



LAY HONG BERHAD (107129-H)  
Incorporated in Malaysia

Condensed Consolidated Statement of Comprehensive Income

	Individual Quarter		Cumulative Quarter	
	31 Dec 2017 Unaudited	31 Dec 2016 Unaudited	31 Dec 2017 Unaudited	31 Dec 2016 Unaudited
	RM'000	RM'000	RM'000	RM'000
Revenue	228,189	171,680	615,779	501,612
Operating expenses	(212,613)	(162,863)	(574,035)	(484,768)
Other income	1,406	1,010	4,059	3,134
Finance costs	(2,762)	(1,911)	(7,367)	(5,609)
Share of loss of associates	(340)	(57)	(676)	(136)
Profit before tax	13,880	7,859	37,760	14,233
Tax (expense) / income	(2,593)	2,249	(7,875)	559
Net profit for the financial year	11,287	10,108	29,885	14,792
Other comprehensive income, net of tax				
Items that are or may be reclassified subsequently to profit or loss				
Exchange differences on translation of foreign operations	(344)	178	(567)	322
	(344)	178	(567)	322
Total other comprehensive income, net of tax	(344)	178	(567)	322
Total comprehensive income for the financial year	10,943	10,286	29,318	15,114
Profit attributable to:				
Owners of the parent	10,111	8,612	26,704	12,572
Non-controlling interest	1,176	1,496	3,181	2,220
	11,287	10,108	29,885	14,792
Total comprehensive income attributable to:				
Owners of the parent	9,767	8,790	26,137	12,894
Non-controlling interest	1,176	1,496	3,181	2,220
	10,943	10,286	29,318	15,114
Earnings per share (sen) :				
Basic	1.66	1.42	4.39	2.08
Diluted	1.36	1.38	3.56	2.03

The condensed consolidated income statements should be read in conjunction with the audited financial statements for the year ended 31 March 2017 and the accompanying explanatory notes attached to this interim financial statements.



LAY HONG BERHAD (107129-H)  
Incorporated in Malaysia

Condensed Consolidated Statement of Financial Position

	As at 31 Dec 2017 Unaudited RM'000	As at 31 Mar 2017 Audited RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	420,048	368,329
Investment properties	4,140	4,140
Investment in associate	8,603	949
Other investments	194	194
Intangible assets	2,947	2,580
Deferred tax assets	6,088	3,065
	<b>442,020</b>	<b>379,257</b>
<b>Current assets</b>		
Biological assets	38,726	33,699
Inventories	85,577	82,203
Trade receivables	99,652	76,723
Other receivables	34,327	32,350
Due from an associate company	1	10
Short term investment	2,633	1,672
Cash and bank balances	14,861	7,984
	<b>275,777</b>	<b>234,641</b>
<b>TOTAL ASSETS</b>	<b>717,797</b>	<b>613,898</b>
<b>EQUITY AND LIABILITIES</b>		
Equity attributable to equity holders of the parent		
Share capital	121,750	121,750
Reserves	177,390	154,297
	<b>299,140</b>	<b>276,047</b>
Non-controlling interest	39,479	26,110
<b>Total equity</b>	<b>338,619</b>	<b>302,157</b>
<b>Non-current liabilities</b>		
Long term borrowings	75,925	41,614
Long term payables	1,128	1,128
Deferred tax liabilities	35,616	32,703
	<b>112,669</b>	<b>75,445</b>
<b>Current liabilities</b>		
Trade payables	85,650	84,663
Other payables	27,796	36,136
Due to an associate company	-	95
Income tax payable	2,907	235
Short term borrowings	150,156	115,167
	<b>266,509</b>	<b>236,296</b>
<b>Total liabilities</b>	<b>379,178</b>	<b>311,741</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>717,797</b>	<b>613,898</b>

