


Part A1 QUARTERLY REPORT

Company Name	: LAY HONG BERHAD
Stock Name	: LAY HONG
Date Announced	
Quarterly report for the financial period ended	: 31/12/2015
Quarter	: 3
Financial Year end	: 31/03/2016
The figures	: have not been audited

Part A2: SUMMARY OF KEY FINANCIAL INFORMATION

Summary of Key Financial Information for the financial period ended
31/12/2015

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/12/2015 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/12/2014 RM'000	CURRENT YEAR TO DATE 31/12/2015 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/12/2014 RM'000
1 Revenue	163,378	177,153	482,681	500,167
2 Profit before tax	5,209	10,487	21,454	22,176
3 Profit for the period	4,498	7,467	16,930	16,433
4 Profit attributable to ordinary equity holder of the parent	4,146	6,301	15,283	14,147
5 Basis earnings per share (sen)	8.06	12.48	29.11	28.28
6 Proposed/Declared dividend per share (sen)	0.00	0.00	0.00	5.00
	AS AT END OF CURRENT QUARTER		AS AT PRECEDING FINANCIAL YEAR END	
7 Net assets per share attributable to ordinary equity holders of the parent (RM)		3.0002		2.6913

Part A3 ADDITIONAL INFORMATION

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/12/2015 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/12/2014 RM'000	CURRENT YEAR TO DATE 31/12/2015 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/12/2014 RM'000
Net cash generated from/(used in) financing activities				
1 Gross interest income	13	2	20	6
2 Gross interest expense	1,941	2,103	5,771	6,420



LAY HONG BERHAD (107129-H)
Incorporated in Malaysia

Condensed Consolidated Statement of Comprehensive Income

	Individual Quarter		Cumulative Quarter	
	31 Dec 2015 Unaudited	31 Dec 2014 Unaudited	31 Dec 2015 Unaudited	31 Dec 2014 Unaudited
	RM'000	RM'000	RM'000	RM'000
Revenue	163,378	177,153	482,681	500,167
Operating expenses	(157,457)	(165,409)	(459,707)	(474,199)
Other Income	1,229	846	4,251	2,628
Finance costs	(1,941)	(2,103)	(5,771)	(6,420)
Profit before tax	5,209	10,487	21,454	22,176
Income tax	(711)	(3,020)	(4,524)	(5,743)
Profit for the period	4,498	7,467	16,930	16,433
Other comprehensive income, net of tax				
Available-for sale financial assets	-	15	1	20
Exchange differences on translation of foreign operations	-	10	-	2
Total Other comprehensive income	-	25	1	22
Total comprehensive income	4,498	7,492	16,931	16,455
Profit attributable to:				
Owners of the parent	4,146	6,301	15,283	14,147
Non-controlling interest	352	1,166	1,647	2,286
	4,498	7,467	16,930	16,433
Total comprehensive income attributable to :				
Owners of the parent	4,146	6,321	15,284	14,168
Non-controlling interest	352	1,171	1,647	2,287
	4,498	7,492	16,931	16,455
Earnings per share (sen) :				
Basic	8.06	12.48	29.11	28.28
Diluted	N/A	12.45	N/A	28.11

The condensed consolidated income statements should be read in conjunction with the audited financial statements for the year ended 31 March 2015 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 31 Dec 2015 Unaudited RM'000	As at 31 Mar 2015 Audited RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	245,937	243,512
Intangible assets	3,172	3,193
Other investments	194	194
Deferred tax assets	4,043	3,496
	253,346	250,395
Current assets		
Biological assets	25,464	26,117
Inventories	70,361	65,535
Trade receivables	67,192	65,804
Other receivables	12,336	9,886
Short term investment	4,024	5,048
Cash and bank balances	21,816	4,586
	201,193	176,976
TOTAL ASSETS	454,539	427,371
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	52,500	50,830
Reserves	105,008	85,969
	157,508	136,799
Non-controlling interest	23,946	24,023
Total equity	181,454	160,822
Non-current liabilities		
Long term borrowings	29,613	37,113
Deferred tax liabilities	26,097	25,503
	55,710	62,616
Current liabilities		
Short term borrowings	117,833	108,695
Trade payables	66,728	63,622
Other payables	28,071	29,191
Income tax payable	4,743	2,425
	217,375	203,933
Total liabilities	273,085	266,549
TOTAL EQUITY AND LIABILITIES	454,539	427,371

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

3.0002

2.6913

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 31 March 2015 and the accompanying explanatory notes attached to this interim financial statements.



