



LAY HONG BERHAD (107129-H)  
Incorporated in Malaysia

Condensed Consolidated Statement of Comprehensive Income

	Individual Quarter		Cumulative Quarter	
	31 Dec 2018 Unaudited	31 Dec 2017 Unaudited	31 Dec 2018 Unaudited	31 Dec 2017 Unaudited
	RM'000	RM'000	RM'000	RM'000
Revenue	203,323	228,189	589,606	615,779
Operating expenses	(194,619)	(212,613)	(592,990)	(574,035)
Other income	1,444	1,406	5,199	4,059
Finance costs	(3,236)	(2,762)	(9,482)	(7,367)
Share of loss of associate	(860)	(340)	(1,443)	(676)
Profit/(loss) before tax	6,052	13,880	(9,110)	37,760
Tax expense	(2,327)	(2,593)	1,247	(7,875)
Net profit/(loss) for the financial period	3,725	11,287	(7,863)	29,885
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	812	(344)	548	(567)
	812	(344)	548	(567)
Total other comprehensive income/(loss), net of tax	812	(344)	548	(567)
Total comprehensive income/(loss) for the financial period	4,537	10,943	(7,315)	29,318
Profit/(loss) attributable to:				
Owners of the parent	3,745	10,111	(4,933)	26,704
Non-controlling interest	(20)	1,176	(2,930)	3,181
	3,725	11,287	(7,863)	29,885
Total comprehensive income/(loss) attributable to:				
Owners of the parent	4,557	9,767	(4,385)	26,137
Non-controlling interest	(20)	1,176	(2,930)	3,181
	4,537	10,943	(7,315)	29,318
Earnings per share (sen) :				
Basic	0.57	1.66	(0.76)	4.39
Diluted	0.41	1.36	(0.60)	3.56

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 31 Dec 2018 Unaudited RM'000	As at 31 Mar 2018 Audited RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	468,204	442,032
Investment properties	5,940	5,940
Investment in associate	11,730	13,173
Other investments	195	195
Intangible assets	2,941	4,327
Deferred tax assets	9,853	3,659
	<b>498,863</b>	<b>469,326</b>
<b>Current assets</b>		
Biological assets	43,818	39,964
Inventories	93,447	91,672
Trade receivables	98,982	141,025
Other receivables	31,810	33,563
Due from an associate company	321	2
Short term investment	170	5,452
Cash and bank balances	10,736	10,227
	<b>279,284</b>	<b>321,905</b>
<b>TOTAL ASSETS</b>	<b>778,147</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	177,661	187,344
	<b>323,282</b>	<b>317,453</b>
Non-controlling interest	36,522	39,452
<b>Total equity</b>	<b>359,804</b>	<b>356,905</b>
<b>Non-current liabilities</b>		
Long term borrowings	93,900	86,019
Long term payables	1,128	1,128
Deferred tax liabilities	39,576	35,724
	<b>134,604</b>	<b>122,871</b>
<b>Current liabilities</b>		
Trade payables	79,056	121,009
Other payables	27,248	43,831
Due to an associate company	60	52
Income tax payable	127	2,066
Short term borrowings	177,248	144,497
	<b>283,739</b>	<b>311,455</b>
<b>Total liabilities</b>	<b>418,343</b>	<b>434,326</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>778,147</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	-	(807)	-	-	-	807	-	-	-
Net profit/(loss) for the financial period	-	-	-	-	-	(4,933)	(4,933)	(2,930)	(7,863)
Dividends	-	-	-	-	-	(3,301)	(3,301)	-	(3,301)
Other comprehensive income	-	-	-	548	-	-	548	-	548
Issuance of new SIS shares	-	-	(1,997)	-	-	-	(1,997)	-	(1,997)
Arising from conversion of warrants	15,512	-	-	-	-	-	15,512	-	15,512
At 31 Dec 2018	145,621	65,646	4,112	1,047	-	106,856	323,282	36,522	359,804
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)	-	-	-
Partial disposal of investment in a subsidiary company	-	-	-	-	-	-	-	10,754	10,754
Acquisition of additional equity interest in subsidiary company	-	-	-	-	-	-	-	(566)	(566)
Net profit for the financial period	-	-	-	-	-	26,704	26,704	3,181	29,885
Other comprehensive (loss)/income	-	-	-	(567)	-	-	(567)	-	(567)
Dividends	-	-	-	-	-	(3,044)	(3,044)	-	(3,044)
At 31 Dec 2017	121,750	66,975	6,109	534	(3)	103,775	299,140	39,479	338,619