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

0.49

0.45

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 31 March 2017 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	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 2017	121,750	65,603	-	6,109	1,101	(3)	81,487	276,047	26,110	302,157
Transfer from / (to) distributable reserve on realisation of revaluation reserve	-	1,372	-	-	-	-	(1,372)	-	-	-
Net profit for the financial year	-	-	-	-	-	-	26,704	26,704	3,181	29,885
Partial disposal of investment in a subsidiary company	-	-	-	-	-	-	-	-	10,754	10,754
Dividends	-	-	-	-	-	-	(3,044)	(3,044)	-	(3,044)
Other comprehensive income	-	-	-	-	(567)	-	-	(567)	-	(567)
Acquisition of additional equity interest in subsidiaries company	-	-	-	-	-	-	-	-	(566)	(566)
At 31 December 2017	121,750	66,975	-	6,109	534	(3)	103,775	299,140	39,479	338,619
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	-	(2,901)	-	-	-	-	2,901	-	-	-
Transferred to distributable reserve on realisation of fair value reserve	-	-	-	-	-	(74)	74	-	-	-
Other comprehensive income	-	-	-	-	322	-	12,572	12,894	2,220	15,114
Issue of new SIS shares	3,125	-	15,031	-	-	-	-	18,156	-	18,156
Transfer to share premium for SIS options exercised	-	-	8,984	(8,984)	-	-	-	-	-	-
Issue of bonus shares	60,875	-	(52,696)	-	-	-	(8,179)	-	-	-
Expenses from issue of bonus shares	-	-	(349)	-	-	-	(25)	(373)	-	(373)
Dividends	-	-	-	-	-	-	(3,044)	(3,044)	-	(3,044)
At 31 December 2016	121,750	65,899	0	6,109	322	-	75,536	269,617	27,180	296,797

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 March 2017 the accompanying explanatory notes attached to the interim financial statements.



**LAY HONG BERHAD (107129-H)**  
Incorporated in Malaysia

**Condensed Consolidated Statement of Cash Flows**

	Financial period ended 31 Dec 2017 Unaudited RM'000	Financial period ended 31 Dec 2016 Unaudited RM'000
<b>Cash Flow From Operating Activities</b>		
Profit before tax	37,760	14,233
<b>Adjustment for:-</b>		
Depreciation and amortization	19,881	17,305
Gain on disposal of property, plant and equipment	(171)	(116)
Loss on disposal of a subsidiary company	21	-
Property, plant and equipment written off	29	66
Impairment on property, plant and equipment	(1,164)	-
Interest expense	7,367	5,609
Interest income	(71)	(44)
Forex exchange reserve	-	(660)
Unrealised (gain) / loss on foreign exchange differences	79	(199)
Operating profit before changes in working capital	63,731	36,194
Net change in current assets	(35,917)	(16,894)
Net change in current liabilities	(7,449)	(4,622)
Tax paid	(2,773)	(4,107)
Interest paid	(7,367)	(5,609)
<b>Net cash generated/(used in) from operating activities</b>	<b>10,225</b>	<b>4,962</b>
<b>Cash Flow From Investing Activities</b>		
Acquisition of subsidiary	-	(6,927)
Proceeds from partial disposal of a subsidiary company	10,750	-
Additional investment in subsidiary companies	(965)	-
Investment in an associate	(7,654)	(1,334)
Proceeds from disposal of property, plant and equipment	424	225
Purchase of property, plant and equipment	(62,902)	(42,554)
Purchase of Investment property	-	(2,140)
Interest income received	71	44
<b>Net cash used in investing activities</b>	<b>(60,276)</b>	<b>(52,686)</b>
<b>Cash Flow From Financing Activities</b>		
Net drawdown and repayment of bankers' acceptance	17,792	3,489
Net drawdown and repayment of onshore foreign currency trade loan	(1,470)	-
Net drawdown and repayment of term loans and revolving credits	44,481	870
Repayment of hire purchase creditors	(3,532)	(5,568)
Dividend paid	(3,044)	(3,044)
Proceeds from Issue of ordinary shares	-	18,156
New share issuance expenses	-	(373)
<b>Net cash generated/(used in) from financing activities</b>	<b>54,227</b>	<b>13,530</b>
<b>Net decrease in cash and cash equivalents</b>	<b>4,176</b>	<b>(34,194)</b>
<b>Effect of foreign exchange rate changes</b>	<b>(278)</b>	<b>-</b>
<b>Cash and cash equivalents at beginning of the financial year</b>	<b>(451)</b>	<b>32,067</b>
<b>Cash and cash equivalents at end of the quarter</b>	<b>3,447</b>	<b>(2,127)</b>
<b>Cash and cash equivalents at the end of the quarter comprises :</b>		
Short term investment	2,633	5,150
Cash and bank balances	14,861	8,398
Bank overdrafts (included within the short term borrowings in Part B Note 9)	(13,565)	(15,209)
Deposit pledged to licensed bank	(482)	(466)
	<b>3,447</b>	<b>(2,127)</b>

