



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

**Condensed Consolidated Statement of Comprehensive Income**

	Individual Quarter		Cumulative Quarter	
	30 Sep 2018 Unaudited	30 Sep 2017 Unaudited	30 Sep 2018 Unaudited	30 Sep 2017 Unaudited
	RM'000	RM'000	RM'000	RM'000
Revenue	187,030	204,555	386,283	387,590
Operating expenses	(202,046)	(187,528)	(398,371)	(361,422)
Other income	1,317	1,264	3,755	2,653
Finance costs	(3,173)	(2,457)	(6,246)	(4,605)
Share of loss of associate	(295)	(155)	(583)	(336)
(Loss)/profit before tax	(17,167)	15,679	(15,162)	23,880
Tax expense	3,306	(3,264)	3,574	(5,282)
Net (loss)/profit for the financial period	(13,861)	12,415	(11,588)	18,598
Other comprehensive income/(loss), net of tax				
Items that are or may be reclassified subsequently to profit or loss				
Exchange differences on translation of foreign operations	-	18	(264)	(223)
	-	18	(264)	(223)
Total other comprehensive income/(loss), net of tax	-	18	(264)	(223)
Total comprehensive (loss)/income for the financial period	(13,861)	12,433	(11,852)	18,375
(Loss)/Profit attributable to:				
Owners of the parent	(10,961)	12,172	(8,678)	16,593
Non-controlling interest	(2,900)	243	(2,910)	2,005
	(13,861)	12,415	(11,588)	18,598
Total comprehensive (loss)/income attributable to:				
Owners of the parent	(10,961)	12,190	(8,942)	16,370
Non-controlling interest	(2,900)	243	(2,910)	2,005
	(13,861)	12,433	(11,852)	18,375
Earnings per share (sen) :				
Basic	(1.70)	2.00	(1.34)	2.73
Diluted	(1.35)	1.62	(1.10)	2.21

The condensed consolidated statement of comprehensive income 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 Sep 2018 Unaudited RM'000	As at 31 Mar 2018 Audited RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	465,281	442,032
Investment properties	5,940	5,940
Investment in associate	12,590	13,173
Other investments	195	195
Intangible assets	4,937	4,327
Deferred tax assets	9,536	3,659
	<b>498,479</b>	<b>469,326</b>
<b>Current assets</b>		
Biological assets	39,231	39,964
Inventories	96,764	91,672
Trade receivables	96,694	141,025
Other receivables	27,451	33,563
Due from an associate company	17	2
Short term investment	170	5,452
Cash and bank balances	10,383	10,227
	<b>270,710</b>	<b>321,905</b>
<b>TOTAL ASSETS</b>	<b>769,189</b>	<b>791,231</b>
<b>EQUITY AND LIABILITIES</b>		
Equity attributable to equity holders of the parent		
Share capital	145,621	130,109
Reserves	176,405	187,344
	<b>322,026</b>	<b>317,453</b>
Non-controlling interest	36,542	39,452
<b>Total equity</b>	<b>358,568</b>	<b>356,905</b>
<b>Non-current liabilities</b>		
Long term borrowings	93,476	86,019
Long term payables	1,128	1,128
Deferred tax liabilities	37,622	35,724
	<b>132,226</b>	<b>122,871</b>
<b>Current liabilities</b>		
Trade payables	86,356	121,009
Other payables	25,964	43,831
Due to an associate company	153	52
Income tax payable	112	2,066
Short term borrowings	165,810	144,497
	<b>278,395</b>	<b>311,455</b>
<b>Total liabilities</b>	<b>410,621</b>	<b>434,326</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>769,189</b>	<b>791,231</b>

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

0.49

0.50



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	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 (to) / from distributable reserve on realisation of revaluation reserve	-	(539)	-	-	-	539	-	-	-
Transferred to distributable reserve on realisation of fair value reserve	-	-	-	-	-	-	-	-	-
Net (loss)/profit for the financial period	-	-	-	-	-	(8,678)	(8,678)	(2,910)	(11,588)
Partial disposal of investment in a subsidiary company	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-
.	-	-	-	(264)	-	-	(264)	-	(264)
Issuance of new SIS shares	-	-	(1,997)	-	-	-	(1,997)	-	(1,997)
Arising from conversion of warrants	15,512	-	-	-	-	-	15,512	-	15,512
Acquisition of additional equity interest in subsidiaries company	-	-	-	-	-	-	-	-	-
At 30 Sept 2018	145,621	65,914	4,112	235	-	106,144	322,026	36,542	358,568
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	-	1,628	-	-	-	(1,628)	-	-	-
Partial disposal of investment in a subsidiary company	-	-	-	-	-	-	-	10,754	10,754
Net profit for the financial year	-	-	-	-	-	16,593	16,593	2,005	18,598
Other comprehensive income/(loss)	-	-	-	(223)	-	-	(223)	-	(223)
At 30 Sep 2017	121,750	67,231	6,109	878	(3)	96,452	292,417	38,869	331,286