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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	Share premium reserve	Foreign currency translation reserve	Fair value reserve	Retained profit	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 April 2015	50,830	17,823	-	59	372	67,714	136,798	24,024	160,822
Transfer to distributable reserve on realisation of revaluation reserve	-	(801)	-	-	-	801	-	-	-
Effect of change in stakes in a subsidiary company	-	-	-	-	-	(21)	(21)	21	-
Disposal of a subsidiary company	-	-	-	-	-	-	-	(766)	(766)
Transferred to distributable reserve on realisation of foreign currency translation reserve	-	-	-	(59)	-	59	-	-	-
Transferred to distributable reserve on realisation of fair value reserve	-	-	-	-	(370)	370	-	-	-
Total comprehensive income for the period	-	-	-	-	1	15,283	15,284	1,647	16,931
Dividends	1,670	-	3,777	-	-	-	5,447	(980)	(980)
Issue of new ESOS shares	52,500	17,022	3,777	-	3	84,206	157,508	23,946	181,454
At 31 December 2015	49,780	19,572	-	48	244	49,883	119,527	22,791	142,318
Transfer to distributable reserve on realisation of revaluation reserve	-	(575)	-	-	-	575	-	-	-
Accretion of non-controlling interest	-	-	-	-	-	-	-	158	158
Total comprehensive income for the period	-	-	-	1	20	14,147	14,168	2,287	16,455
Dividends	862	-	-	-	-	(2,524)	(2,524)	-	(2,524)
Issue of new ESOS shares	50,642	18,997	-	49	264	62,081	132,033	25,236	157,269
At 31 December 2014	-	-	-	-	-	-	-	-	-

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 March 2015 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

	9 months ended 31 Dec 2015 Unaudited RM'000	9 months ended 31 Dec 2014 Unaudited RM'000
Cash Flow From Operating Activities		
Profit before tax	21,454	22,175
Adjustment for:-		
Depreciation and amortization	15,861	16,424
Gain on disposal of Property, plant and equipment	(153)	(57)
Gain on disposal of a subsidiary company	(1,102)	-
Property, plant and equipment written off	132	47
Goodwill written off	-	86
Stock written off	-	-
Interest expense	5,771	6,420
Interest income	(20)	(6)
Fair value adjustment	1	20
	98	131
Operating profit before changes in working capital	42,042	45,240
Net change in current assets	(7,029)	(24,401)
Net change in current liabilities	2,233	17,729
Tax paid	(3,567)	(705)
Interest paid	(5,771)	(6,420)
Net cash generated from operating activities	27,908	31,443
Cash Flow From Investing Activities		
Sale of a subsidiary company, net of cash disposed	1,733	-
Investment by non-controlling interest	-	158
Proceeds from disposal of property, plant and equipment	193	143
Purchase of property, plant and equipment	(15,978)	(16,840)
Interest income received	20	6
Dividend paid to non-controlling interest of subsidiary companies	(980)	-
Net cash used in investing activities	(15,012)	(16,533)
Cash Flow From Financing Activities		
BA financing	4,386	273
Net Drawdown and Repayment of term loans and revolving credits	(4,389)	(4,351)
Repayment of hire purchase creditors	(5,332)	(5,470)
Dividend paid	-	(2,524)
Issue of new shares	5,447	862
Net cash generated from/(used in) financing activities	112	(11,210)
Net increase in cash and cash equivalents	13,008	3,700
Foreign exchange fluctuation	-	14
Cash and cash equivalents at beginning of year	(3,781)	(11,965)
Cash and cash equivalents at end of the quarter	9,228	(8,251)
Cash and cash equivalents at the end of the quarter comprises :		
Short term investment	4,024	3,441
Cash and bank balances	21,816	5,526
Bank overdrafts (included within the short term borrowings in Part B Note 9)	(16,160)	(16,780)
Deposit pledged to licensed bank	(452)	(438)
	9,228	(8,251)

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 March 2015 and the accompanying explanatory notes attached to this interim financial statements.



