



LAY HONG BERHAD (107129-H)
Incorporated in Malaysia

Condensed Consolidated Statement of Comprehensive Income

	Individual Quarter		Cumulative Quarter	
	30 Jun 2018 Unaudited	30 Jun 2017 Unaudited	30 Jun 2018 Unaudited	30 Jun 2017 Unaudited
	RM'000	RM'000	RM'000	RM'000
Revenue	199,253	183,035	199,253	183,035
Operating expenses	(196,325)	(173,894)	(196,325)	(173,894)
Other income	2,438	1,389	2,438	1,389
Finance costs	(3,073)	(2,148)	(3,073)	(2,148)
Share of loss of associates	(288)	(181)	(288)	(181)
Profit before tax	2,005	8,201	2,005	8,201
Tax expense	268	(2,018)	268	(2,018)
Net profit for the financial year	2,273	6,183	2,273	6,183
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	(264)	(241)	(264)	(241)
	(264)	(241)	(264)	(241)
Total other comprehensive income, net of tax	(264)	(241)	(264)	(241)
Total comprehensive income for the financial year	2,009	5,942	2,009	5,942
Profit attributable to:				
Owners of the parent	2,283	4,421	2,283	4,421
Non-controlling interest	(10)	1,762	(10)	1,762
	2,273	6,183	2,273	6,183
Total comprehensive income attributable to:				
Owners of the parent	2,019	4,180	2,019	4,180
Non-controlling interest	(10)	1,762	(10)	1,762
	2,009	5,942	2,009	5,942
Earnings per share (sen) :				
Basic	0.36	0.73	0.36	0.73
Diluted	0.30	0.59	0.30	0.59

The condensed consolidated income statements should be read in conjunction with the audited financial statements for the year ended 31 March 2018 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 Jun 2018 Unaudited RM'000	As at 31 Mar 2018 Audited RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	452,729	442,032
Investment properties	5,940	5,940
Investment in associate	12,885	13,173
Other investments	195	195
Intangible assets	4,937	4,327
Deferred tax assets	8,480	3,659
	485,166	469,326
Current assets		
Biological assets	44,258	39,964
Inventories	92,393	91,672
Trade receivables	116,360	141,025
Other receivables	30,237	33,563
Due from an associate company	8	2
Short term investment	1,744	5,452
Cash and bank balances	9,735	10,227
	294,735	321,905
TOTAL ASSETS	779,901	791,231
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	139,586	130,109
Reserves	189,363	187,344
	328,949	317,453
Non-controlling interest	39,442	39,452
Total equity	368,391	356,905
Non-current liabilities		
Long term borrowings	96,477	86,019
Long term payables	1,128	1,128
Deferred tax liabilities	40,127	35,724
	137,732	122,871
Current liabilities		
Trade payables	86,481	121,009
Other payables	33,376	43,831
Due to an associate company	108	52
Income tax payable	124	2,066
Short term borrowings	153,689	144,497
	273,778	311,455
Total liabilities	411,510	434,326
TOTAL EQUITY AND LIABILITIES	779,901	791,231

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

0.50

0.50



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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	
At 1 April 2018	130,109	66,453	-	6,109	499	-	114,283	317,453	39,452	356,905
Transfer from / (to) distributable reserve on realisation of revaluation reserve	-	(271)	-	-	-	-	271	-	-	-
Transferred to distributable reserve on realisation of fair value reserve	-	-	-	-	-	-	-	-	-	-
Net profit for the financial year	-	-	-	-	-	-	2,283	2,283	(10)	2,273
Partial disposal of investment in a subsidiary company	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	(264)	-	-	(264)	-	(264)
Arising from conversion of warrants	9,477	-	-	-	-	-	-	9,477	-	9,477
Acquisition of additional equity interest in subsidiaries company	-	-	-	-	-	-	-	-	-	-
At 30 June 2018	139,586	66,182	-	6,109	235	-	116,837	328,949	39,442	368,391
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	-	1,883	-	-	-	-	(1,883)	-	-	-
Partial disposal of investment in a subsidiary company	-	-	-	-	-	-	-	-	10,754	10,754
Net profit for the financial year	-	-	-	-	-	-	4,421	4,421	1,762	6,183
Other comprehensive income	-	-	-	-	(241)	-	-	(241)	-	(241)
At 30 June 2017	121,750	67,486	-	6,109	860	(3)	84,025	280,227	38,626	318,853

