



LAY HONG BERHAD (Registration no. 198301011738 (107129-H))
Incorporated in Malaysia

Condensed Consolidated Statement of Comprehensive Income

	Individual quarter		Cumulative quarter	
	30 June 2024 Unaudited RM'000	30 June 2023 Audited RM'000	30 June 2024 Unaudited RM'000	30 June 2023 Unaudited RM'000
Revenue	273,824	258,017	273,824	258,017
Cost of sales	(222,188)	(225,228)	(222,188)	(225,228)
Gross profit	51,636	32,789	51,636	32,789
Other income	2,574	5,806	2,574	5,806
Selling and distribution expenses	(26,078)	(22,603)	(26,078)	(22,603)
Administrative expenses	(9,563)	(8,241)	(9,563)	(8,241)
Profit/(Loss) from operations	18,569	7,751	18,569	7,751
Finance costs	(2,982)	(3,061)	(2,982)	(3,061)
Profit/(Loss) before tax	15,587	4,690	15,587	4,690
Taxation	(1,835)	(372)	(1,835)	(372)
Net profit/(loss) after tax	13,752	4,318	13,752	4,318
Items that are or may be reclassified subsequently to profit or loss:				
Exchange differences on translation of foreign operations	57	(1,139)	57	(1,139)
	57	(1,139)	57	(1,139)
Total comprehensive income/(loss)	13,809	3,179	13,809	3,179
Profit/(Loss) attributable to:				
Owners of the parent	13,389	4,021	13,389	4,021
Non-controlling interest	363	297	363	297
	13,752	4,318	13,752	4,318
Total comprehensive income/(loss) attributable to:				
Owners of the parent	13,446	2,882	13,446	2,882
Non-controlling interest	363	297	363	297
	13,809	3,179	13,809	3,179
Earnings per share (sen) :				
Basic	1.78	0.54	1.78	0.54
Diluted	1.67	*	1.67	*

* No diluted earnings per share is presented as there are no potential dilutive shares as at the end of the financial

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 March 2024 and the accompanying explanatory notes attached to this interim financial statements.



LAY HONG BERHAD (Registration no. 198301011738 (107129-H))
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Condensed Consolidated Statement of Financial Position

	30 June 2024 Unaudited RM'000	31 March 2024 Audited RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	628,828	626,540
Investment properties	6,270	6,270
Other investments	625	533
Intangible assets	4,466	4,735
	640,189	638,078
Current assets		
Biological assets	106,086	103,238
Inventories	126,618	129,043
Trade receivables	89,607	85,642
Other receivables	32,744	37,882
Deposit with a licensed bank	579	579
Cash and bank balances	73,993	59,108
	429,627	415,492
TOTAL ASSETS	1,069,816	1,053,570
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	179,275	175,323
Reserves	394,126	384,083
	573,401	559,406
Non-controlling interest	11,944	11,581
Total equity	585,345	570,987
Non-current liabilities		
Borrowings	83,058	57,655
Deferred tax liabilities	85,958	85,992
	169,016	143,647
Current liabilities		
Trade payables	66,440	85,060
Other payables	77,622	71,887
Current tax liabilities	7,000	8,210
Borrowings	164,393	173,779
	315,455	338,936
Total liabilities	484,471	482,583
TOTAL EQUITY AND LIABILITIES	1,069,816	1,053,570

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

0.77

0.76

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 March 2024 and the accompanying explanatory notes attached to this interim financial statements.



