



Part A1 QUARTERLY REPORT

Company Name : LAY HONG BERHAD
 Stock Name : LAY HONG
 Date Announced
 Quarterly report for the financial period ended : 30/6/2016
 Quarter : 1
 Financial Year end : 31/03/2017
 The figures : have not been audited

Part A2: SUMMARY OF KEY FINANCIAL INFORMATION

Summary of Key Financial Information for the financial period ended
30/6/2016

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30/6/2016 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/6/2015 RM'000	CURRENT YEAR TO DATE 30/6/2016 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/6/2015 RM'000
1 Revenue	158,951	154,551	158,951	154,551
2 Profit before tax	1,341	4,532	1,341	4,532
3 Profit for the period	971	3,265	971	3,265
4 Profit attributable to ordinary equity holder of the parent	419	2,578	419	2,578
5 Basis earnings per share (sen)	0.70	5.03	0.70	5.03
6 Proposed/Declared dividend per share (sen)	0.00	0.00	0.00	0.00
	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)	4.27		4.19	

Part A3 ADDITIONAL INFORMATION

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30/6/2016 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/6/2015 RM'000	CURRENT YEAR TO DATE 30/6/2016 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/6/2015 RM'000
1 Gross interest income	16	4	16	4
2 Gross interest expense	1,775	1,907	1,775	1,907



LAY HONG BERHAD (107129-H)
Incorporated in Malaysia

Condensed Consolidated Statement of Comprehensive Income

	Individual Quarter		Cumulative Quarter	
	30 June 2016 Unaudited	30 June 2015 Unaudited	30 June 2016 Unaudited	30 June 2015 Unaudited
	RM'000	RM'000	RM'000	RM'000
Revenue	158,951	154,551	158,951	154,551
Operating expenses	(156,278)	(149,113)	(156,278)	(149,113)
Other income	474	1,001	474	1,001
Finance costs	(1,775)	(1,907)	(1,775)	(1,907)
Share of profit/ (loss) of associates	(31)	-	(31)	-
Profit before tax	1,341	4,532	1,341	4,532
Income tax	(370)	(1,267)	(370)	(1,267)
Profit for the period	971	3,265	971	3,265
Other comprehensive income				
Items that are or may be reclassified subsequently to profit or loss				
Available-for sale financial assets	-	(19)	-	(19)
Exchange differences on translation of foreign operations	-	-	-	-
	-	(19)	-	(19)
Items that will not be reclassified to profit or loss				
Revaluation of property, plant and equipment	-	-	-	-
Other comprehensive income, net of tax	-	(19)	-	(19)
Total comprehensive income	971	3,246	971	3,246
Profit attributable to:				
Owners of the parent	419	2,578	419	2,578
Non-controlling interest	552	687	552	687
	971	3,265	971	3,265
Total comprehensive income attributable to :				
Owners of the parent	419	2,503	419	2,503
Non-controlling interest	552	743	552	743
	971	3,246	971	3,246
Earnings per share (sen) :				
Basic	0.70	5.03	0.70	5.03
Diluted	0.69	4.99	0.69	4.99

The condensed consolidated income statements should be read in conjunction with the audited financial statements for the year ended 31 March 2016 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 June 2016 Unaudited RM'000	As at 31 Mar 2016 Audited RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	327,105	307,939
Intangible assets	7,477	2,600
Investment in associates	1,439	-
Other investments	194	194
Investment property	2,000	2,000
Deferred tax assets	3,277	3,277
	341,492	316,010
Current assets		
Biological assets	27,387	26,073
Inventories	74,591	68,733
Trade receivables	69,978	69,769
Other receivables	23,723	20,623
Short term investment	6,739	27,603
Cash and bank balances	20,241	23,578
	222,659	236,379
TOTAL ASSETS	564,151	552,389
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	60,575	57,750
Reserves	198,241	184,235
	258,816	241,985
Non-controlling interest	25,512	24,960
Total equity	284,328	266,945
Non-current liabilities		
Long term borrowings	27,772	30,553
Deferred tax liabilities	29,878	30,275
	57,650	60,828
Current liabilities		
Short term borrowings	115,512	127,373
Trade payables	70,939	69,003
Other payables	33,100	24,947
Income tax payable	2,622	3,293
	222,173	224,616
Total liabilities	279,823	285,444
TOTAL EQUITY AND LIABILITIES	564,151	552,389