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 March 2018 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

	3 months ended 30 Jun 2018 Unaudited RM'000	3 months ended 30 Jun 2017 Unaudited RM'000
Cash Flow From Operating Activities		
Profit before tax	2,005	8,200
Adjustment for:-		
Depreciation and amortization	7,377	6,567
Net loss / (gain) on disposal of property, plant and equipment	2	(85)
Loss on disposal of a subsidiary company	-	21
Property, plant and equipment written off	3	1
Impairment on property, plant and equipment	-	(1,164)
Interest expense	3,073	2,148
Interest income	(12)	(19)
Reversal of impairment losses on trade receivables	(1,000)	-
Unrealised (gain) / loss on foreign exchange differences	(115)	80
Operating profit before changes in working capital	11,333	15,749
Net change in current assets	24,705	(753)
Net change in current liabilities	(44,926)	(24,174)
Tax paid	(2,713)	(1,115)
Interest paid	(3,073)	(2,148)
Net cash used in operating activities	(14,674)	(12,441)
Cash Flow From Investing Activities		
Proceeds from partial disposal of a subsidiary company	-	10,750
Investment in an associate	288	(8,149)
Additional intangible asset acquired	(610)	-
Proceeds from disposal of property, plant and equipment	99	166
Purchase of property, plant and equipment	(8,112)	(18,018)
Interest income received	12	19
Net cash used in investing activities	(8,323)	(15,232)
Cash Flow From Financing Activities		
Net drawdown and repayment of bankers' acceptance	6,020	12,880
Net drawdown and repayment of onshore foreign currency trade loan	-	(30)
Net drawdown and repayment of term loans and revolving credits	1,655	7,861
Net drawdown and repayment of finance lease liabilities	(8,413)	(1,569)
Proceeds from Issue of ordinary shares	9,477	-
Net cash generated from financing activities	8,739	19,142
Net decrease in cash and cash equivalents	(14,258)	(8,531)
Effect of foreign exchange rate changes	(56)	(171)
Cash and cash equivalents at beginning of the financial year	11,142	(451)
Cash and cash equivalents at end of the quarter	(3,172)	(9,153)
Cash and cash equivalents at the end of the quarter comprises :		
Short term investment	1,744	1,672
Cash and bank balances	9,735	6,931
Bank overdrafts (included within the short term borrowings in Part B Note 9)	(14,154)	(17,274)
Deposit pledged to licensed bank	(497)	(482)
	(3,172)	(9,153)

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 March 2018 and the accompanying explanatory notes attached to this interim financial statements.

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PART A : EXPLANATORY NOTES PURSUANT TO MFRS 134

1. Basis of preparation

The Group has prepared its financial statements using the Malaysian Financial Reporting Standards ("MFRS") for the financial period ending 30 June 2018.

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 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 2018. 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 2018.

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 2018, except for the adoption of the following new Malaysian Financial Reporting Standards (MFRSs), Amendments to MFRSs and Interpretations that are effective for financial statements effective from 1 April 2018, as disclosed below :

MFRSs, Amendments to MFRSs and Interpretations

Amendments to MFRS 1	Annual Improvements to MFRS Standards 2014 - 2016 Cycle
Amendments to MFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to MFRS 4	Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts
Amendments to MFRS 10	Consolidated Financial Statements: Sale or Contribution of Assets between an Investor and its Associates or Joint Venture
Amendments to MFRS 12	Disclosure of Interests in Other Entities
Amendments to MFRS 107	Statement of Cash Flows: Disclosure Initiative
Amendments to MFRS 112	Income Taxes: Recognition of Deferred Tax Assets for Unrealised Losses
Amendments to MFRS 128	Annual Improvements to MFRS Standards 2014 - 2016 Cycle
Amendments to MFRS 140	Transfers of Investment Property
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration
MFRS 9	Financial Instruments (IFRS 9 as issued by IASB in July 2014)
MFRS 141	Agriculture : Bearer Plants

