



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

**Condensed Consolidated Statement of Comprehensive Income**

	Individual Quarter		Cumulative Quarter	
	30 Jun 2019 Unaudited	30 Jun 2018 Unaudited	30 Jun 2019 Unaudited	30 Jun 2018 Unaudited
	RM'000	RM'000 Restated	RM'000	RM'000 Restated
Revenue	202,219	199,253	202,219	199,253
Operating expenses	(193,317)	(196,325)	(193,317)	(196,325)
Other income	1,854	2,438	1,854	2,438
Finance costs	(3,446)	(3,073)	(3,446)	(3,073)
Share of loss of associate	(1,282)	(288)	(1,282)	(288)
Profit before tax	6,028	2,005	6,028	2,005
Tax expense	(1,693)	268	(1,693)	268
Net profit for the financial period	4,335	2,273	4,335	2,273
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	1,276	(264)	1,276	(264)
	1,276	(264)	1,276	(264)
Total other comprehensive income/(loss), net of tax	1,276	(264)	1,276	(264)
Total comprehensive income for the financial period	5,611	2,009	5,611	2,009
Profit/(loss) attributable to:				
Owners of the parent	3,864	2,283	3,864	2,283
Non-controlling interest	471	(10)	471	(10)
	4,335	2,273	4,335	2,273
Total comprehensive income/(loss) attributable to:				
Owners of the parent	5,140	2,019	5,140	2,019
Non-controlling interest	471	(10)	471	(10)
	5,611	2,009	5,611	2,009
Earnings per share (sen) :				
Basic	0.59	0.36	0.59	0.36
Diluted	0.42	0.30	0.42	0.30

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 March 2019 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 2019 Unaudited RM'000	As at 31 Mar 2019 Audited RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	505,828	495,649
Right of use assets	8,652	-
Investment properties	5,940	5,940
Investment in associate	9,218	10,500
Other investments	196	197
Intangible assets	2,941	2,941
Deferred tax assets	10,699	7,403
	<b>543,474</b>	<b>522,630</b>
<b>Current assets</b>		
Biological assets	67,204	65,405
Inventories	101,995	93,432
Trade receivables	84,770	90,582
Other receivables	23,377	33,594
Due from an associate company	2	72
Short term investment	170	170
Cash and bank balances	8,497	14,383
	<b>286,015</b>	<b>297,638</b>
<b>TOTAL ASSETS</b>	<b>829,489</b>	<b>820,268</b>
<b>EQUITY AND LIABILITIES</b>		
Equity attributable to equity holders of the parent		
Share capital	145,621	145,621
Reserves	194,720	189,860
	<b>340,341</b>	<b>335,481</b>
Non-controlling interest	36,582	36,244
<b>Total equity</b>	<b>376,923</b>	<b>371,725</b>
<b>Non-current liabilities</b>		
Long term borrowings	103,458	98,274
Lease liabilities	7,379	-
Long term payables	1,128	1,128
Deferred tax liabilities	43,947	39,052
	<b>155,912</b>	<b>138,454</b>
<b>Current liabilities</b>		
Trade payables	79,935	84,436
Other payables	30,081	40,805
Due to an associate company	185	464
Income tax payable	164	209
Short term borrowings	184,575	184,175
Lease liabilities	1,714	-
	<b>296,654</b>	<b>310,089</b>
<b>Total liabilities</b>	<b>452,566</b>	<b>448,543</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>829,489</b>	<b>820,268</b>