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

4.27

4.19

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 31 March 2016 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	SIS option 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	RM'000
At 1 April 2016	57,750	68,800	29,030	15,093	-	74	71,237	241,984	24,960	266,944
Transfer to distributable reserve on realisation of revaluation reserve	-	(264)	-	-	-	-	264	-	-	-
Profit	-	-	-	-	-	-	419	419	552	971
Issue of new SIS shares	2,825	-	13,588	-	-	-	-	16,413	-	16,413
Transfer to share premium for SIS options exercised	-	-	8,121	(8,121)	-	-	-	-	-	-
At 30 June 2016	60,575	68,536	50,739	6,972	-	74	71,920	258,816	25,512	284,328
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	-	(146)	-	-	-	-	146	-	-	-
Total comprehensive income for the period	-	-	-	-	-	(19)	2,578	2,559	637	3,196
Issue of new ESOS shares	600	-	1,260	-	-	-	-	1,860	-	1,860
At 30 June 2015	51,430	17,677	1,260	-	59	353	70,438	141,217	24,661	165,878

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 March 2016 the accompanying explanatory notes attached to the interim financial statements.



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Condensed Consolidated Statement of Cash Flows

	3 months ended 30 June 2016 Unaudited RM'000	3 months ended 30 June 2015 Unaudited RM'000
Cash Flow From Operating Activities		
Profit before tax	1,341	4,532
Adjustment for:-		
Depreciation and amortization	5,618	5,285
Gain/(Loss) on disposal of property, plant and equipment	(27)	-
Property, plant and equipment written off	810	1
Interest expense	1,775	1,907
Interest income	(16)	(4)
Fair value adjustment	-	(19)
Share of profit/(loss) of associates	-	-
Unrealised loss/(gain) on foreign exchange differences	(203)	76
Operating profit before changes in working capital	9,298	11,778
Net change in current assets	(10,667)	(3,253)
Net change in current liabilities	(686)	3,273
Tax paid	(1,760)	(705)
Interest paid	(1,775)	(1,907)
Net cash generated from operating activities	(5,590)	9,186
Cash Flow From Investing Activities		
Proceeds from disposal of property, plant and equipment	29	31
Purchase of property, plant and equipment	(7,048)	(5,216)
Acquisition of subsidiary	(3,977)	-
Investment in associates	(1,439)	-
Interest income received	16	4
Net cash used in investing activities	(12,419)	(5,181)
Cash Flow From Financing Activities		
BA financing	(357)	(1,603)
Net drawdown and repayment of term loans and revolving credits	(12,007)	(1,449)
Repayment of hire purchase creditors	(9,076)	(1,698)
Issue of new shares	16,413	1,860
Net cash generated from/(used in) financing activities	(5,027)	(2,890)
Net increase in cash and cash equivalents	(23,036)	1,115
Foreign exchange fluctuation	-	1
Cash and cash equivalents at beginning of year	32,067	(3,781)
Cash and cash equivalents at end of the quarter	9,031	(2,665)
Cash and cash equivalents at the end of the quarter comprises :		
Short term investment	6,739	3,567
Cash and bank balances	20,241	5,292
Bank overdrafts (included within the short term borrowings in Part B Note 9)	(17,483)	(11,072)
Deposit pledged to licensed bank	(466)	(452)
	9,031	(2,665)

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 March 2016 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 2016. 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 2016.

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 2016, 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 2016 :

FRSs, Amendments to FRSs and Interpretations

FRS 9	Financial Instruments
Amendments to FRS 10 and 128	Sale or Contribution of Assets between an Investor and its Associates 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 Operations
Amendments to FRS 116 and 138	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to FRS 127	Equity Method in Separate Financial Statements
Annual Improvements 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 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture and IC Interpretation 15 Agreements for Construction of Real Estate, including its parent, significant investor and venturer (herein called "Transitioning Entities")

The Group and the Company fall 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 and the Company 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.