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 March 2017 and the accompanying explanatory notes attached to this interim financial statements.

**LAY HONG BERHAD (107129-H)**  
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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 2017. 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 2017.

**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 2017, 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.

**2. Changes in accounting policies (cont'd)**

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

On 28 October 2015, Transitioning Entities will be allowed to defer adoption of the new MFRS Framework. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 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 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 2017 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 quarter ended 31 December 2017.

**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 new share were issued under the Share Issuance Scheme (SIS) in the current quarter.

**7. Dividends paid**

The Company paid a final tax exempt dividend for the year ended 31 March 2017 of 0.5% totalling of RM3.044 million on 8 November 2017.

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**8. Segmental information**

	3 months ended		9 months ended	
	31 Dec 2017		31 Dec 2017	
	Segment revenue	Segment results	Segment revenue	Segment results
	RM'000		RM'000	
Integrated livestock farming	198,872	14,912	527,077	38,521
Retail supermarket	35,857	(1,032)	105,842	(761)
	234,729	13,880	632,919	37,760
Inter-segment eliminations	(6,540)	-	(17,140)	-
	228,189	13,880	615,779	37,760

All business operations are predominantly conducted in Malaysia.

**9. Subsequent events**

There were no events subsequent to 31 December 2017 that would have a material effect on the interim financial statements of the current quarter.

**10. Changes in composition of the Group**

On 14 November 2017, the company acquired 120,000 ordinary shares which represents an additional 3% of the issued and paid-up share capital of Innobrid Sdn Bhd for a total consideration of RM415,200. As a result, Innobrid Sdn Bhd became a wholly-owned subsidiary of the Company.

**11. Changes in contingent liabilities**

Credit facilities amounting to RM94.63 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 2017 amounted to :

	RM'000
Approved and contracted for	27,888
Approved but not contracted for	11,998
	39,886

**LAY HONG BERHAD (107129-H)**  
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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 and financial year to date is as follows:

	Current quarter	Corresponding quarter last year	Variance	Variance
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>%</u>
Revenue				
-Integrated livestock farming	192,332	139,816	52,516	37.56
-Retail supermarket	35,857	31,864	3,993	12.53
	<u>228,189</u>	<u>171,680</u>	<u>56,509</u>	32.92
Profit before tax	13,880	7,859	6,021	76.61

The integrated livestock farming segment's revenue increased 37.56% from RM139.82 million recorded in the preceding year's corresponding quarter to RM192.33 million in the current financial quarter. This was due to the higher quantity and price of eggs, processed frozen products and pasteurized liquid eggs sold in the current quarter.

For the retail supermarket segment, a higher revenue of RM35.86 million was recorded in the current quarter compared to RM31.86 million in the corresponding quarter of last preceding year due to the opening of three additional outlets (Pitas, Ranau and Tambunan).