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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 2015. 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 2015.

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 2015, 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 2015:

FRSs, Amendments to FRSs and Interpretations

FRS 9	Financial Instrument
Amendments to FRS 10 and 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
Amendments to FRS 10, 12 and 128	Investment Entities ; Applying the Consolidation Exception
Amendments to FRS 11	Accounting for Acquisitions of Interests in Joint Operation
Amendments to FRS 14	Regulatory Deferral Accounts
Amendments to FRS 116 and 138	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to FRS 101	Presentation of Financial Statements - Disclosures Initiative
Amendments to FRS 119	Defined Benefit Plans-Employee Contributions
Amendments to FRS 127	Equity Method in Separate Financial Statement
Annual Improvement to FRSs 2012 - 2014 Cycle	

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.

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 MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2014, 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")

The Group falls within the scope definition of Transitioning Entities and has opted to defer adoption of the new MFRS Framework. 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 8 September 2015, MASB announced that the Transitioning Entities are allowed to defer the adoption of MFRS to 1 January 2018. 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 2019.

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 2015 could be different if prepared under the MFRS Framework.



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2. Changes in accounting policies (cont'd)

Malaysian Financial Reporting Standards (MFRS Framework)(cont'd)

Certain subsidiary companies of the Group prepare its financial statements using MFRS framework. Accordingly, reconciliations have been performed for the different financial frameworks. However, the differences do not have significant impact on the consolidated financial statements.

3. Seasonal 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 December 2015.

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 1,070,000 additional shares under the Employees Share Option Scheme (ESOS) in the current quarter.

7. Dividends paid

No dividend has been paid in this quarter.

8. Segmental information

	3 months ended 31 December 2015		9 months ended 31 December 2015	
	revenue	Segment results	revenue	results
	revenue	results	revenue	results
	RM'000		RM'000	
Integrated livestock farming	134,740	5,210	393,984	21,942
Retail supermarket	32,918	(1)	102,246	(488)
	<u>167,658</u>	<u>5,209</u>	<u>496,230</u>	<u>21,454</u>
Inter-segment eliminations	(4,280)	-	(13,549)	-
	<u>163,378</u>	<u>5,209</u>	<u>482,681</u>	<u>21,454</u>

All business operations are predominantly conducted in Malaysia.

9. Subsequent events

There were no events subsequent to 31 December 2015 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.



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11. Changes in contingent liabilities

Credit facilities amounting to RM82.67 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 December 2015 amounted to :

	RM'000
Approved and contracted for	9,555
Approved but not contracted for	<u>18,398</u>
	<u>27,953</u>



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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 last year corresponding quarter is as follow;

	Current quarter RM'000	Corresponding quarter last year RM'000	Variance RM'000	Variance %
Revenue				
-Intergrated livestock farming	130,460	141,199	(10,739)	(7.61)
-Retail supermarket	32,918	35,954	(3,036)	(8.45)
	163,378	177,153		
Profit before tax	5,209	10,487	(5,278)	(50.33)

The integrated livestock farming segment's revenue in the current quarter was 7.61% lower compared to the corresponding quarter in last year due to lower quantity of eggs sold and lower eggs price.

For the retail supermarket segment, a lower revenue of RM32.92 million was recorded in the current quarter compared to RM35.95 million in the corresponding quarter of last preceding year due to lower consumers spending after the implementation of the Goods Service Tax.

A lower pre-tax profit of RM5.21 million was recorded for the group compared to RM10.49 million in the corresponding quarter of last financial year mainly due to lower revenue as mentioned above.

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 RM'000	Immediate preceding quarter RM'000	Variance RM'000	Variance %
Revenue				
-Intergrated livestock farming	130,460	128,381	2,079	1.62
-Retail supermarket	32,918	36,371	(3,453)	(9.50)
	163,378	164,752		
Profit before tax	5,209	11,713	(6,504)	(55.53)

For the current quarter under review, intergrated livestock farming segment registered a higher revenue of RM130.46 million compared to the immediate preceding quarter of RM128.38 million due to the higher egg price and quantity of poultry products sold.