LAY HONG BERHAD (Registration no. 198301011738 (107129-H))
Incorporated in Malaysia

Condensed Consolidated Statement of Changes in Equity

	Attributable to Owners of the Parent						Non-controlling interest	Total
	Share	Revaluation reserve	ESS option reserve	Foreign currency translation reserve	Retained earnings	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		
At 1 April 2024	175,323	121,646	6,705	(116)	255,848	559,406	11,581	570,987
Transfer (to) / from distributable reserve on realisation of revaluation reserve	-	(770)			770	-	-	-
Net profit for the financial period	-	-	-	-	13,389	13,389	363	13,752
Other comprehensive income	-	-	-	57	-	57	-	57
Total comprehensive income	-	(770)	-	57	14,159	13,446	363	13,809
Issue of shares pursuant to ESS schemes	3,952	-	(1,144)	-	-	2,808	-	2,808
Dividends	-	-	-	-	(2,259)	(2,259)	-	(2,259)
Total transactions with owners of the Company	3,952	-	(1,144)	-	(2,259)	549	-	549
At 30 Jun 2024	179,275	120,876	5,561	(59)	267,748	573,401	11,944	585,345
At 1 April 2023	173,633	124,691		686	163,906	462,916	11,754	474,670
Transfer (to) / from distributable reserve on realisation of revaluation reserve	-	(3,045)	-	-	3,045	-	-	-
Net profit for the financial period	-	-	-	-	90,253	90,253	(173)	90,080
Other comprehensive income	-	-	-	(802)	-	(802)	-	(802)
Total comprehensive income	-	-	-	(802)	90,253	89,451	(173)	89,278
Share-based payment transactions								
- on granting			8,059			8,059		8,059
- on lapsing			(865)		865	-		-
Issue of shares pursuant to ESS schemes	1,690		(489)			1,201		1,201
Dividends	-	-	-	-	(2,221)	(2,221)	-	(2,221)
Total transactions with owners of the Company	1,690	-	6,705	-	(1,356)	7,039	-	7,039
At 31 Mar 2024	175,323	121,646	6,705	(116)	255,848	559,406	11,581	570,987

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 March 2024 and the accompanying explanatory notes attached to this interim financial statements.



Condensed Consolidated Statement of Cash Flows

	Cumulative quarter 30 June 2024 Unaudited RM'000	Cumulative quarter 30 June 2023 Audited RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before tax	15,587	4,690
Adjustments for:-		
Amortisation of intangible assets	269	270
Depreciation of property, plant and equipment	11,800	11,538
(Gain)/ Loss on disposal of property, plant and equipment	(102)	(91)
Property, plant and equipment written off	33	23
Impairment loss of inventories	(102)	(71)
Interest expense	2,982	3,061
Interest income	(314)	(25)
Changes in fair value on quoted investment	(92)	41
Net unrealised loss on foreign exchange	(25)	(646)
Operating profit before changes in working capital	30,036	18,790
Net change in current assets	(704)	3,011
Net change in current liabilities	(11,276)	(13,392)
Cash flows from operations	18,056	8,409
Tax paid	(3,079)	(1,163)
Net cash generated from operating activities	14,977	7,246
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(14,123)	(30,038)
Additions to intangible asset	-	10
Proceeds from disposal of property, plant and equipment	102	91
Interest received	314	25
Net cash used in investing activities	(13,707)	(29,912)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net drawdown/(repayment) of lease liabilities	3,571	(2,589)
Net drawdown/(repayment) of borrowings	13,165	15,633
Interest paid	(2,982)	(3,061)
Dividend paid	(2,259)	-
Proceeds from Issue of ordinary shares	2,808	-
Net cash generated/(used in) from financing activities	14,303	9,983
Cash and cash equivalents at the end of the year comprises:		
Net (decrease)/increase in cash and cash equivalents	15,573	(12,683)
Effect of foreign exchange changes	56	(1,140)
Cash and cash equivalents at beginning of the financial year	51,993	28,698
	67,622	14,875
Cash and cash equivalents at the end of the year comprises:		
Deposit with a licensed bank	579	565
Cash and bank balances	73,993	21,746
Bank overdrafts	(6,371)	(6,871)
Deposit pledged to licensed bank	(579)	(565)
	67,622	14,875

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 March 2024 and the accompanying explanatory notes attached to this interim financial statements.

PART A: EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) NO. 134 - INTERIM FINANCIAL REPORTING

A1 BASIS OF PREPARATION

The Group has prepared its financial statements using the Malaysian Financial Reporting Standards ("MFRS") for the financial period ended 31 March 2024.