First-time Adoption of MFRS

(i) Transition from Financial Reporting Standards (FRSs) to MFRS

The Company, in its consolidated financial statements, measured the assets and liabilities of subsidiaries at the same carrying amounts as in the financial statements of these subsidiaries that have adopted the MFRS Framework or International Financial Reporting Standards (IFRS) earlier than the Company, after adjusting for consolidation adjustments.

The effects of first-time adoption of MFRS are primarily from the following:

MFRS 9 - Financial Instruments

MFRS 9 introduces the expected credit losses ("ECL") model on impairment that replaces the incurred loss impairment model used in MFRS 139. The ECL model requires impairment to be recognised on initial recognition including expected future credit losses whilst the incurred loss impairment model only requires recognition of credit losses incurred as at reporting date.

2. Changes in accounting policies (cont'd)

First-time Adoption of MFRS (cont'd)

- (i) Transition from Financial Reporting Standards (FRSs) to MFRS (cont'd)

MFRS 9 - Financial Instruments (cont'd)

The assessment of credit risk, as well as the estimation of ECL, are required to be unbiased, probability-weighted and should incorporate all available information which is relevant to the assessment, including information about past events, current conditions and reasonable and supportable forecasts of future events and economic conditions at the reporting date. In addition, the estimation of ECL should also take into account the time value of money.

MFRS 141 - Agriculture

Prior to the adoption of MFRS 141 and Agriculture: Bearer Plants (Amendments to MFRS 116 and MFRS 141), produce growing on bearer plants were not recognised and livestock were stated at cost. Following the adoption, these biological assets are measured at fair value less cost to sell. Changes in fair value less costs to sell are recognised in profit or loss.

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 current quarter ended 30 June 2018.

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

- (i) No new share were issued under the Share Issuance Scheme (SIS) in the current quarter.
(ii) Issuance of 23,692,000 new ordinary shares pursuant to the conversion of Warrants 2016/2021 at an exercise price of RM0.40 per ordinary share for cash.

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7. Dividends paid

No dividend has been paid in this quarter.

8. Segmental information

	3 months ended 30 June 2018		3 months ended 30 June 2018	
	Segment revenue	Segment results	Segment revenue	Segment results
	RM'000		RM'000	
Integrated livestock business	166,925	1,357	166,925	1,357
Retail supermarket	38,754	648	38,754	648
	205,680	2,005	205,680	2,005
Inter-segment eliminations	(6,427)	-	(6,427)	-
	199,253	2,005	199,253	2,005

All business operations are predominantly conducted in Malaysia.

9. Subsequent events

There were no events subsequent to 30 June 2018 that would have a material effect on the interim financial statements of the current quarter.

10. Changes in composition of the Group

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

11. Changes in contingent liabilities

Credit facilities amounting to RM117.59 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 2018 amounted to :

	RM'000
Approved and contracted for	18,613
Approved but not contracted for	11,389
	30,002

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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 business	160,499	146,304	14,194	9.70
-Retail supermarket	38,754	36,731	2,024	5.51
	<u>199,253</u>	<u>183,035</u>	<u>16,218</u>	8.86
Profit before tax	2,005	8,201	(6,196)	(75.55)

The integrated livestock business segment's revenue increased 9.7% from RM146.30 million recorded in the preceding year's corresponding quarter to RM160.50 million in the current financial quarter. This was primarily due to the higher quantity of eggs being sold resulted from the completion of new farm that increased the production capacity to 3.0 million egg per day and also higher quantity and price of processed frozen products and pasteurized liquid eggs sold in the current quarter.