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

0.52

0.51

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 March 2019 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	SIS option reserve	Foreign currency translation reserve	Retained profit	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 April 2019	145,621	65,378	4,111	393	119,978	335,481	36,244	371,725
Effects of adopting MFRS 16 (Note 2)	-	-	-	-	(280)	(280)	(133)	(413)
At 1 April 2019, as restated	145,621	65,378	4,111	393	119,698	335,201	36,111	371,312
Transfer (to) / from distributable reserve on realisation of revaluation reserve	-	(292)	-	-	292	-	-	-
Net profit for the financial year	-	-	-	-	3,864	3,864	471	4,335
Other comprehensive income	-	-	-	1,276	-	1,276	-	1,276
At 30 June 2019	145,621	65,086	4,111	1,669	123,854	340,341	36,582	376,923
At 1 April 2018, as previously audited	130,109	66,453	6,109	499	114,283	317,453	39,452	356,905
Effects of adopting MFRS 141 (Note 2)	-	-	-	-	2,178	2,178	3,673	5,851
Effects of adopting MFRS 9 (Note 2)	-	-	-	-	(1,920)	(1,920)	(621)	(2,541)
At 1 April 2018, restated	130,109	66,453	6,109	499	114,541	317,711	42,504	360,215
Transfer from / (to) distributable reserve on realisation of revaluation reserve	-	(271)	-	-	271	-	-	-
Net profit for the financial year	-	-	-	-	2,283	2,283	(10)	2,273
Other comprehensive loss	-	-	-	(264)	-	(264)	-	(264)
Arising from conversion of warrants	9,477	-	-	-	-	9,477	-	9,477
At 30 June 2018	139,586	66,182	6,109	235	117,095	329,207	42,494	371,701

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 March 2019 and the accompanying explanatory notes attached to this interim financial statements.



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

**Condensed Consolidated Statement of Cash Flows**

	<b>3 months ended 30 Jun 2019 Unaudited RM'000</b>	<b>3 months ended 30 Jun 2018 Unaudited RM'000</b>
<b>Cash Flow From Operating Activities</b>		
<b>Profit / (loss) before tax</b>	<b>6,028</b>	<b>2,005</b>
<b>Adjustments for:-</b>		
Depreciation and amortisation (PPE)	7,955	7,377
Depreciation of Right of Use asset	449	-
Net loss on disposal of property, plant and equipment	-	2
Property, plant and equipment written off	30	3
Interest expense	3,446	3,073
Interest income	(11)	(12)
Reversal of Impairment losses on trade receivables	-	(1,000)
Unrealised gain on foreign exchange differences	(448)	(115)
Operating profit before changes in working capital	17,449	11,333
Net change in current assets	6,791	24,705
Net change in current liabilities	(15,505)	(44,926)
Tax paid	(744)	(2,713)
Interest paid	(3,446)	(3,073)
<b>Net cash generated from operating activities</b>	<b>4,545</b>	<b>(14,674)</b>
<b>Cash Flow From Investing Activities</b>		
Net change in investment in an associate	1,282	288
Net change in intangible asset	-	(610)
Proceeds from disposal of property, plant and equipment	316	99
Purchase of property, plant and equipment	(12,365)	(8,112)
Interest income received	11	12
<b>Net cash used in investing activities</b>	<b>(10,756)</b>	<b>(8,323)</b>
<b>Cash Flow From Financing Activities</b>		
Net drawdown and repayment of bankers' acceptance	(1,333)	6,020
Net drawdown and repayment of term loans and revolving credits	(373)	1,655
Net drawdown and repayment of finance lease liabilities	(2,965)	(8,413)
Proceeds from Issue of ordinary shares	-	9,477
<b>Net cash generated from financing activities</b>	<b>(4,671)</b>	<b>8,739</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(10,882)</b>	<b>(14,258)</b>
<b>Effect of foreign exchange rate changes</b>	<b>1,114</b>	<b>(56)</b>
<b>Cash and cash equivalents at beginning of the financial year</b>	<b>6,818</b>	<b>11,142</b>
<b>Cash and cash equivalents at end of the quarter</b>	<b>(2,950)</b>	<b>(3,172)</b>
<b>Cash and cash equivalents at the end of the quarter comprises :</b>		
Short term investment	170	1,744
Cash and bank balances	8,497	9,735
Bank overdrafts (included within the short term borrowings in Part B Note 9)	(11,105)	(14,154)
Deposit pledged to licensed bank	(512)	(497)
	<b>(2,950)</b>	<b>(3,172)</b>

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 March 2019 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 year ending 31 March 2019.