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**

	<b>Financial period ended 31 Dec 2018 Unaudited RM'000</b>	<b>Financial period ended 31 Dec 2017 Unaudited RM'000</b>
<b>Cash Flow From Operating Activities</b>		
<b>(Loss)/profit before tax</b>	<b>(9,110)</b>	<b>37,760</b>
<b>Adjustments for:-</b>		
Depreciation and amortisation	22,216	19,881
Net gain on disposal of property, plant and equipment	(7)	(171)
Loss on disposal of a subsidiary company	-	21
Property, plant and equipment written off	50	29
Impairment on property, plant and equipment	-	(1,164)
Interest expense	9,482	7,367
Interest income	(29)	(71)
Reversal of impairment losses on trade receivables	(1,003)	-
Unrealised (gain) / loss on foreign exchange differences	(128)	79
Operating profit before changes in working capital	21,471	63,731
Net change in current assets	43,379	(35,917)
Net change in current liabilities	(58,526)	(7,449)
Tax paid	(6,740)	(2,773)
Interest paid	(9,482)	(7,367)
<b>Net cash (used in)/generated from operating activities</b>	<b>(9,898)</b>	<b>10,225</b>
<b>Cash Flow From Investing Activities</b>		
Proceeds from partial disposal of a subsidiary company	-	10,750
Additional investment in subsidiary companies	-	(965)
Investment in an associate	1,443	(7,654)
Additional intangible asset acquired	1,385	-
Proceeds from disposal of property, plant and equipment	12	424
Purchase of property, plant and equipment	(48,198)	(62,902)
Interest income received	28	71
<b>Net cash used in investing activities</b>	<b>(45,330)</b>	<b>(60,276)</b>
<b>Cash Flow From Financing Activities</b>		
Net drawdown and repayment of bankers' acceptance	24,978	17,792
Net drawdown and repayment of onshore foreign currency trade loan	-	(1,470)
Net drawdown and repayment of term loans and revolving credits	12,020	44,481
Net drawdown and repayment of finance lease liabilities	(1,645)	(3,532)
Dividend paid	(3,301)	(3,044)
Proceeds from Issue of ordinary shares	13,515	-
<b>Net cash generated from financing activities</b>	<b>45,567</b>	<b>54,227</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(9,661)</b>	<b>4,176</b>
<b>Effect of foreign exchange rate changes</b>	<b>205</b>	<b>(278)</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>1,686</b>	<b>3,447</b>
<b>Cash and cash equivalents at the end of the quarter comprises :</b>		
Short term investment	170	2,633
Cash and bank balances	10,736	14,861
Bank overdrafts (included within the short term borrowings in Part B Note 9)	(8,723)	(13,565)
Deposit pledged to licensed bank	(497)	(482)
	<b>1,686</b>	<b>3,447</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.

## **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 31 December 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 31 December 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) No new share were issued 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**

The Company paid a final tax exempt dividend for the year ended 31 March 2018 of 0.50 sen per ordinary share totalling of RM3.301 million on 15 November 2018.

**8. Segmental information**

	3 months ended 31 December 2018		9 months ended 31 December 2018	
	Segment revenue	Segment results	Segment revenue	Segment results
	RM'000		RM'000	
Integrated livestock business	175,614	6,278	500,745	(9,167)
Retail supermarket	33,702	(226)	106,721	57
	209,316	6,052	607,466	(9,110)
Inter-segment eliminations	(5,993)	-	(17,860)	-
	203,323	6,052	589,606	(9,110)

All business operations are predominantly conducted in Malaysia.

**9. Subsequent events**

There were no events subsequent to 31 December 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 RM115.42 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 2018 amounted to :

	RM'000
Approved and contracted for	29,350
Approved but not contracted for	8,869
	38,219

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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	169,621	192,332	(22,711)	(11.81)
-Retail supermarket	33,702	35,857	(2,155)	(6.01)
	<u>203,323</u>	<u>228,189</u>	<u>(24,866)</u>	<u>(10.90)</u>
Profit/(loss) before tax	6,052	13,880	(7,828)	(56.40)

For the integrated livestock business, it recorded a reduction of 11.81% i.e from RM192.33 million recorded in the preceding year's corresponding quarter to RM169.62 million in the current financial quarter. This was primarily due to lower quantity of processed chicken products being sold in the current quarter.

For the retail supermarket segment, a lower revenue of RM33.70 million was recorded in the current quarter compared to RM35.86 million in the corresponding quarter of last preceding year due to the closure of one of the retail outlet in Papar.

A group pre-tax profit of RM6.05 million was recorded in the current quarter compared to pre-tax profit of RM13.88 million in the corresponding quarter of last financial year mainly due to reasons as 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 business	169,621	152,765	16,856	11.03
-Retail supermarket	33,702	34,265	(563)	(1.64)
	<u>203,323</u>	<u>187,030</u>	<u>16,293</u>	<u>8.71</u>
Profit/(loss) before tax	6,052	(17,167)	23,219	(135.25)

For the current quarter under review, integrated livestock business segment registered a higher revenue of RM169.62 million compared to RM152.76 million in the immediate preceding quarter mainly due to higher selling price of eggs and further processed chicken products.

The retail supermarket segment recorded a lower revenue of RM33.70 million in the current quarter as compared to RM34.26 million in the immediate preceding quarter due to the closure of one of the retail outlet in Papar.

A pre-tax profit of RM6.05 million was recorded in the current quarter compared to that of a pre-tax loss of RM17.17 million registered in immediate preceding quarter due to reasons mentioned above.



