Net change in current liabilities	226	4,554
Tax refund/(paid)	316	(2,322)
Interest paid	(8,117)	(5,957)
Net cash generated/(used in) from operating activities	20,698	(1,968)
Cash Flow From Investing Activities		
Investment by non-controlling interest	464	1,057
Additional goodwill acquired	-	(140)
Other investment	(75)	-
Additional intangible asset acquired	(98)	-
Proceeds from disposal of property, plant and equipment	443	199
Purchase of property, plant and equipment	(16,758)	(22,139)
Interest income received	34	27
Changes in FD pledged to bank	214	(252)
Dividend paid to non-controlling interest of subsidiary companies	-	(240)
Net cash used in investing activities	(15,776)	(21,489)
Cash Flow From Financing Activities		
BA financing	(2,202)	24,580
Net Drawdown and Repayment of term loans and revolving credits	(1,102)	(528)
Repayment of hire purchase creditors	(5,848)	(5,851)
Dividend paid to owner of the parent	-	(1,867)
Issue of new shares	-	102
Net cash (used in)/generated from financing activities	(9,152)	16,436
Net decrease in cash and cash equivalents	(4,230)	(7,021)
Foreign exchange fluctuation	26	(1)
Cash and cash equivalents at beginning of year	(5,378)	1,644
Cash and cash equivalents at end of the quarter	(9,582)	(5,378)
Cash and cash equivalents at the end of the quarter comprises :		
Short term investment	3,420	5,623
Cash and bank balances	4,718	6,871
Bank overdrafts (included within the short term borrowings in Part B Note 9)	(17,282)	(17,220)
Deposit pledged to licensed bank	(438)	(652)
	(9,582)	(5,378)

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 March 2013 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 2013. 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 2013.

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 2013, 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 2013 :

FRSs, Amendments to FRSs and Interpretations

FRS 10	Consolidated Financial Statements
FRS 11	Joint Arrangements
FRS 12	Disclosure of Interests in Other Entities
FRS 13	Fair Value Measurement
FRS 119	(Revised) Employee Benefits
FRS 127	Separate Financial Statements
FRS 128	Investment in Associates and Joint Ventures
Amendments to FRS 1	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters
Amendments to FRS 7	Transfer of Financial Assets
Amendments to FRS 101	Presentation of Financial Statements - Presentation of Items of Other Comprehensive Income
Amendments to FRS 112	Deferred Tax:Recovery of Underlying Assets
Amendments to IC Interpretation 14	Prepayment of a Minimum Funding Requirement

The adoption of the above FRSs,amendments to FRSs and IC Intrepretations did not have any material impact on the financial statements of the Group. The Group has not early adopted the followings FRSs, IC Interpretation and amendments to FRSs, which have been issued and will be effective for the financial periods as stated below: -

		Effective date for financial periods beginning on or after
Amendments to FRS 10, FRS 12 and FRS 127	Consolidated Financial Statements, Joint Arrangements and Disclosures of Interest in Other Entities : Investment Entities	1 January 2014
Amendments to FRS 132	Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities	1 January 2014
FRS 9	Financial Instruments	1 January 2015

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 MRFS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2013, with the exception of entities that are within the scope of MFRS 141 Agriculture and IC Interpretation 15 Agreements for Construction of Real Estate ("IC 15"), including its parent, significant investor and venturer (herein called "Transitioning Entities")

**2. Changes in accounting policies (cont'd)****Malaysian Financial Reporting Standards (MFRS Framework)(cont'd)**

Transitioning Entities will be allowed to defer the adoption of MFRS Framework and continue to use the current Financial Reporting Standards (FRS) Framework. The adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2014.

The Group falls within the scope definition of Transitioning Entities and has opted to defer adoption of the new MFRS Framework. Accordingly, 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 2015. In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained profits.

On 7 August 2013, MASB announced that the Transitioning Entities are allowed to defer the adoption of MFRS to 1 January 2015. Thus, 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 2016.

The Group has not completed its assessment of the financial effects of the differences between Financial Reporting Standards and accounting standards under the MFRS Framework. Accordingly, the consolidated financial performance and financial position as disclosed in these financial statements for the year ended 31 March 2014 could be 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 Mar 2014.

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

No additional shares were issued under the Employees Share Option Scheme (ESOS) in the current quarter.

7. Dividends paid

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

8. Segmental information

	3 months ended 31 Mar 2014		12 months ended 31 Mar 2014	
	Segment revenue	Segment results	Segment revenue	Segment results
	RM'000		RM'000	
Integrated livestock farming	118,331	5,077	466,718	9,442
Retail supermarket	33,955	(484)	130,433	939
	<u>152,286</u>	<u>4,593</u>	<u>597,151</u>	<u>10,381</u>
Inter-segment eliminations	(4,218)	-	(17,928)	-
	<u>148,068</u>	<u>4,593</u>	<u>579,223</u>	<u>10,381</u>

All business operations are predominantly conducted in Malaysia.