A pre-tax profit of RM13.88 million was recorded in the current quarter for the group compared to RM7.86 million in the corresponding quarter of last financial year mainly due to higher revenue as per 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 follows:

	Current quarter	Immediate preceding quarter	Variance	Variance
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>%</u>
Revenue				
-Integrated livestock farming	192,332	171,301	21,030	12.28
-Retail supermarket	35,857	33,254	2,604	7.83
	<u>228,189</u>	<u>204,555</u>	<u>23,634</u>	11.55
Profit before tax	13,880	15,679	(1,799)	(11.47)

For the current quarter under review, integrated livestock farming segment registered a higher revenue of RM192.33 million compared to RM171.30 million in the immediate preceding quarter due to the higher quantity and higher price for eggs and pasteurized liquid eggs, higher quantity for processed frozen products sold in the current quarter.

For the retail supermarket segment, a revenue of RM35.86 million was recorded in the current quarter compared to RM33.25 million in the immediate preceding quarter due to the year end festival in the current quarter.

Pre-tax profit of RM13.88 million in the current quarter is lower compared to the RM15.68 million achieved in immediate preceding quarter due to higher operational expenses.



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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 on track with its planned expansion to increase our egg production capacity to 3.0 million eggs per day. At the same time, our broiler capacity will increase progressively to cater to new requirements in our food processing taking into consideration our JV with NH Foods Ltd.

The Company is constantly reviewing its strategies and will capitalize on the strength of NH Foods to take the Company to greater heights. NHF Manufacturing (Malaysia) Sdn Bhd has been set-up and is now actively working on its plant set-up and product development. A total of 11 products have been launched. The Company is continuously researching on viability of new products to be developed and introduced to our production line. It is expected that new products will be launched in future.

A piece of industrial land in Selangor Halal Hub, Pulau Indah has been acquired and construction of the factory is in accordance to our planned timeline for completion by the 4th quarter of 2018.

**4. Profit forecast or profit guarantee**

Not applicable.

**5. Income tax**

	Current quarter RM'000	Year-to- date RM'000
Current tax	2,978	6,155
Deferred tax (Net of (assets) / liabilities)	(385)	1,720
	<u>2,593</u>	<u>7,875</u>

**6. Profit/(loss) on disposal of unquoted investments and properties**

There were no sales of unquoted investments and properties during the current quarter.

**7. Purchase or disposal of quoted investments**

There were no purchase or disposal of quoted securities during the current quarter.

**8. Status of corporate proposals**

Not applicable.

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**9. The Group's borrowings as at 31 December 2017 are as follows :**

	Short term					Long term					Total borrowings							
	Exchange rate	Foreign denomination USD ('000)	Foreign denomination THB ('000)	RM equivalents ('000)	RM denomination ('000)	Total in RM ('000)	Foreign denomination USD ('000)	Foreign denomination THB ('000)	RM equivalents ('000)	RM denomination ('000)	Total in RM ('000)	Foreign denomination USD ('000)	Foreign denomination THB ('000)	RM equivalents ('000)	RM denomination ('000)	Total in RM ('000)		
<b>Secured</b>																		
Overdraft		-	-	-	11,056	<b>11,056</b>		-	-	-	-	-	-	-	11,056	<b>11,056</b>		
Bankers' Acceptance		-	-	-	44,058	<b>44,058</b>		-	-	-	-	-	-	-	44,058	<b>44,058</b>		
Onshore Foreign Currency Loan		-	-	-	-	-		-	-	-	-	-	-	-	-	-		
Hire Purchase	THB @ 0.124	-	222	27	8,166	<b>8,193</b>		-	79	10	16,903	<b>16,913</b>		-	301	38	25,068	<b>25,106</b>
Term Loan		-	-	-	12,583	<b>12,583</b>		-	-	-	59,012	<b>59,012</b>		-	-	-	71,595	<b>71,595</b>
Revolving Credit		-	-	-	-	-		-	-	-	-	-	-	-	-	-		
		0	222	27	75,863	<b>75,890</b>		-	79	10	75,915	<b>75,925</b>		0	301	38	151,777	<b>151,815</b>
<b>Unsecured</b>																		
Overdraft		-	-	-	2,508	<b>2,508</b>		-	-	-	-	-	-	-	2,508	<b>2,508</b>		
Bankers' Acceptance		-	-	-	61,258	<b>61,258</b>		-	-	-	-	-	-	-	61,258	<b>61,258</b>		
Revolving Credit		-	-	-	10,500	<b>10,500</b>		-	-	-	-	-	-	-	10,500	<b>10,500</b>		
		-	-	-	74,266	<b>74,266</b>		-	-	-	-	-	-	-	74,266	<b>74,266</b>		
		-	222	27	150,129	<b>150,156</b>		-	79	10	75,915	<b>75,925</b>		-	301	38	226,043	<b>226,081</b>