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 2019. 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 2019.

**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 2019, 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 2019, as disclosed below :

**MFRSs, Amendments to MFRSs and Interpretations**

MFRS 16	Leases
IC Interpretation 23	Uncertainty over Income Tax Treatments
Amendments to MFRS 128	Long-term Interests in Associates and Joint Ventures
Amendments to MFRS 9	Prepayment Features with Negative Compensation
Amendments to MFRS 3	Annual Improvements to MFRS Standards 2015-2018 Cycle
Amendments to MFRS 11	Annual Improvements to MFRS Standards 2015-2018 Cycle
Amendments to MFRS 112	Annual Improvements to MFRS Standards 2015-2018 Cycle
Amendments to MFRS 123	Annual Improvements to MFRS Standards 2015-2018 Cycle
Amendments to MFRS 119	Plan Amendment, Curtailment or Settlement

The adoption of the above pronouncements does not have any significant impact to the Group except for the following:

**(a) First-time Adoption of MFRS**

In preparing the opening statement of the financial position at 1 April 2019, the Group and the Company has adjusted certain amounts reported previously in financial statements prepared in accordance with previous FRS. An explanation of how the transition from previous FRS to MFRS has affected the Group and the Company financial position is set out below:

**(i) MFRS 16 - Leases**

As a result of the adoption of MFRS 16, the existing requirements for a lessee to distinguish between finance leases and operating leases under the MFRS 117 are no longer required. This Standard introduces a single accounting model, requiring the lessee to recognise the right-of-use of the underlying lease asset and the future lease payments liabilities in the statements of financial position. For a lessor, MFRS 16 continues to allow the lessor to classify leases as either operating leases or finance leases and to account for these two types of leases differently.

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

**(a) First-time Adoption of MFRS (cont'd)**

**(i) MFRS 16 - Leases (cont'd)**

Right-of-use assets is based on the present value of the liability at the commencement date of the lease. Subsequent to initial recognition, the right-of-use assets are measured at cost less any accumulated depreciation, accumulated impairment losses and adjusted for any remeasurement of lease liabilities. The right-of-use assets are measured at an amount equal to the lease liabilities.

Lease liabilities arising from the premises and equipment are recognised and discounted using the weighted average borrowing rate of the Group of 7.05%. Subsequent to initial recognition, the Group measure the lease liabilities by increasing the carrying amount to reflect the interest on the lease liabilities, reducing the carrying amount to reflect lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications.

MFRS 16 has been adopted by the Group from 1 April 2019 using the modified retrospective transition approach, which measures the lease liabilities based on the present value of future lease payments calculated using the incremental borrowing rate and exchange rate at date of transition. Lease payments would be split into principal and interest payments, using the effective interest method.

On the date of initial application, the Group applied the simplified transition approach and did not restate comparative amounts for the period prior to first adoption.

**Classification and measurement of financial assets on the date of initial application of MFRS 16**

The following tables below show the measurement under MFRS 117 and the new measurement categories under MFRS 16 for each class of the Group's financial assets as at 1 April 2019 based on the business model assessment done.