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**3. Prospects**

The average egg price is expected to remain at the current level for the next few months. The full commissioning of the liquid egg plant in Johor has been delayed slightly due to some unavoidable technical issues. The joint venture company with NH Foods Ltd has commenced production and is progressively ramping up production to its planned level within the next few quarters.

Of late, the US dollars against the Ringgit has shown sign of easing and this scenario will augur well for the group's major raw materials of corn and soya bean usage.

**4. Profit forecast or profit guarantee**

Not applicable.

**5. Income tax**

	Current quarter RM'000	Year-to- date RM'000
Current tax	690	1,095
Deferred tax (Net of (assets) / liabilities)	1,637	(2,342)
	<u>2,327</u>	<u>(1,247)</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 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)
<b>Secured</b>																
Overdraft		-	-	-	6,014	6,014	-	-	-	-	-	-	-	-	6,014	6,014
Bankers' Acceptance		-	-	-	59,525	59,525	-	-	-	-	-	-	-	-	59,525	59,525
Hire Purchase		-	-	-	7,781	7,781	-	-	16,688	16,688	-	-	-	-	24,469	24,469
Term Loan		-	-	-	12,838	12,838	-	-	77,212	77,212	-	-	-	-	90,050	90,050
		-	-	-	86,158	86,158	-	-	93,900	93,900	-	-	-	-	180,058	180,058
<b>Unsecured</b>																
Overdraft		-	-	-	2,709	2,709	-	-	-	-	-	-	-	-	2,709	2,709
Bankers' Acceptance		-	-	-	71,381	71,381	-	-	-	-	-	-	-	-	71,381	71,381
Revolving Credit		-	-	-	17,000	17,000	-	-	-	-	-	-	-	-	17,000	17,000
		-	-	-	91,090	91,090	-	-	-	-	-	-	-	-	91,090	91,090
		-	-	-	177,248	177,248	-	-	93,900	93,900	-	-	-	-	271,148	271,148

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)
<b>Secured</b>																
Overdraft		-	-	-	3,681	3,681	-	-	-	-	-	-	-	-	3,681	3,681
Bankers' Acceptance		-	-	-	47,134	47,134	-	-	-	-	-	-	-	-	47,134	47,134
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	
<b>Unsecured</b>																
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) Higher utilisation of working capital line resulting from increase in feed consumed due to increase in biological assets coupled with increase in raw material prices like corn and 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:**

	<b>%</b>	
Bank Overdraft	8.18	
Bankers' Acceptance	4.76	
Revolving Credit	5.24	
Term Loan	6.20	
<b>Total borrowings - Term Loan:</b>	RM'000	
Floating	87,274	97%
Fixed	2,776	3%
	<u>90,050</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 31 December 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		9 months ended	
	31 Dec 2018	31 Dec 2017	31 Dec 2018	31 Dec 2017
Profit/(loss) attributable to ordinary equity holders of the parent (RM'000)	3,745	10,111	(4,933)	26,704
Weighted average number of ordinary shares in issue after effect of bonus issue and share split (basic) ('000)	660,289	608,750	650,613	608,750
Effect of dilution of outstanding SIS ('000)	19,502	12,209	15,699	13,089
Effect of dilution of outstanding Warrants ('000)	243,912	120,396	156,602	129,078
Weighted average number of ordinary shares (diluted) ('000)	923,703	741,355	822,914	750,917
Basic earnings per share (sen)	0.57	1.66	(0.76)	4.39
Diluted earnings per share (sen)	0.41	1.36	(0.60)	3.56

Basic earnings per share is computed based on the profit/(loss) 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/(loss) 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 credited/(charged) in arriving at profit/(loss) before tax:

	Preceding Year		Preceding	
	Current Year	Corresponding	Current Year	Corresponding
	Quarter	Quarter	to Date	Period
	31 Dec 2018	31 Dec 2017	31 Dec 2018	31 Dec 2017
	RM'000	RM'000	RM'000	RM'000
a) Interest income	7	22	29	71
b) Interest expense	(3,236)	(2,762)	(9,482)	(7,367)
c) Depreciation and amortisation	(7,519)	(6,777)	(22,216)	(19,881)
d) Loss on disposal of a subsidiary company	-	-	-	(21)
e) Written off of property, plant and equipment	-	(27)	(50)	(29)
f) Gain/(loss) on disposal of property, plant and equipment	9	46	7	171
g) Unrealised forex gain/ (loss)	0	(0)	128	(80)
h) Realised forex gain/(loss)	38	(50)	64	(21)

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

**15. Trade Receivables**

	Financial period ended 31 Dec 2018 RM'000	Immediate preceding financial year ended 31 Mar 2018 RM'000
Trade receivables		
Third parties	103,589	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>98,982</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 31 Dec 2018 RM'000	Immediate preceding financial year ended 31 Mar 2018 RM'000
Neither past due nor impaired	81,286	114,933
Up to 90 days past due not impaired	(5,517)	18,727
More than 90 days past due not impaired	23,213	7,365
	17,696	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>103,589</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 25th February 2019.