The retail supermarket segment recorded a lower revenue at RM32.92 million compared to RM36.37 million due to Hari Raya festival in the previous quarter.

Pre-tax profit of RM5.21 million in the current quarter is lower compared to the RM11.71 million achieved in the immediate preceding quarter due to lower retail supermarket revenue in the current quarter. The absence of a one time gain on disposal of a subsidiary company and write back of provisions no longer required also contributed to higher pre-tax profit in the previous quarter.

3. Prospects

The company has recently announced the entry of NH Foods Ltd, a company listed on the Tokyo Stock Exchange, Japan, as a new foreign substantial shareholders. Given that they are one the largest food processing company in the world, their expected contribution to the company will be positive in the form of synergy in food processing technologies and opening of new foreign markets.



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4. Profit forecast or profit guarantee

Not applicable

5. Income tax

	Current quarter RM'000	Year-to- date RM'000
Current tax	762	4,478
Deferred tax	(51)	46
	<u>711</u>	<u>4,524</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

On 4 February 2015, the Company announced to undertake the following proposals as to comply to the minimum 25% Public Share Spread (PPS) requirements.

- Proposed private placement of up to 15,750,000 new ordinary shares of RM1.00 each in Lay Hong Berhad, representing up to 30% of the enlarged issue and paid up share capital of the company.
- Proposed termination of the existing executive share option scheme (ESOS), and
- Proposed establishment of a new share issuance scheme of up to fifteen percent (15%) of the issued and paid up share capital of the company at any point in time for the eligible Directors and employees of the company and its subsidiary companies.

On 30 March 2015, the Company proposed to revise the private placement of up to 7,624,000 shares of RM1.00 each in Lay Hong Berhad, representing up to 15% of the existing issued and paid up capital of RM50,830,000 comprising 50,830,000 LHB Shares as at 23 March 2015.

On 31 March, 2015, the Company announced that the private placement had been submitted to Bursa Securities for approval.

On 8 April, 2015, Lay Hong Berhad announced that Bursa Securities, via its letter dated 6 April 2015, granted a further extension of six months until 31 December 2015 to comply with the minimum Public Share Spread (PPS) requirements and as at 27 July 2015, the PPS stood as 16.02%.

On 14 April, 2015, the Company announced that Bursa Securities via its letter 13 April 2015, approved the followings:-

- the listing of and quotation for up to 7,624,000 Placement Shares to be issued pursuant to the Proposed Private Placement, and
- the listing of such number of new LHB Shares, representing up to fifteen percent (15%) of the issued and paid up share capital of LHB to be issued pursuant to the exercise of options under the Proposed SIS.



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8. Status of corporate proposals (continued)

The approval by Bursa Securities is subject to following conditions.

Proposed Private Placement

- (i) the Placement Shares should be placed out only to institutional investor,
- (ii) TA Securities should submit the list of identified places for Bursa Securities' clearance prior to placing out the shares to the institutional investor.
- (iii) LHB and TA Securities must fully comply with the relevant provision under the Listing Requirements pertaining to the implementation of the Proposed Private Placement
- (iv) LHB and TA Securities to inform Bursa Securities upon the completion of the Proposed Private Placement.
- (v) LHB to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities approval once the Proposed Private Placement completed; and
- (vi) Incorporation of Bursa Securities' comments in the circular to shareholder

Proposed SIS

- (i) TA Securities is required to submit a confirmation to Bursa Securities of full compliance of the Proposed SIS pursuant to Paragraph 6.43(1) of the Listing Requirements and stating the effective date of implementation together with a certified true copies of the resolution passed by the shareholders at general meeting approving the Proposed SIS;
- (ii) TA Securities is required to furnish Bursa Securities on a quarterly basis a summary of total number of shares listed pursuant to the exercise of option under the Proposed SIS as at the end of each quarter together with a detailed computation of listing fee payable.
- (iii) Incorporation of Bursa Securities' comments in the circular to shareholders

On 18 May, 2015, the Company announced that at the Extraordinary General Meeting, the shareholders have approved the Proposed Private Placement and the SIS Scheme to directors but out of the 9 resolutions tabled relating to the granting of SIS shares to directors, only 5 were carried out.