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**

	Financial period ended 30 Sep 2018 Unaudited RM'000	Financial period ended 30 Sep 2017 Unaudited RM'000
<b>Cash Flow From Operating Activities</b>		
<b>(Loss)/profit before tax</b>	<b>(15,162)</b>	<b>23,880</b>
<b>Adjustments for:-</b>		
Depreciation and amortisation	14,697	13,104
Net loss / (gain) on disposal of property, plant and equipment	2	(125)
Loss on disposal of a subsidiary company	-	21
Property, plant and equipment written off	50	2
Impairment on property, plant and equipment	-	(1,164)
Interest expense	6,246	4,605
Interest income	(22)	(49)
Reversal of impairment losses on trade receivables	(1,003)	-
Unrealised (gain) / loss on foreign exchange differences	(128)	80
Operating profit before changes in working capital	4,680	40,354
Net change in current assets	48,918	(22,648)
Net change in current liabilities	(52,418)	(5,611)
Tax paid	(4,078)	(1,866)
Interest paid	(6,246)	(4,605)
<b>Net cash (used in)/generated from operating activities</b>	<b>(9,144)</b>	<b>5,624</b>
<b>Cash Flow From Investing Activities</b>		
Proceeds from partial disposal of a subsidiary company	-	10,750
Investment in an associate	583	(7,994)
Additional intangible asset acquired	(610)	-
Proceeds from disposal of property, plant and equipment	2	375
Purchase of property, plant and equipment	(37,818)	(42,938)
Interest income received	22	49
<b>Net cash used in investing activities</b>	<b>(37,821)</b>	<b>(39,758)</b>
<b>Cash Flow From Financing Activities</b>		
Net drawdown and repayment of bankers' acceptance	19,692	8,895
Net drawdown and repayment of onshore foreign currency trade loan	-	(1,030)
Net drawdown and repayment of term loans and revolving credits	1,010	26,416
Net drawdown and repayment of finance lease liabilities	(67)	(2,706)
Proceeds from Issue of ordinary shares	13,515	-
<b>Net cash generated from financing activities</b>	<b>34,150</b>	<b>31,575</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(12,815)</b>	<b>(2,559)</b>
<b>Effect of foreign exchange rate changes</b>	<b>(58)</b>	<b>(169)</b>
<b>Cash and cash equivalents at beginning of the financial year</b>	<b>11,142</b>	<b>(451)</b>
<b>Cash and cash equivalents at end of the quarter</b>	<b>(1,731)</b>	<b>(3,179)</b>
<b>Cash and cash equivalents at the end of the quarter comprises :</b>		
Short term investment	170	4,887
Cash and bank balances	10,383	9,125
Bank overdrafts (included within the short term borrowings in Part B Note 9)	(11,787)	(16,709)
Deposit pledged to licensed bank	(497)	(482)
	<b>(1,731)</b>	<b>(3,179)</b>

The condensed consolidated statement of cash flows 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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**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 September 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 financial 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 financial 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.

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**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 September 2018.

**5. Changes in estimates**

The Group reviews the residual value and remaining useful life of property, plant and equipment at each financial year end. For the current quarter, there are no major changes in accounting estimates.

**6. Debt and equity securities**

- (i) The Company issued 6,950,000 additional shares under the Share Issuance Scheme (SIS) in the current quarter.  
(ii) No Warrants 2016/2021 were exercised in the current quarter.

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**7. Dividends paid**

No dividend has been paid in this quarter.

**8. Segmental information**

	3 months ended 30 September 2018		6 months ended 30 September 2018	
	Segment revenue	Segment results	Segment revenue	Segment results
	RM'000		RM'000	
Integrated livestock business	158,205	(16,802)	325,131	(15,445)
Retail supermarket	34,265	(365)	73,019	283
	192,470	(17,167)	398,150	(15,162)
Inter-segment eliminations	(5,440)	-	(11,867)	-
	187,030	(17,167)	386,283	(15,162)

All business operations are predominantly conducted in Malaysia.

**9. Subsequent events**

There were no events subsequent to 30 September 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 RM120.85 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 September 2018 amounted to :

	RM'000
Approved and contracted for	27,698
Approved but not contracted for	4,199
	31,897

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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	152,765	171,301	(18,536)	(10.82)
-Retail supermarket	34,265	33,254	1,011	3.04
	<u>187,030</u>	<u>204,555</u>	<u>(17,525)</u>	<u>(8.57)</u>
(Loss)/profit before tax	(17,167)	15,679	(32,846)	(209.49)

For the integrated livestock business, it recorded a reduction of 10.82% i.e from RM171.30 million recorded in the preceding year's corresponding quarter to RM152.77 million in the current financial quarter. This was primarily due to lower quantity of poultry products being sold and the booking in of goods returned of deteriorated processed chicken products in the current quarter which were sold in the previous quarter.