For the retail supermarket segment, a higher revenue of RM38.75 million was recorded in the current quarter compared to RM36.73 million in the corresponding quarter of last preceding year due to Hari Raya festival in the current quarter.

A pre-tax profit of RM2 million was recorded lower in the current quarter for the group compared to RM8.20 million in the corresponding quarter of last financial year mainly due to increase in feed cost, as a result of rising exchange rate.

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 business	160,499	197,509	(37,010)	(18.74)
-Retail supermarket	38,754	34,514	4,240	12.29
	<u>199,253</u>	<u>232,023</u>	<u>(32,770)</u>	(14.12)
Profit before tax	2,006	14,457	(12,451)	(86.12)

For the current quarter under review, integrated livestock business segment registered a lower revenue of RM160.50 million compared to RM197.51 million in the immediate preceding quarter mainly due to lower quantity and selling price of eggs sold due to seasonal price weakness during the festive month and lower quantity of chicken processed products.

The retail supermarket segment recorded a higher revenue of RM38.75 million in the current quarter as compared to RM34.51 million in the immediate preceding quarter due to Hari Raya festival in the current quarter.

Pre-tax profit of RM2 million in the current quarter is lower compared to the RM14.46 million achieved in immediate preceding quarter due to above mentioned reason and higher feed cost, as a result of rising exchange rate.

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3. Prospects

The average egg price is expected to be normalised in the coming quarter after the industry players have decided to reduce production in order to regularise the over supply situation experienced in the recent quarter. For the liquid egg business, the commissioning of the equipment in the new plant in Johor is progressing as per schedule and the construction of the manufacturing facility for the joint venture Company with NH Food Ltd is also on time and is expected to be operational by the 4th quarter of the calendar year 2018. One more new Japanese chicken products called "Nippon nutriplus chicken Karaage" (300 g per pack) was introduced into the Malaysian Market and in total the number of products launched to date is 18 varieties. Demand for these products has been encouraging.

The recent strengthening of the US dollars against the Ringgit has caused all imported raw and packing material particularly the feed cost to rise that will impact profitability going forward.

4. Profit forecast or profit guarantee

Not applicable.

5. Income tax

	Current quarter RM'000	Year-to- date RM'000
Current tax	150	150
Deferred tax (Net of (assets) / liabilities)	(418)	(418)
	<u>(268)</u>	<u>(268)</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 30 June 2018 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)
Secured																
Overdraft		-	-	-	10,750	10,750	-	-	-	-	-	-	-	10,750	10,750	
Bankers' Acceptance		-	-	-	49,210	49,210	-	-	-	-	-	-	-	49,210	49,210	
Onshore Foreign Currency Loan		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Hire Purchase	THB @ 0.122	-	222	27	8,218	8,245	-	-	19,133	19,133	-	222	27	27,351	27,378	
Term Loan		-	-	-	8,342	8,342	-	-	77,344	77,344	-	-	-	85,686	85,686	
		-	222	27	76,520	76,547	-	-	96,477	96,477	-	222	27	172,997	173,024	
Unsecured																
Overdraft		-	-	-	3,404	3,404	-	-	-	-	-	-	-	3,404	3,404	
Bankers' Acceptance		-	-	-	62,738	62,738	-	-	-	-	-	-	-	62,738	62,738	
Revolving Credit		-	-	-	11,000	11,000	-	-	-	-	-	-	-	11,000	11,000	
		-	-	-	77,142	77,142	-	-	-	-	-	-	-	77,142	77,142	
		-	222	27	153,662	153,689	-	-	96,477	96,477	-	222	27	250,139	250,166	