	<b>MFRS RM'000</b>	<b>MFRS 16 adjustments RM'000</b>	<b>Restated under MFRS RM'000</b>
<b>As at 1 April 2019</b>			
<b>Impact of MFRS 16 adoption</b>			
<b>Statement of Financial Position</b>			
Right of use assets	-	9,102	9,102
Retained earnings	119,979	(280)	119,699
Non-controlling interests	36,244	(133)	36,111
Lease liabilities	-	(9,515)	(9,515)

**(b) Prior year restatements**

In preparing the opening statement of the financial position at 1 April 2018, the Group and the Company has adjusted certain amounts reported previously in financial statements prepared in accordance with previous FRS. An explanation of how the transition from previous FRS to MFRS has affected the Group and the Company financial position is set out below:

**(i) MFRS 9 - Financial Instruments**

**Classification and measurement of financial assets on the date of initial application of MFRS 9**

The following tables below show the measurement under MFRS 139 and the new measurement categories under MFRS 9 for each class of the Group's financial assets as at 1 April 2018 based on the business model assessment done.

	<b>1 April 2018 MFRS 139 RM'000</b>	<b>Remeasurement RM'000</b>	<b>1 April 2018 to new MFRS 9 category AC RM'000</b>
<b>Financial assets</b>			
Trade receivables	141,025	(2,541)	138,484

**LAY HONG BERHAD (107129-H)**  
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**PART A : EXPLANATORY NOTES PURSUANT TO MFRS 134 (cont'd)**

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

**(b) Prior year restatements (cont'd)**

**(i) MFRS 9 - Financial Instruments (cont'd)**

**Impacts on financial statements**

The following tables summarises the impact of the above changes on the Group's financial statements.

	Previously stated under FRS RM'000	Effect of transition to MFRS RM'000	MFRS RM'000	MFRS 9 adjustments RM'000	Restated under MFRS RM'000
<b>As at 1 April 2018</b>					
<b>Impact of MFRS 9 adoption</b>					
<b>Statement of Financial Position</b>					
Trade receivables	141,025	-	141,025	(2,541)	138,484
Retained earnings	114,283	2,178	116,461	(1,920)	114,541
Non-controlling interests	39,452	3,673	43,125	(621)	42,504

**(ii) MFRS 141 - Agriculture**

Under FRS, biological assets applies a cost model whereby growing layer breeders, broiler breeders and layers are measured at the lower of cost and net realisable value.

Upon transition to MFRS, biological asset which fair value can be measured reliably without under cost or effort are measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

**Reconciliation of financial position and equity**

	Previously stated under FRS RM'000	Effects of transition to MFRS RM'000	Restated under MFRS RM'000
<b>31 March 2018</b>			
Biological assets	39,964	5,851	45,815
Retained earnings	114,283	2,178	116,461
Non-controlling interest	39,452	3,673	43,125

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**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 March 2019.

**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.

**7. Dividends paid**

No dividend has been paid in the current quarter.

**8. Segmental information**

	3 months ended 30 June 2019		3 months ended 30 June 2019	
	Segment revenue	Segment results	Segment revenue	Segment results
	RM'000		RM'000	
Integrated livestock business	172,162	6,517	172,162	6,517
Retail supermarket	35,500	(489)	35,500	(489)
	207,662	6,028	207,662	6,028
Inter-segment eliminations	(5,443)	-	(5,443)	-
	202,219	6,028	202,219	6,028

All business operations are predominantly conducted in Malaysia.



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**9. Subsequent events**

There were no events subsequent to 30 June 2019 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 RM119.38 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 2019 amounted to :

	RM'000
Approved and contracted for	14,667
Approved but not contracted for	<u>4,715</u>
	<u>19,382</u>

**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 compared to the corresponding quarter 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	166,719	160,499	6,220	3.88
-Retail supermarket	35,500	38,754	(3,254)	(8.40)
	<u>202,219</u>	<u>199,253</u>	<u>2,966</u>	1.49
Profit/(loss) before tax	6,028	2,005	4,023	200.65

Revenue for the integrated livestock business had recorded an increase of 3.88% i.e from RM160.50 million recorded in the corresponding quarter last year to RM166.72 million in the current financial quarter. This was mainly due to the higher quantity of poultry products being sold in particular for table eggs.