**The Group's borrowings as at 31 March 2017 are as follows :**

	Short term					Long term					Total borrowings							
	Exchange rate	Foreign denomination USD ('000)	Foreign denomination THB ('000)	RM equivalents ('000)	RM denomination ('000)	Total in RM ('000)	Foreign denomination USD ('000)	Foreign denomination THB ('000)	RM equivalents ('000)	RM denomination ('000)	Total in RM ('000)	Foreign denomination USD @ 4.429 ('000)	Foreign denomination Thai Baht @ ( '000)	RM equivalents ('000)	RM denomination ('000)	Total in RM ('000)		
<b>Secured</b>																		
Overdraft		-	-	-	7,443	<b>7,443</b>		-	-	-	-	-	-	-	7,443	<b>7,443</b>		
Bankers' Acceptance		-	-	-	43,963	<b>43,963</b>		-	-	-	-	-	-	-	43,963	<b>43,963</b>		
Onshore Foreign Currency Loan	USD @ 4.429	332	-	1,470	-	<b>1,470</b>		-	-	-	-	332	-	1,470	-	<b>1,470</b>		
Hire Purchase	THB @ 0.128	-	219	28	7,435	<b>7,463</b>		-	192	25	13,060	-	411	53	20,495	<b>20,548</b>		
Term Loan		-	-	-	7,085	<b>7,085</b>		-	-	-	28,529	-	-	-	35,613	<b>35,613</b>		
		332	219	1,498	65,926	<b>67,423</b>		-	192	25	41,589	<b>41,614</b>		332	411	1,522	107,515	<b>109,037</b>
<b>Unsecured</b>																		
Overdraft		-	-	-	2,183	<b>2,183</b>		-	-	-	-	-	-	-	2,183	<b>2,183</b>		
Bankers' Acceptance		-	-	-	43,561	<b>43,561</b>		-	-	-	-	-	-	-	43,561	<b>43,561</b>		
Revolving Credit		-	-	-	2,000	<b>2,000</b>		-	-	-	-	-	-	-	2,000	<b>2,000</b>		
		-	-	-	47,744	<b>47,744</b>		-	-	-	-	-	-	-	47,744	<b>47,744</b>		
		332	219	1,498	113,670	<b>115,167</b>		-	192	25	41,589	<b>41,614</b>		332	411	1,522	155,259	<b>156,781</b>

**Material changes to the above:**

- (i) Bankers' acceptance - higher utilization of working capital line due to increase in biological assets, hence increase in purchases of raw materials and increase in consumables and packing materials.
- (ii) Term loan - new term loans drawn down for construction of a new broiler farm and layer farm.
- (iii) Revolving credit - temporary used to finance capital expenditure pending finalization of loan documentations.