On 22 September 2015, the Company announced that it has complied with the 25% public shareholdings spread requirement following the disposal of 19,865,700 LHB shares by QL Resources Berhad on 11 September 2015. The Company's public shareholdings spread as at 17 September 2015 was 25.42%.

On 2 October 2015, the Company announced that it has received a conditional letter of intend ("LOI") from Takaso Resources Berhad (TRB) in relation to the proposed acquisition of 100% interest in Takaso SC (Thailand) Ltd, a wholly-owned subsidiary of TRB, subject to the appropriate legal documentation to be signed and due diligence.

On 12 October 2015, the Company announced that the approval from Bursa Securities for the above proposed private placement has lapsed, being six (6) months from the date of approval from Bursa Securities.

On 14 December 2015, the Company proposed to undertake a fresh private placement of 6,037,500 new ordinary shares of RM1.00 representing up to ten percent (10%) of the enlarged issued and paid up capital share capital of LHB of 60,375,000 shares as at 11 December 2015.



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8. Status of corporate proposals (continued)

On 15 December 2015, the Company announced that it has submitted an application to Bursa securities for the listing and quotation for the placement shares on the main market of Bursa Securities.

On 11 January 2016, the Company announced the following:-

- (a) that it has entered into a share subscription agreement with NH Food Ltd (NHF) on 8 January 2016 for the subscription of 5,250,000 placement shares by NHF, representing 10% of the existing issued capital of LHB. NHF is listed on the First Section of Tokyo Stock Exchange and involved in the business of production of fresh meats, processed foods and dairy products.
- (b) that it has entered into a memorandum of understanding (MOU) with NH Food Ltd (NHF) for the purpose of incorporating a joint venture company (JV CO) to undertake the business of manufacturing and marketing of further processed food for export markets in Japan and Singapore. The Company will own 49% in the proposed JV CO and the balance 51% owned by NHF. NHF will be responsible for research and development, manufacturing and export of further processed foods to overseas market such as Japan and Singapore. Whilst, the Company will be responsible for matters relating to the operation of the JV CO in Malaysia, including licensing, taxation, obtaining HALAL and Hazard Analysis Critical Point certification, procurement of land or leasing of land, logistics and sales and marketing in Malaysia.
- (c) that it has fixed the issue price for the placement of 5,250,000 shares at RM5.81 per placement share. The issue price represents a discount of 10% to the 5-day volume weighted average market price of LHB shares up to and including 7 January 2016, being the last market day immediately preceding the suspension of trading of LHB shares on 8 January 2016.

On 12 January 2016, the Company announced that it has offered a total of 5,250,000 shares at the option price of RM5.81 to eligible Director and employees of LHB. The effective date for the implementation of the SIS is 12 January 2016.

On 20 January, 2016, the Company announced that 5,250,000 placement shares to NH Food Ltd has been completed and the enlarged issued and paid up capital of the Company is now 57,750,000 shares and will be listed on 21st January, 2016.

On 2 February, 2016, the Company announced to undertake multiple proposals as follows:-

- (i) Proposed bonus issue of up to 66,412,500 new ordinary shares of RM1.00 each in LHB on the basis of one Bonus Share for every one existing LHB Share held at an entitlement date to be determined later.
- (ii) Proposed share split involving subdivision of every one LHB Share held into five new ordinary shares of RM0.20 each in LHB on the Entitlement Date.
- (iii) Proposed issue of up to 332,062,500 free warrants on the basis of one Warrant for every two LHB Shares held on the Entitlement Date.
- (iv) Proposed increase in the authorised share capital of the Company from RM100,000,000 comprising 100,000,000 LHB Shares to RM400,000,000 comprising 2,000,000,000 LHB Shares.
- (v) Proposed amendment to the Company's Memorandum of Association to facilitate the Proposed Share Split and Proposed Increase in the Authorised Share Capital.