The interim financial statements are unaudited and have been prepared in accordance with the requirements of MFRS 134: Interim Financial Reporting and paragraph 9.22 of the Main Market 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 2024. 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 2024.

A2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted for the interim financial report are consistent with those adopted for the audited consolidated financial statements of the Group for the financial year ended 31 March 2024.

The Group had adopted the following new MFRSs, Amendments/Improvements to MFRS and IC Interpretations mandatory for the current financial year:-

Description	Effective date
Amendments to MFRS 101 Presentation of Financial Statements - Classification of Liabilities as Current or Non-Current	1st January 2024
Amendments to MFRS 101 Presentation of Financial Statements – Non-current Liabilities with Covenants	1st January 2024
Amendments to MFRS 16 Leases – Lease Liability in a Sale and Leaseback	1st January 2024

The adoption of the above amendment to MFRSs did not have significant impact on the financial statements of the Group.

A3 AUDITORS’ REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report of the previous annual financial year ended 31 March 2024 was not subject to any qualification.

A4 SEASONAL AND CYCLICAL FACTORS

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

A5 UNUSUAL ITEMS DUE TO THEIR NATURE, SIZE AND INCIDENCE

There were no material unusual items affecting assets, liabilities, equity, net income, or cash flows during the current quarter under review.

A6 ESTIMATES

There were no material changes in estimates that had a material effect on the current quarter under review.

A7 DEBTS AND EQUITIES SECURITIES

There was no issuance, cancellation, repurchase, resale or repayment of debt and equity securities in the current quarter under review.

A8 DIVIDEND PAID

An interim single-tier dividend of 0.3 cent per ordinary share for the year ended 31 March 2024 was paid on 21 June 2024 amounting to RM2.26million.

A9 SEGMENTAL REPORTING

Analysis of revenue by segments

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter ended		Period ended	
	30.06.2024	30.06.2023	30.06.2024	30.06.2023
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Integrated livestock farming ("ILF")	198,163	185,951	198,163	185,951
Food manufacturing ("FM")	151,304	130,476	151,304	130,476
Retail business ("RB")	58,593	62,949	58,593	62,949
Subtotal	408,060	379,376	408,060	379,376
Intercompany elimination	(134,236)	(121,359)	(134,236)	(121,359)
Total revenue	<u>273,824</u>	<u>258,017</u>	<u>273,824</u>	<u>258,017</u>

The revenue was predominantly derived in Malaysia.

A9 SEGMENTAL REPORTING (CONT'D)

Analysis of segment results, assets, and liabilities

	<u>ILF</u> <u>RM'000</u>	<u>FM</u> <u>RM'000</u>	<u>RB</u> <u>RM'000</u>	<u>Elimination</u> <u>RM'000</u>	<u>Total</u> <u>RM'000</u>
Cumulative quarter at 30.06.2024					
Segment results	9,417	9,204	259	(311)	18,569
Finance costs	(2,437)	(547)	(309)	311	(2,982)
Profit/(loss) before tax	6,980	8,657	(50)	-	15,587
Taxation	(671)	(1,114)	(50)	-	(1,835)
Profit/(loss) after tax	6,309	7,543	(100)	-	13,752
Segment assets	791,441	241,800	42,102	(5,527)	1,069,816
Segment liabilities	324,071	128,846	32,091	(537)	484,471
Cumulative quarter at 30.06.2023					
Segment results	(3,352)	9,054	2,308	(259)	7,751
Finance costs	(2,841)	(205)	(274)	259	(3,061)
Profit/(loss) before tax	(6,193)	8,849	2,034	-	4,690
Taxation	(255)	-	(117)	-	(372)
Profit/(loss) after tax	(6,448)	8,849	1,917	-	4,318
Segment assets	808,603	322,167	66,875	(239,750)	957,895
Segment liabilities	414,779	246,997	57,018	(238,748)	480,046

A10 VALUATION OF PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES

There were no revaluation of property, plant and equipment for the quarter under review.