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2. Changes in accounting policies (cont'd)

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

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 and the Company will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 March 2018.

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 2016 could be different if prepared under the MFRS Framework.

Certain subsidiary companies of the Group prepare their 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 30 June 2016.

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 2,825,000 additional shares to eligible directors and employees under the Share Issuance Scheme (SIS) in the current quarter.

7. Dividends paid

No dividend has been paid in this quarter.

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8. Segmental information

	3 months ended 30 June 2016		3 months ended 30 June 2016	
	Segment revenue	Segment results	Segment revenue	Segment results
	RM'000		RM'000	
Integrated livestock farming	124,617	2,135	124,617	2,135
Retail supermarket	29,826	(794)	29,826	(794)
	154,443	1,341	154,443	1,341
Inter-segment eliminations	4,508	-	4,508	-
	158,951	1,341	158,951	1,341

All business operations are predominantly conducted in Malaysia.

9. Subsequent events

There were no events subsequent to 31 March 2016 that would have a material effect on the interim financial statements of the current quarter.

10. Changes in composition of the Group

The acquisition of Takaso SC (Thailand) Ltd was completed on 10 June 2016. Hence, it has been consolidated into the group accounts as a 100% owned subsidiary in this quarter. 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 RM90.40 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 2016 amounted to :

	RM'000
Approved and contracted for	15,370
Approved but not contracted for	14,338
	29,708

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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 follows:

	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	129,125	121,594	7,531	6.19
-Retail supermarket	29,826	32,957	(3,131)	(9.50)
	<u>158,951</u>	<u>154,551</u>		
Profit before tax	1,341	4,532	(3,191)	(70.41)

The integrated livestock farming segment's revenue in the current quarter was 6.19% higher compared to the corresponding quarter last year mainly due to higher quantity of poultry products sold and improved average selling prices.

For the retail supermarket segment, a lower revenue of RM29.83 million was recorded in the current quarter compared to RM32.96 million in the corresponding quarter of last preceding year due to lower consumers' spending.

A pre-tax profit of RM1.34 million was recorded in the current quarter for the group compared to RM4.53 million in the corresponding quarter of last financial year mainly due to the above reasons.

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 follows:

	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	129,125	131,438	(2,313)	(1.76)
-Retail supermarket	29,826	31,707	(1,881)	(5.93)
	<u>158,951</u>	<u>163,145</u>		
Profit before tax before other expense	1,341	3,575	(2,234)	(62.49)
Share based expense	-	(15,093)		
Profit before tax	<u>1,341</u>	<u>(11,518)</u>		

For the current quarter under review, intergrated livestock farming segment registered a lower revenue of RM129.13 million compared to RM131.44 million in the immediate preceding quarter mainly due to lower average poultry product prices and product mix.

The retail supermarket segment recorded a lower revenue of RM29.83 million compared to RM31.71 million in the previous quarter due to lower consumers' spending.

A pre-tax profit of RM1.34 million was recorded in the current quarter for the group compared to a pre-tax loss of RM11.52 million in the immediate preceding quarter. This result is not comparable due to the one off charge out of a share-based expense of RM15.09 million.

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3. Prospects

The entry of NH Foods Ltd into the Company as a substantial shareholder recently has marked a major step forward for the Company's chicken product manufacturing business in the form of new product development and market penetration. The Company is now reviewing its strategies and will capitalize on the strength of NH Foods Ltd to take the Company to greater heights. A new joint venture company under the name of NHF Manufacturing (Malaysia) Sdn Bhd has been set-up and is now actively working on its plant set-up and product development.