For the retail supermarket segment, a higher revenue of RM34.26 million was recorded in the current quarter compared to RM33.25 million in the corresponding quarter of last preceding year due to higher contribution from new store opened.

A group pre-tax loss of RM17.17 million was recorded in the current quarter compared to pre-tax profit of RM15.68 million in the corresponding quarter of last financial year. These were mainly due to the significant increase of approximately 8% in feed cost, resulting from the strengthening of the US dollars. The one time early retirement of the layer's amortisation cost for a flock of birds has also contributed to the higher loss. This proactive prudent measure was taken as to mitigate the further spread of bird flu virus detected by the Veterinary department of Sabah in the surrounding area in one of our group's farms in Tamparuli, Sabah.

**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	152,765	160,499	(7,734)	(4.82)
-Retail supermarket	34,265	38,754	(4,489)	(11.58)
	<u>187,030</u>	<u>199,253</u>	<u>(12,223)</u>	<u>(6.13)</u>
(Loss)/profit before tax	(17,167)	2,006	(19,173)	(955.78)

For the current quarter under review, integrated livestock business segment registered a lower revenue of RM152.77 million compared to RM160.50 million in the immediate preceding quarter mainly due to lower quantity of processed chicken products and lower selling price of further processed chicken products and the booking in of goods returned of deteriorated processed chicken products in the current quarter which were sold in the previous quarter.

The retail supermarket segment recorded a lower revenue of RM34.27 million in the current quarter as compared to RM38.75 million in the immediate preceding quarter due to Hari Raya festival in the immediate preceding quarter.

A pre-tax loss of RM17.17 million was recorded in the current quarter compared to that of a pre-tax profit of RM2 million achieved in immediate preceding quarter due to the above mentioned reasons.



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**3. Prospects**

The average egg price is expected to rise in the coming quarters 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 progressively as per schedule. The construction of the manufacturing facility for the joint venture Company with NH Foods Ltd. has been completed and was officially declared opened on the 13th of November 2018. With these in place, the financial performance of the group going forward would be given a boost.

However, the continuous strengthening of the US dollars against the Ringgit have caused all imported raw and packing materials particularly the feed cost to rise which 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	255	406
Deferred tax (Net of (assets) / liabilities)	(3,561)	(3,980)
	<u>(3,306)</u>	<u>(3,574)</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 September 2018 are as follows :**

	Exchange rate	Short term					Long term					Total borrowings				
		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		-	-	-	9,281	<b>9,281</b>	-	-	-	-	-	-	-	9,281	<b>9,281</b>	
Bankers' Acceptance		-	-	-	60,365	<b>60,365</b>	-	-	-	-	-	-	-	60,365	<b>60,365</b>	
Onshore Foreign Currency Loan		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Hire Purchase	THB @ 0.122	-	222	27	7,933	<b>7,960</b>	-	-	-	17,878	<b>17,878</b>	-	222	27	25,811	<b>25,838</b>
Term Loan		-	-	-	11,443	<b>11,443</b>	-	-	-	75,598	<b>75,598</b>	-	-	-	87,041	<b>87,041</b>
		-	222	27	89,022	<b>89,049</b>	-	-	-	93,476	<b>93,476</b>	-	222	27	182,498	<b>182,525</b>
<b>Unsecured</b>																
Overdraft		-	-	-	2,506	<b>2,506</b>	-	-	-	-	-	-	-	2,506	<b>2,506</b>	
Bankers' Acceptance		-	-	-	65,255	<b>65,255</b>	-	-	-	-	-	-	-	65,255	<b>65,255</b>	
Revolving Credit		-	-	-	9,000	<b>9,000</b>	-	-	-	-	-	-	-	9,000	<b>9,000</b>	
		-	-	-	76,761	<b>76,761</b>	-	-	-	-	-	-	-	76,761	<b>76,761</b>	
		-	222	27	165,783	<b>165,810</b>	-	-	-	93,476	<b>93,476</b>	-	222	27	259,259	<b>259,286</b>