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9. Subsequent events

There were no events subsequent to 31 Mar 2014 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 RM86.66 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 Mar 2014 amounted to :

	RM'000
Approved and contracted for	6,857
Approved but not contracted for	-
	<u>6,857</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 performance for the current financial quarter compared to the preceding year's quarter is as follow;

	Current quarter <u>RM'000</u>	Corresponding quarter last year <u>RM'000</u>	Variance <u>RM'000</u>	Variance <u>%</u>
Revenue				
-Intergrated livestock farming	114,113	105,957	8,156	7.70
-Retail supermarket	33,955	31,349	2,606	8.31
	<u>148,068</u>	<u>137,306</u>		
Profit/(loss) before tax	4,593	(7,240)	11,833	163.44

The intergrated livestock farming segment's revenue increased 7.7% from RM105.96 million recorded in the preceding year's corresponding quarter to RM114.11 million in the current financial quarter. This was due to the higher prices and quantity of processed chicken products sold in the current quarter.

For the retail supermarket segment, a higher revenue of RM33.96 million was recorded in the current quarter compared to RM31.35 million in the corresponding quarter of last preceding year arising from the opening of two additional outlets.

A pre-tax profit of RM4.59 million was recorded for the group compared to a pre-tax loss of RM7.24 million in the corresponding quarter of last financial year mainly due to reasons above and the favourable average corn prices.

2. Comparison with immediate preceding quarter's results

The Group's performance for the current financial quarter compared to the immediate preceding quarter is as follow;

	Current quarter <u>RM'000</u>	Immediate preceding quarter <u>RM'000</u>	Variance <u>RM'000</u>	Variance <u>%</u>
Revenue				
-Intergrated livestock farming	114,113	113,756	356	0.31
-Retail supermarket	33,955	32,209	1,747	5.42
	<u>148,068</u>	<u>145,965</u>		
Profit/(loss) before tax	4,593	2,153	2,440	113.33

For the current quarter under review, intergrated livestock farming segment registered a slightly higher revenue of RM114.11 million compared to the immediate preceding quarter of RM113.76 million due to the higher quantity of processed chicken sold in the current quarter.

The retail supermarket segment recorded a higher revenue of RM33.96 million in the current quarter as compared to RM32.21 million in the immediate preceding quarter due to the opening of two additional outlets in the current quarter.

The group recorded a pre-tax profit of RM4.59 million in the current quarter compared to a pre-tax profit of RM2.15 million recorded in the immediate preceding quarter mainly due to higher revenue and lower corn prices.

**3. Prospects**

Chicken and egg prices have remained favourable for the last six months and is projected to remain at this level for the ensuing year. Given this favourable outlook, the group is expected to perform satisfactory going forward.

4. Profit forecast or profit guarantee

Not applicable

5. Income tax

	Current quarter RM'000	Year-to- date RM'000
Current tax	(392)	438
Deferred tax	1,661	2,758
	<u>1,269</u>	<u>3,196</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 31 Mar 2014 are as follows :

	Secured RM'000	Unsecured RM'000	Total RM'000
Short term			
Overdraft	10,827	6,455	17,282
Bankers' Acceptances	37,307	42,630	79,937
Hire Purchase	6,316	-	6,316
Term Loan	5,592	1,401	6,993
Revolving Credit	-	6,000	6,000
	<u>60,042</u>	<u>50,486</u>	<u>116,528</u>
Long term			
Hire Purchase	14,477	-	14,477
Term Loan	25,315	2,986	28,301
	<u>39,792</u>	<u>2,986</u>	<u>42,778</u>
Grand Total	<u>99,834</u>	<u>53,472</u>	<u>159,306</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 Mar 2014.

**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/(loss) per share

	3 months ended		12 months ended	
	31 Mar 2014	31 Mar 2013	31 Mar 2014	31 Mar 2013
Profit/(loss) attributable to ordinary equity holders of the parent (RM'000)	5,042	(5,200)	7,157	(17,793)
Weighted average number of ordinary	49,780	49,780	49,780	49,774
Basic earnings/(loss) per share (sen)	10.13	(10.45)	14.38	(35.75)
Weighted average number of ordinary	50,486	50,638	50,587	50,506
Diluted earnings/(loss) per share (sen)	9.99	(10.27)	14.15	(35.23)

Basic earnings/(loss) 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/(loss) 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. Notes to the Condensed Consolidated Statement of Comprehensive Income

The following amounts have been (charged)/credited in arriving at profit before tax:

	Preceding Year		Preceding Year	
	Current Year	Corresponding	Current Year	Corresponding
	Quarter	Quarter	to Date	Period
	31/03/2014	31/03/2013	31/03/2014	31/03/2013
	RM'000	RM'000	RM'000	RM'000
a) Interest income	30	24	34	27
b) Interest expense	(2,152)	(1,670)	(8,117)	(5,957)
c) Depreciation and amortisation	(5,471)	(4,947)	(20,594)	(18,217)
d) Bad debts written off	(27)	(56)	(27)	(125)
e) Stock written off	(1,036)	-	(1,036)	-
f) Net of impairment losses and write back on trade receivables	(187)	(1,233)	(228)	(1,216)
g) Gain on disposal of unquoted investment	-	27	11	125
h) (Loss)/Gain on disposal of PPE	(603)	193	(499)	193
i) Unrealised forex gain	88	37	64	63
j) Realised forex gain/(loss)	204	(105)	283	(75)

15. Auditors' report on preceding annual financial statements

The auditors' report of the previous annual financial year ended 31 March 2013 was not subject to any qualification.

16. 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 26 May 2014.