The Group's borrowings as at 31 March 2018 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)
Secured																
Overdraft		-	-	-	3,681	3,681	-	-	-	-	-	-	-	3,681	3,681	
Bankers' Acceptance		-	-	-	47,134	47,134	-	-	-	-	-	-	-	47,134	47,134	
Onshore Foreign Currency Loan		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Hire Purchase	THB @ 0.124	-	222	27	8,028	8,055	-	-	17,462	17,462	-	222	27	25,490	25,517	
Term Loan		-	-	-	10,974	10,974	-	-	68,557	68,557	-	-	-	79,531	79,531	
		-	222	27	69,817	69,844	-	-	86,019	86,019	-	222	27	155,836	155,863	
Unsecured																
Overdraft		-	-	-	359	359	-	-	-	-	-	-	-	359	359	
Bankers' Acceptance		-	-	-	58,794	58,794	-	-	-	-	-	-	-	58,794	58,794	
Revolving Credit		-	-	-	15,500	15,500	-	-	-	-	-	-	-	15,500	15,500	
		-	-	-	74,653	74,653	-	-	-	-	-	-	-	74,653	74,653	
		-	222	27	144,470	144,497	-	-	86,019	86,019	-	222	27	230,489	230,516	

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 inventory.
- (ii) Term loan - drawing down on existing Term loans & HP credit line in place for ongoing capital expenditure of the Group.
- (iii) Revolving credit - temporary used to finance capital expenditure pending loan draw down.

Weighted average interest rate of borrowings - Group basis:

	%
Bank Overdraft	8.11
Bankers' Acceptance	4.77
Revolving Credit	5.25
Term Loan	6.13
Total borrowings - Term Loan:	RM'000
Floating	82,557 96%
Fixed	3,130 4%
	<u>85,686</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 period ended 30 June 2018.

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 proposed a final tax-exempt dividend of 0.5 sen per ordinary share subject to the approval of members at the forthcoming Annual General Meeting.

13. Earnings per share

	3 months ended		3 months ended	
	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017
Profit attributable to ordinary equity holders of the parent (RM'000)	2,283	4,421	2,283	4,421
Weighted average number of ordinary shares in issue after effect of bonus issue and share split (basic) ('000)	636,320	608,587	636,320	608,750
Effect of dilution of outstanding SIS/ESOS ('000)	13,169	13,417	13,169	13,417
Effect of dilution of outstanding Warrants ('000)	118,104	132,312	118,104	132,312
Weighted average number of ordinary shares (diluted) ('000)	767,593	754,316	767,593	754,479
Basic earnings per share (sen)	0.36	0.73	0.36	0.73
Diluted earnings per share (sen)	0.30	0.59	0.30	0.59

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 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017
	RM'000	RM'000	RM'000	RM'000
a) Interest income	12	19	12	19
b) Interest expense	(3,073)	(2,148)	(3,073)	(2,148)
c) Depreciation and amortisation	(7,377)	(6,567)	(7,377)	(6,567)
d) Loss on disposal of a subsidiary company	-	(21)	-	(21)
e) Written off of PPE	(3)	(1)	(3)	(1)
f) Gain on disposal of PPE	(2)	85	(2)	85
g) Unrealised forex gain/ (loss)	115	(80)	115	(80)
h) Realised forex gain/ (loss)	(40)	(28)	(40)	(28)

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15. Trade Receivables

	Financial period ended 30 Jun 2018 RM'000	Immediate preceding financial year ended 31 Mar 2018 RM'000
Trade receivables		
Third parties	120,970	146,635
Impairment losses		
- brought forward	(5,610)	(5,351)
- impaired during the year	-	(1,607)
- Reversal of impairment losses during the year	1,000	1,348
	<u>(4,610)</u>	<u>(5,610)</u>
	<u>116,360</u>	<u>141,025</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 30 Jun 2018 RM'000	Immediate preceding financial year ended 31 Mar 2018 RM'000
Neither past due nor impaired	75,372	114,933
Up to 90 days past due not impaired	32,384	18,727
More than 90 days past due not impaired	8,604	7,365
	40,988	26,092
Impaired		
- brought forward	5,610	5,351
- impaired during the year	-	(1,607)
- Reversal of impairment losses during the year	(1,000)	1,348
	<u>4,610</u>	<u>5,610</u>
	<u>120,970</u>	<u>146,635</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 2018 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 27th August 2018.