**The Group's borrowings as at 31 March 2018 are as follows :**

	Exchange rate	Short term					Long term					Total borrowings				
		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		-	-	-	3,681	<b>3,681</b>	-	-	-	-	-	-	-	3,681	<b>3,681</b>	
Bankers' Acceptance		-	-	-	47,134	<b>47,134</b>	-	-	-	-	-	-	-	47,134	<b>47,134</b>	
Onshore Foreign Currency Loan		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Hire Purchase	THB @ 0.124	-	222	27	8,028	<b>8,055</b>	-	-	-	17,462	<b>17,462</b>	-	222	27	25,490	<b>25,517</b>
Term Loan		-	-	-	10,974	<b>10,974</b>	-	-	-	68,557	<b>68,557</b>	-	-	-	79,531	<b>79,531</b>
		-	222	27	69,817	<b>69,844</b>	-	-	-	86,019	<b>86,019</b>	-	222	27	155,836	<b>155,863</b>
<b>Unsecured</b>																
Overdraft		-	-	-	359	<b>359</b>	-	-	-	-	-	-	-	359	<b>359</b>	
Bankers' Acceptance		-	-	-	58,794	<b>58,794</b>	-	-	-	-	-	-	-	58,794	<b>58,794</b>	
Revolving Credit		-	-	-	15,500	<b>15,500</b>	-	-	-	-	-	-	-	15,500	<b>15,500</b>	
		-	-	-	74,653	<b>74,653</b>	-	-	-	-	-	-	-	74,653	<b>74,653</b>	
		-	222	27	144,470	<b>144,497</b>	-	-	-	86,019	<b>86,019</b>	-	222	27	230,489	<b>230,516</b>

**Material changes to the above:**

- (i) Bankers' acceptance - higher utilisation of working capital line resulting from increase in biological assets and increase in raw materials prices like corn & soya.  
(ii) Term loan - drawing down on existing term loans for ongoing capital expenditure of the Group.

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

	%	
Bank Overdraft	8.14	
Bankers' Acceptance	4.78	
Revolving Credit	5.25	
Term Loan	6.22	
<b>Total borrowings - Term Loan:</b>	RM'000	
Floating	84,087	97%
Fixed	2,954	3%
	<u>87,041</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 September 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 do not proposed any dividend for the current quarter.

**13. Earnings per share**

	3 months ended		6 months ended	
	30 Sep 2018	30 Sep 2017	30 Sep 2018	30 Sep 2017
(Loss)/profit attributable to ordinary equity holders of the parent (RM'000)	(10,961)	12,172	(8,678)	16,593
Weighted average number of ordinary shares in issue after effect of bonus issue and share split (basic) ('000)	645,837	608,750	645,837	608,750
Effect of dilution of outstanding SIS ('000)	16,266	13,044	14,368	13,220
Effect of dilution of outstanding Warrants ('000)	147,702	128,631	130,461	130,369
Weighted average number of ordinary shares (diluted) ('000)	809,805	750,425	790,666	752,339
Basic earnings per share (sen)	(1.70)	2.00	(1.34)	2.73
Diluted earnings per share (sen)	(1.35)	1.62	(1.10)	2.21

Basic earnings per share is computed based on the (loss)/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 (loss)/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 (loss)/profit before tax:

	Preceding Year		Preceding	
	Current Year	Corresponding	Current Year	Corresponding
	Quarter	Quarter	to Date	Period
	30 Sep 2018	30 Sep 2017	30 Sep 2018	30 Sep 2017
	RM'000	RM'000	RM'000	RM'000
a) Interest income	10	30	22	49
b) Interest expense	(3,173)	(2,457)	(6,246)	(4,605)
c) Depreciation and amortisation	(7,320)	(6,537)	(14,697)	(13,104)
d) Loss on disposal of a subsidiary company	-	-	-	(21)
e) Written off of property, plant and equipment	(47)	(1)	(50)	(2)
f) (Loss)/gain on disposal of property, plant and equipment	-	40	(2)	125
g) Unrealised forex gain/ (loss)	13	-	128	(80)
h) Realised forex gain	66	57	26	29

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

**15. Trade Receivables**

	Financial period ended 30 Sep 2018 RM'000	Immediate preceding financial year ended 31 Mar 2018 RM'000
Trade receivables		
Third parties	101,301	146,635
Impairment losses		
- brought forward	(5,610)	(5,351)
- impaired during the year	-	(1,607)
- reversal of impairment losses during the year	1,003	1,348
	<u>(4,607)</u>	<u>(5,610)</u>
	<u>96,694</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 Sep 2018 RM'000	Immediate preceding financial year ended 31 Mar 2018 RM'000
Neither past due nor impaired	68,530	114,933
Up to 90 days past due not impaired	2,650	18,727
More than 90 days past due not impaired	25,514	7,365
	28,164	26,092
Impaired		
- brought forward	5,610	5,351
- impaired during the year	-	1,607
- reversal of impairment losses during the year	(1,003)	(1,348)
	<u>4,607</u>	<u>5,610</u>
	<u>101,301</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 26th November 2018.