The Group adopts the fair value model for its investment properties. There is no significant and indicative change in value of the said investment properties since the last balance sheet date.

A11 MATERIAL EVENTS SUBSEQUENT TO THE END OF THE CURRENT QUARTER

There were no material events subsequent to the end of the current financial quarter and up to the date of this report.

A12 COMPOSITION OF THE GROUP

There were no other changes in the composition of the Group in the current financial quarter under review.

A13 CONTINGENT ASSETS AND CONTINGENT LIABILITIES

There were no contingent assets as at the end of the current financial quarter and up to the date of this report.

The contingent liabilities of the group arise from bank guarantees and letter of credit given to third parties amounted to RM8.12 million.

A14 CAPITAL COMMITMENTS

Commitments for the capital expenditure not provided for acquisition of property, plant and equipment in the financial statements amounted to RM23.95 million.

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

B1 REVIEW OF PERFORMANCE

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	Quarter ended		Variance	Period ended		Variance
	<u>30.06.2024</u>	<u>30.06.2023</u>		<u>30.06.2024</u>	<u>30.06.2023</u>	
	RM'000	RM'000		RM'000	RM'000	
Revenue						
Integrated livestock farming ("ILF")	198,163	185,951	6.57%	198,163	185,951	6.57%
Food manufacturing ("FM")	151,304	130,476	15.96%	151,304	130,476	15.96%
Retail business ("RB")	58,593	62,949	(6.92%)	58,593	62,949	(6.92%)
Subtotal	408,060	379,376		408,060	379,376	
Inter-co elimination	(134,236)	(121,359)		(134,236)	(121,359)	
Total Revenue	273,824	258,017	6.13%	273,824	258,017	6.13%
Profit/(loss) before tax	15,587	4,690	232.35%	15,587	4,690	232.35%

Individual/ Cumulative corresponding quarter - FY25-Q1 vs FY24-Q1

Revenue for the integrated livestock farming (ILF) segment increased by 6.57% or RM12.21 million from RM185.95 million to RM198.16 million due to higher quantity of live chicken sold and eggs.

Revenue for the food manufacturing (FM) segment recorded an increase of 15.96% or RM20.83 million from RM130.48 million to RM151.30 million due to increase in sales quantity of primary processed poultry products and further processed poultry products especially in east Malaysia.

Revenue for retail business (RB) decreased by 6.92% or RM4.36 million from RM62.95 million to RM58.59 million due to lower patronage.

Overall, the Group recorded a higher profit before tax (PBT) of RM15.59 million as compared to the previous quarter PBT of RM4.69 million. This amount is inclusive of subsidies received from the government.

B2 COMPARATIVE WITH IMMEDIATE PRECEDING QUARTER'S RESULTS

	INDIVIDUAL QUARTER		<i>Variance</i> %
	Quarter ended		
	<u>30.06.2024</u> RM'000	<u>31.03.2024</u> RM'000	
Revenue			
- Integrated livestock farming ("ILF")	198,163	220,756	(10.23%)
- Food manufacturing ("FM")	151,304	163,874	(7.67%)
- Retail business("RB")	58,593	56,448	3.80%
Subtotal	408,060	441,078	
Intercompany elimination	(134,236)	(145,293)	
Total Revenue	273,824	295,785	(7.42%)
Profit before tax	15,587	37,554	(58.49%)

For the current quarter under review, ILF segment recorded a decrease of 10.23% or RM22.59 million from RM220.76 million to RM198.16 million. The decrease in revenue was due to lower live chicken sold.

Revenue for FM segment registered a decrease of 7.67% or RM12.57 million from RM163.87 million to RM151.30 million. The decrease in revenue was due to decrease in sales quantity of primary processed poultry products.

RB segment recorded an increase of 3.80% from RM56.45 million to RM58.59 million due to increase retail sales from recent openings of 3 more stores.