**Weighted average interest rate of borrowings - Group basis:**

	%
Bank Overdraft	7.69
Bankers' Acceptance	4.51
Revolving Credit	5.00
Term Loan	6.22
<b>Total borrowings - Term Loan:</b>	RM'000
Floating	68,118      95%
Fixed	3,477      5%
	<u>71,595</u>

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**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 quarter ended 31 December 2017.

**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 proposed any dividend for the current quarter.

**13. Earnings per share**

	3 months ended		9 months ended	
	31 Dec 2017	31 Dec 2016	31 Dec 2017	31 Dec 2016
Profit attributable to ordinary equity holders of the parent (RM'000)	10,111	8,612	26,704	12,572
Weighted average number of ordinary shares in issue after effect of bonus issue and share split (basic) ('000)	608,750	608,587	608,750	603,620
Effect of dilution of outstanding SIS/ESOS ('000)	12,209	14,567	13,089	17,023
Effect of dilution of outstanding Warrants ('000)	120,396	-	129,078	-
Weighted average number of ordinary shares (diluted) ('000)	741,354	623,154	750,918	620,643
Basic earnings per share (sen)	1.66	1.42	4.39	2.08
Diluted earnings per share (sen)	1.36	1.38	3.56	2.03

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.

The basic earnings per share (sen) and diluted earnings per share (sen) as at 31 December 2016 were recalculated to conform with the changes in bonus issue of 60,875,000 new ordinary shares and the subsequent share split into 487,000,000 new ordinary shares on 14 October 2016.

**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 Dec 2017	31 Dec 2016	31 Dec 2017	31 Dec 2016
	RM'000	RM'000	RM'000	RM'000
a) Interest income	22	14	71	44
b) Interest expense	(2,762)	(1,911)	(7,367)	(5,609)
c) Depreciation and amortisation	(6,777)	(5,906)	(19,881)	(17,305)
d) Loss on disposal of a subsidiary company	-	-	(21)	-
e) Written off of PPE	(27)	744	(29)	(66)
f) Gain on disposal of PPE	46	31	171	116
g) Unrealised forex gain/ (loss)	(0)	(9)	(80)	199
h) Realised forex gain/ (loss)	(50)	8	(21)	(77)

**LAY HONG BERHAD (107129-H)**  
**Incorporated in Malaysia**

**15. Trade Receivables**

	Financial period ended 31 Dec 2017 RM'000	Immediate preceding financial year ended 31 Mar 2017 RM'000
Trade receivables		
Third parties	105,003	82,074
Impairment losses		
- brought forward	(5,351)	(4,998)
- impaired during the period / year	-	(353)
	<u>(5,351)</u>	<u>(5,351)</u>
	<u>99,652</u>	<u>76,723</u>

The Group's normal credit term for trade receivables ranges from 45 days to 75 days after the month of invoicing. Other credit terms are assessed and approved on a case-by-case basis. They are recognised at their original invoice amounts which represent their fair values on initial recognition. There are no trade receivables due from related parties.

The Group has no significant concentration of credit risk that may arise from exposures to a single receivable or to groups of receivables.

**Ageing analysis of trade receivables is as follow:**

	Financial period ended 31 Dec 2017 RM'000	Immediate preceding financial year ended 31 Mar 2017 RM'000
Neither past due nor impaired	85,831	71,742
Up to 90 days past due not impaired	4,073	1,716
More than 90 days past due not impaired	9,748	3,265
	13,821	4,981
Impaired		
- brought forward	5,351	4,998
- impaired during the period / year	-	353
	<u>5,351</u>	<u>5,351</u>
	<u>105,003</u>	<u>82,074</u>

**Commentaries for the recoverability of trade receivables which exceed the average credit terms granted:**

All trade receivables which exceeded the average credit terms are closely monitored by the central credit control team. Delinquent cases are handed over promptly to external lawyers for further action.

**16. Auditors' report on preceding annual financial statements**

The auditors' report of the previous annual financial year ended 31 March 2017 was not subject to any qualification.

**17. 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 February 2018.