For the retail supermarket segment, a lower revenue of RM35.50 million was recorded in the current quarter compared to RM38.75 million in the corresponding quarter last year due to the closure of two retail outlets one in Papar and the other in Balung which are non performing.

A group pre-tax profit of RM6.03 million was recorded in the current quarter compared to RM2.00 million in the corresponding quarter of last financial year mainly due to the reasons stated 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	166,719	176,703	(9,984)	(5.65)
-Retail supermarket	35,500	30,516	4,984	16.33
	<u>202,219</u>	<u>207,219</u>	<u>(5,000)</u>	(2.41)
Profit/(loss) before tax	6,028	13,017	(6,989)	(53.69)

For the current quarter under review, integrated livestock business segment registered a lower revenue of RM166.72 million compared to RM176.70 million in the immediate preceding quarter mainly due to the lower quantity of table eggs being produced and sold in particular the Sabah operation which had in earlier quarter voluntarily culled the matured layers due to presence of bird flu in the neighbouring farms.

The retail supermarket segment recorded a higher revenue of RM35.50 million in the current quarter as compared to RM30.52 million in the immediate preceding quarter due to the opening of a new retail outlet in Merotai and recent Hari Raya festive season.

A group pre-tax profit of RM6.03 million was recorded in the current quarter compared to that of RM13.02 million registered in immediate preceding quarter mainly due to the previous year end fair value adjustment of biological assets (resulted from the adoption of MFRS 141) in immediate preceding quarter.

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**3. Prospects**

The demand for table eggs and chicken products and its average prices are expected to remain stable for the next few months. Sabah's layer operation is expected to normalise by the 3rd quarter of the financial year as the re-population of the birds are actively in progress.

For the liquid egg business, the commissioning of the equipment of the new plant in Johor is almost complete after overcoming some small technical issues.

The physical construction of the plant in the 49% joint venture company with NH Foods Ltd., Japan was completed in November 2018 and is now fully operational after securing all the necessary government approvals, including the Halal Certifications. The company is now slowly ramping up its planned production to meet demands.

Malaysian Ringgit against the US Dollar has further weakened and this will affect the group's purchase cost of major raw materials like corn and soya bean going forward.

**4. Profit forecast or profit guarantee**

Not applicable.

**5. Income tax**

	Current quarter RM'000	Year-to- date RM'000
Current tax	93	93
Deferred tax (Net of (assets) / liabilities)	1,600	1,600
	<u>1,693</u>	<u>1,693</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 2019 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	-	-	-	-	9,321	9,321	-	-	-	-	-	-	-	-	9,321	9,321
Bankers' Acceptance	-	-	-	-	59,816	59,816	-	-	-	-	-	-	-	-	59,816	59,816
Hire Purchase	-	-	-	-	9,079	9,079	-	-	-	20,547	20,547	-	-	-	29,626	29,626
Term Loan	-	-	-	-	17,198	17,198	-	-	-	82,911	82,911	-	-	-	100,109	100,109
	-	-	-	-	95,414	95,414	-	-	-	103,458	103,458	-	-	-	198,872	198,872
<b>Unsecured</b>																
Overdraft	-	-	-	-	1,784	1,784	-	-	-	-	-	-	-	-	1,784	1,784
Bankers' Acceptance	-	-	-	-	72,877	72,877	-	-	-	-	-	-	-	-	72,877	72,877
Revolving Credit	-	-	-	-	14,500	14,500	-	-	-	-	-	-	-	-	14,500	14,500
	-	-	-	-	89,161	89,161	-	-	-	-	-	-	-	-	89,161	89,161
	-	-	-	-	184,575	184,575	-	-	-	103,458	103,458	-	-	-	288,033	288,033