Overall, for the quarter in review, the Group recorded a decrease in profit of 58.49% or RM21.97 million. This was due to higher input cost resulted from the delay in receipt of egg subsidy from the government.

B3 PROSPECTS

With the recent easing of the prices of major raw material i.e corn and soya bean coupled with the recent strengthening of our Ringgit against the US Dollar, the input cost of the Group has reduced. This scenario will be positive for the Group going forward.

B4 PROFIT FORECAST AND PROFIT GUARANTEE

The Group did not issue any profit forecast or profit guarantee during the current year under review.

B5 TAXATION

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter ended		Period ended	
	<u>30.06.2024</u>	<u>30.06.2023</u>	<u>30.06.2024</u>	<u>30.06.2023</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Current tax	1,869	1,664	1,869	1,664
Deferred tax	(34)	(1,292)	(34)	(1,292)
	<u>1,835</u>	<u>372</u>	<u>1,835</u>	<u>372</u>

B6 BORROWINGS

	<u>As at</u> <u>30.06.2024</u> <u>RM'000</u>	<u>As at</u> <u>31.03.2024</u> <u>RM'000</u>
<u>Current</u>		
<u>Secured</u>		
Bank overdrafts	3,131	3,322
Bill payables	31,161	40,232
Lease liabilities	15,829	14,484
Term loans	22,091	12,900
	72,212	70,938
<u>Unsecured</u>		
Bank overdrafts	3,240	3,773
Bill payables	88,941	99,068
	92,181	102,841
Total current	164,393	173,779
<u>Non-current</u>		
<u>Secured</u>		
Lease liabilities	28,907	26,677
Term loans	54,151	30,978
	83,058	57,655
Total non-current	83,058	57,655
Total borrowings	247,451	231,434

The currency profile of borrowings other than the functional currency was: -

	<u>As at</u> <u>30.06.2024</u> <u>RM'000</u>	<u>As at</u> <u>31.03.2024</u> <u>RM'000</u>
Thai Baht (THB)	-	3

B7 STATUS OF CORPORATE PROPOSALS

On 18 August 2022, AmInvestment Bank, on behalf of the Company, had submitted to Bursa Securities for approval on the following;

- (I) Proposed Employees' Share Scheme ("Proposed ESS"); and
- (II) Proposed allocation of awards to the eligible directors and major shareholders of Lay Hong Berhad ("proposed allocation")

On 23 August 2022, Bursa Securities has given approval on the above.

On 28 September 2022, the shareholders have approved the above proposal in an Extraordinary General Meeting (EGM).

On 29 Jan 2024 the Company grant 10% of ESS equivalent to 73,260,000 shares offered. Up to date, there were 15,951,570 shares has been exercised.

B8 OFF BALANCE SHEET FINANCIAL INSTRUMENTS

The Group did not enter any contracts involving off balance sheet financial instruments during the current quarter under review.

B9 MATERIAL LITIGATION

There was no material pending litigation during the current quarter under review.

B10 PROPOSED DIVIDEND

On 24 June 2024 the Board of Directors has declared a final single tier dividend of 0.5 cent per ordinary share for the financial year ended 31 March 2024 which is payable upon approval from the forthcoming AGM which is to be held on 27 September 2024.

B11 EARNINGS PER SHARE

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter ended		Period ended	
	<u>30.06.2024</u>	<u>30.06.2023</u>	<u>30.06.2024</u>	<u>30.06.2023</u>
Profit/(loss) attributable to ordinary equity holders of the parent (RM'000)	13,389	4,021	13,389	4,021
Weighted average number of ordinary shares (Basic) ('000)	750,383	740,319	750,383	740,319
Basic earnings per share (sen)	1.78	0.54	1.78	0.54
Diluted earnings per share (sen)	1.67	*	1.67	*

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.

* No diluted earnings per share is presented as there are no potential dilutive ordinary shares as at the end of the financial period.

B12 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 26th August 2024.