4. Profit forecast or profit guarantee

Not applicable

5. Income tax

	Current quarter RM'000	Year-to- date RM'000
Current tax	767	767
Deferred tax	(397)	(397)
	370	370

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

On 2 February 2016, on behalf of the Board of Directors of the Company (LHB), TA Securities Holdings Berhad announced that the Company proposed to undertake the following:

- (i) proposed bonus issue of up to 66,412,500 new ordinary shares of RM1.00 each in LHB on the basis of one (1) Bonus Share for every one (1) existing LHB Share held at an entitlement date to be determined later;
- (ii) proposed share split involving subdivision of every one (1) LHB Share held into five (5) new ordinary shares of RM0.20 each in LHB ("Subdivided Shares") on the Entitlement Date;
- (iii) proposed issue of up to 332,062,500 free warrants ("Warrants") on the basis of one (1) Warrant for every two (2) LHB Shares held on the Entitlement Date;
- (iv) proposed increase in the authorised share capital of LHB from RM100,000,000 comprising 100,000,000 LHB Shares to RM400,000,000 comprising 2,000,000,000 LHB Shares; and
- (v) proposed amendment to the Company's Memorandum of Association to facilitate the Proposed Share Split and Proposed Increased in the Authorised Share Capital.

The Proposed Increase in the Authorised Share Capital and the Proposed Amendment will not have any effect on the share capital, net assets, gearing, earnings, earnings per share and substantial shareholders' shareholding of the Company.

The Proposals are subject to and conditional upon the following approvals being obtained:

- (i) Bursa Securities for the following:
 - (a) admission, listing of and quotation for the Warrants to the Official List of Bursa Securities;
 - (b) listing of and quotation for the Bonus Shares and new LHB Shares to be issued pursuant to the exercise of Warrants on the Main Market of Bursa Securities;
 - (c) the Proposed Share Split; and
- (ii) the shareholders of the Company for the Proposals at an extraordinary general meeting to be convened.

8. Status of corporate proposals (continued)

On 19 August 2016, the Company announced that the above proposals have been approved by Bursa subject to the following conditions:

- (i) Shareholders' approval for the Proposals;
- (ii) LHB and TA Securities, being the principal adviser, must fully comply with the relevant provisions under the Main Market Listing Requirements ("LR") pertaining to the implementation of the Proposals;
- (iii) LHB and TA Securities to inform Bursa Securities upon the completion of the Proposals;
- (iv) LHB to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposals is completed;
- (v) LHB to furnish Bursa Securities on a quarterly basis a summary of the total number of shares listed pursuant to the exercise of Warrants at the end of each quarter together with a details computation of listing fees payable;
- (vi) LHB and TA Securities are required to make the relevant announcement pursuant to Paragraph 6.35(2)(a) & (b) and 6.35(4) of the LR pertaining to the Proposed Bonus Issue of Shares and Paragraph 13.10(2) of the LR pertaining to the Proposed Share Split; and
- (vii) To incorporate the comments from Bursa Securities made in the circular to shareholders.

On 3 May 2016, the Company announced that a JV company in the name of NHF Manufacturing (Malaysia) Sdn Bhd has been incorporated on 3 May 2016 with the shareholding ratio of 51% : 49% held by NH Foods Ltd and the Company respectively.

On 4 May 2016, following the exercise of 831,000 SIS Options on 13 April 2016 and 1,394,000 SIS Options on 22 April 2016 by the employees who are deemed as public shareholders, the Company announced that it has complied with the public shareholding spread requirement. Based on the Record of Depositors of the Company as at 3 May 2016, the public shareholding spread was 25.88%.

On 13 May 2016, the Company announced that it has entered into a Supplemental Agreement ("SA") with O&C Resources Berhad (formerly known as Takaso Resources Berhad) ("OCR"), Ong Kah Hoe, Yong Mong Huay and Su Seong Yeen (collectively, "the Vendors") to amend specific clauses in the Shares Sale Agreement ("SSA") entered into on 4 February 2016. The amendments are related to clause 4.2 of the SSA as follows:

The Company shall pay the Consideration to the Vendors in accordance with the following schedule:

- (a) 10% of the deposit upon signing of the SSA;
- (b) the sum of RM3,650,000 on or before 30 days from date of the SA ("Partial Payment"); and
- (c) the balance of RM4,000,000 shall be payable in 11 instalments of RM350,000 each and a final instalment of RM150,000.