The Group's borrowings as at 31 March 2019 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	-	-	-	-	7,178	7,178	-	-	-	-	-	-	-	-	7,178	7,178
Bankers' Acceptance	-	-	-	-	59,110	59,110	-	-	-	-	-	-	-	-	59,110	59,110
Hire Purchase	-	-	-	-	8,768	8,768	-	-	-	22,002	22,002	-	-	-	30,770	30,770
Term Loan	-	-	-	-	17,157	17,157	-	-	-	76,272	76,272	-	-	-	93,429	93,429
	-	-	-	-	92,213	92,213	-	-	-	98,274	98,274	-	-	-	190,487	190,487
<b>Unsecured</b>																
Overdraft	-	-	-	-	46	46	-	-	-	-	-	-	-	-	46	46
Bankers' Acceptance	-	-	-	-	74,916	74,916	-	-	-	-	-	-	-	-	74,916	74,916
Revolving Credit	-	-	-	-	17,000	17,000	-	-	-	-	-	-	-	-	17,000	17,000
	-	-	-	-	91,962	91,962	-	-	-	-	-	-	-	-	91,962	91,962
	-	-	-	-	184,175	184,175	-	-	-	98,274	98,274	-	-	-	282,449	282,449

Weighted average interest rate of borrowings - Group basis:

	%	
Bank Overdraft	7.94	
Bankers' Acceptance	4.58	
Revolving Credit	5.04	
Term Loan	6.08	
<b>Total borrowings - Term Loan:</b>	RM'000	
Floating	97,636	98%
Fixed	2,473	2%
	<u>100,109</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 year ended 31 March 2019.

**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		3 months ended	
	30 Jun 2019	30 Jun 2018	30 Jun 2019	30 Jun 2018
Profit/(loss) attributable to ordinary equity holders of the parent (RM'000)	3,864	2,283	3,864	2,283
Weighted average number of ordinary shares in (basic) ('000)	660,289	636,320	660,289	636,320
Effect of dilution of outstanding SIS ('000)	18,752	13,169	18,752	13,169
Effect of dilution of outstanding Warrants ('000)	234,543	118,104	234,543	118,104
Weighted average number of ordinary shares (diluted) ('000)	913,584	767,593	913,584	767,593
Basic earnings per share (sen)	0.59	0.36	0.59	0.36
Diluted earnings per share (sen)	0.42	0.30	0.42	0.30

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 Year	
	Current Year	Corresponding	Current Year	Corresponding
	Quarter	Quarter	to Date	Period
	30 Jun 2019	30 Jun 2018	30 Jun 2019	30 Jun 2018
	RM'000	RM'000	RM'000	RM'000
a) Interest income	11	12	11	12
b) Interest expense	(3,446)	(3,073)	(3,446)	(3,073)
c) Depreciation and amortisation	(8,404)	(7,377)	(8,404)	(7,377)
e) Written off of property, plant and equipment	(30)	(3)	(30)	(3)
f) Gain/(loss) on disposal of property, plant and equipment	-	(2)	-	(2)
g) Unrealised forex gain/ (loss)	448	115	448	115
h) Realised forex gain/(loss)	13	(40)	13	(40)

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**15. Trade Receivables**

	Financial period ended 30 Jun 2019 RM'000	Immediate preceding financial year ended 31 Mar 2019 RM'000
Trade receivables		
Third parties	94,517	100,329
Impairment losses		
- brought forward	(9,747)	(8,151)
- Net impairment losses on trade receivables during the year	-	(1,596)
	<u>(9,747)</u>	<u>(9,747)</u>
	<u>84,770</u>	<u>90,582</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 2019 RM'000	Immediate preceding financial year ended 31 Mar 2019 RM'000
Neither past due nor impaired	77,477	83,210
Up to 90 days past due not impaired	1,717	2,835
More than 90 days past due not impaired	5,576	4,537
	<u>7,293</u>	<u>7,372</u>
Impaired		
- brought forward	9,747	8,151
- Net impairment losses on trade receivables during the year	-	1,596
	<u>9,747</u>	<u>9,747</u>
	<u>94,517</u>	<u>100,329</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 2019 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 August 2019.