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9. The Group's borrowings as at 31 December 2015 are as follows :

	Secured RM'000	Unsecured RM'000	Total RM'000
Short term			
Overdraft	7,822	8,338	16,160
Bankers' Acceptances	41,324	40,444	81,768
Hire Purchase	6,283	-	6,283
Term Loan	6,540	1,582	8,122
Revolving Credit	-	5,500	5,500
	<u>61,969</u>	<u>50,364</u>	<u>117,833</u>
Long term			
Hire Purchase	11,664	-	11,664
Term Loan	17,650	299	17,949
	<u>29,314</u>	<u>299</u>	<u>29,613</u>
Grand Total	<u>91,283</u>	<u>50,663</u>	<u>147,446</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 2015.

11. Changes in material litigation

Save as disclosed below, neither our Company nor our subsidiary companies are engaged in any other material litigation, claims or arbitration either as plaintiff or defendant, which has a material effect on the financial position of our Company and/or our Group and our Board is not aware of any proceedings pending or threatened, or of any facts likely to give rise to any other proceedings, which might materially and adversely affect the business or financial position of our Company and/or our Group.

(i) Tiong Nam Logistics Solutions Sdn Bhd ("Tiong Nam Logistics") v Lay Hong Food Corporation Sdn Bhd ("Lay Hong Food") (Civil Suit

Tiong Nam Coldroom & Distribution Centre Sdn Bhd ("Tiong Nam Coldroom") had filed a civil suit against Lay Hong Food for transportation charges for the sum of RM1,683,850.38 ("The First Suit"). The First Suit was struck out on the ground that Tiong Nam Coldroom was not a party to the contracts. The current suit was filed by Tiong Nam Logistics after the First Suit was struck out. Tiong Nam Logistics claims against Lay Hong Food are RM1,928,529.72 (loss of earnings), RM1,683,850.38 (judgment sum) and RM470,500.00 (losses suffered due to non-usage of trucks), arising from the alleged breach of the contract dated 22.04.2005 and 22.11.2005. Lay Hong Food has filed a counterclaim against Tiong Nam Logistics for the sum of RM113,138.88 for losses suffered as a result of the failure of Tiong Nam Logistics to pay the bank installment, road tax, motor insurance and vehicle inspection fees. The full trial was carried out and awaiting judgement from the Shah Alam High Court.

The solicitors in charge of this case is of the opinion that the claims by Tiong Nam Logistics are highly unsustainable and without merit and without basis.

12. Dividend

The Directors do not propose any dividend for the current quarter.



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13. Earnings per share

	3 months ended		9 months ended	
	31 Dec 2015	31 Dec 2014	31 Dec 2015	31 Dec 2014
Profit attributable to ordinary equity holders of the parent (RM'000)	4,146	6,301	15,283	14,147
Weighted average number of ordinary shares ('000)	51,430	50,497	52,500	50,019
Basic earnings per share (sen)	8.06	12.48	29.11	28.28
Weighted average number of ordinary shares (diluted) ('000)	N/A	50,599	N/A	50,336
Diluted earnings per share (sen)	N/A	12.45	N/A	28.11

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. Notes to the Condensed Consolidated Statement of Comprehensive Income

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

	Current Year	Preceding Year	Current Year	Preceding Year
	Quarter	Corresponding	to Date	Corresponding
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
	RM'000	RM'000	RM'000	RM'000
a) Interest income	13	2	20	6
b) Interest expense	(1,941)	(2,103)	(5,771)	(6,420)
c) Depreciation and amortisation	(5,279)	(5,332)	(15,861)	(16,424)
d) Gain on disposal of a subsidiary company	-	-	1,102	-
e) Gain on disposal of unquoted investment	-	-	196	-
f) Written off of PPE	-	-	(132)	(47)
g) Gain on disposal of PPE	90	(8)	153	57
h) Unrealised forex loss	(19)	(2)	(98)	(131)
i) Realised forex loss	178	75	174	(31)

15. Auditors' report on preceding annual financial statements

The auditors' report of the previous annual financial year ended 31 March 2015 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 23rd February, 2016.