On 13 June 2016, the Company announced that the Proposed Acquisition as per announcements made on 2 October 2015, 9 October 2015, 4 February 2016, 10 February 2016, 16 February 2016 and 13 May 2016 in relation to the acquisition of 200,000 units of ordinary shares of THB100 each in Takaso SC (Thailand) Limited ("TSC"), representing 100% interest in TSC ("Proposed Acquisition"), was completed on 10 June 2016.

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9. The Group's borrowings as at 30 June 2016 are as follows :

	Secured RM'000	Unsecured RM'000	Total RM'000
Short term			
Overdraft	13,551	3,932	17,483
Bankers' Acceptance	45,670	37,706	83,376
Hire Purchase	6,760	-	6,760
Term Loan	6,789	1,104	7,893
Revolving Credit	-	-	-
	<u>72,770</u>	<u>42,742</u>	<u>115,512</u>
Long term			
Hire Purchase	11,934	-	11,934
Term Loan	15,838	-	15,838
	<u>27,772</u>	<u>-</u>	<u>27,772</u>
Grand Total	<u>100,542</u>	<u>42,742</u>	<u>143,284</u>

10. Off balance sheet financial instruments

The Group did not enter into any contracts involving off balance sheet financial instruments for the year-to-date financial period ended 30 June 2016.

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 22 NCVC-629-10/2013)

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 Lay Hong Food has been informed by its solicitors on the decision delivered by the Honorable Judge from the Shah Alam High Court on 27 April 2016 to allow the Plaintiff's claim as follows: RM1,683,850.38 being the claim for services rendered, RM1,555,675.14 being the loss of business, RM470,500.00 being the loss of use of the 5 trucks due to the failure to give six (6) months written notice of nomination, and costs awarded to the Plaintiff at RM50,000.00. Based on the advice of the legal counsel, Lay Hong Food has filed a Memorandum of Appeal on 14 July 2016 to appeal against the decision of the High Court and is now awaiting for the court to fix a hearing date. There is no material financial effect to the Group as provisions had been made for the claimed amount of RM1.7 million by the Plaintiff in the financial year ended 31 March 2015 while the remaining claimed amount of RM1.4 million has been disclosed as contingent liability in the books for the financial year ended 31 March 2016.

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12. Dividend

The Directors proposed a final tax exempt dividend of 5.0% subject to the approval of members at the forthcoming Annual General Meeting.

13. Earnings per share

	3 months ended		3 months ended	
	30 June 2016	30 June 2015	30 June 2016	30 June 2015
Profit attributable to ordinary equity holders of the parent (RM'000)	419	2,578	419	2,578
Weighted average number of ordinary shares ('000)	59,637	51,237	59,637	51,237
Basic earnings per share (sen)	0.70	5.03	0.70	5.03
Weighted average number of ordinary shares (diluted) ('000)	60,855	51,617	60,855	51,617
Diluted earnings per share (sen)	0.69	4.99	0.69	4.99

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 SIS Options.

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
	30/06/2016	30/06/2015	30/06/2016	30/06/2015
	RM'000	RM'000	RM'000	RM'000
a) Interest income	16	4	16	4
b) Interest expense	(1,775)	(1,907)	(1,775)	(1,907)
c) Depreciation and amortisation	(5,618)	(5,285)	(5,618)	(5,285)
d) Gain on disposal of unquoted investment	-	116	-	116
e) Write off of PPE	(810)	-	(810)	-
f) Gain/(Loss) on disposal of PPE	27	-	27	-
g) Unrealised forex gain/ (loss)	203	(76)	203	(76)
h) Realised forex gain/ (loss)	(65)	33	(65)	33

15. Auditors' report on preceding annual financial statements

The auditors' report of the previous annual financial year ended 31 March 2016 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 29 August 2016.