



LAY HONG BERHAD (107129-H)
Incorporated in Malaysia

Condensed Consolidated Statement of Comprehensive Income

	Individual Quarter		Cumulative Quarter	
	30 Sep 2019 Unaudited	30 Sep 2018 Unaudited	30 Sep 2019 Unaudited	30 Sep 2018 Unaudited
	RM'000	RM'000	RM'000	RM'000
Revenue	216,655	187,030	418,874	386,283
Operating expenses	(210,379)	(202,046)	(403,696)	(398,371)
Other income	1,498	1,317	3,352	3,755
Finance costs	(3,389)	(3,173)	(6,835)	(6,246)
Share of loss of associate	(1,238)	(295)	(2,520)	(583)
Profit/(loss) before tax	3,147	(17,167)	9,175	(15,162)
Tax expense	(1,482)	3,306	(3,175)	3,574
Net profit/(loss) for the financial period	1,665	(13,861)	6,000	(11,588)
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	701	-	1,977	(264)
	701	-	1,977	(264)
Total other comprehensive income/(loss), net of tax	701	-	1,977	(264)
Total comprehensive income/(loss) for the financial period	2,366	(13,861)	7,977	(11,852)
Profit/(loss) attributable to:				
Owners of the parent	1,113	(10,961)	4,977	(8,678)
Non-controlling interest	552	(2,900)	1,023	(2,910)
	1,665	(13,861)	6,000	(11,588)
Total comprehensive income/(loss) attributable to:				
Owners of the parent	1,814	(10,961)	6,954	(8,942)
Non-controlling interest	552	(2,900)	1,023	(2,910)
	2,366	(13,861)	7,977	(11,852)
Earnings per share (sen) :				
Basic	0.17	(1.70)	0.75	(1.34)
Diluted	0.12	(1.35)	0.54	(1.10)

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 Sep 2019 Unaudited RM'000	As at 31 Mar 2019 Audited RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	510,645	495,649
Right-of-use assets	8,206	-
Investment properties	5,940	5,940
Investment in associate	7,980	10,500
Other investments	196	197
Intangible assets	2,941	2,941
Deferred tax assets	8,697	7,403
	544,605	522,630
Current assets		
Biological assets	68,183	65,405
Inventories	99,416	93,432
Trade receivables	88,591	90,582
Other receivables	25,036	33,594
Due from an associate company	4	72
Short term investment	170	170
Cash and bank balances	11,403	14,383
	292,803	297,638
TOTAL ASSETS	837,408	820,268
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	145,621	145,621
Reserves	196,534	189,860
	342,155	335,481
Non-controlling interest	37,134	36,244
Total equity	379,289	371,725
Non-current liabilities		
Long term borrowings	106,930	98,274
Lease liabilities	6,926	-
Long term payables	1,128	1,128
Deferred tax liabilities	42,776	39,052
	157,760	138,454
Current liabilities		
Trade payables	81,823	84,436
Other payables	35,670	40,805
Due to an associate company	1,545	464
Income tax payable	296	209
Short term borrowings	179,280	184,175
Lease liabilities	1,745	-
	300,359	310,089
Total liabilities	458,119	448,543
TOTAL EQUITY AND LIABILITIES	837,408	820,268

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	-	(565)	-	-	565	-	-	-
Net profit for the financial period	-	-	-	-	4,977	4,977	1,023	6,000
Other comprehensive income	-	-	-	1,977	-	1,977	-	1,977
At 30 September 2019	145,621	64,813	4,111	2,370	125,240	342,155	37,134	379,289
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	-	(539)	-	-	539	-	-	-
Net profit for the financial period	-	-	-	-	(8,678)	(8,678)	(2,910)	(11,588)
Other comprehensive loss	-	-	-	(264)	-	(264)	-	(264)
Arising from conversion of warrants	15,512	-	-	-	-	15,512	-	15,512
Issue of new SIS shares	-	-	(1,997)	-	-	(1,997)	-	(1,997)
At 30 September 2018	145,621	65,914	4,112	235	106,402	322,284	39,594	361,878

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)
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Condensed Consolidated Statement of Cash Flows

	6 months ended 30 Sep 2019 Unaudited RM'000	6 months ended 30 Sep 2018 Unaudited RM'000
Cash Flow From Operating Activities		
Profit/(loss) before tax	9,175	(15,162)
Adjustments for:-		
Depreciation and amortisation (PPE)	16,771	14,697
Depreciation of Right-of-use assets	896	-
Net (gain)/loss on disposal of property, plant and equipment	(28)	2
Property, plant and equipment written off	65	50
Stock written off	139	-
Interest expense	6,835	6,246
Interest income	(37)	(22)
Net impairment losses on trade receivables	2,000	(1,003)
Unrealised gain on foreign exchange differences	(448)	(128)
Operating profit before changes in working capital	35,368	4,680
Net change in current assets	1,148	48,918
Net change in current liabilities	(6,668)	(52,418)
Tax paid	(1,641)	(4,078)
Interest paid	(6,835)	(6,246)
Net cash generated from/(used in) operating activities	21,372	(9,144)
Cash Flow From Investing Activities		
Net change in investment in an associate	2,520	583
Net change in intangible asset	-	(610)
Proceeds from disposal of property, plant and equipment	339	2
Purchase of property, plant and equipment	(17,791)	(37,818)
Interest income received	37	22
Net cash used in investing activities	(14,895)	(37,821)
Cash Flow From Financing Activities		
Net drawdown and repayment of bankers' acceptance	(6,313)	19,692
Net drawdown and repayment of term loans and revolving credits	(2,065)	1,010
Net drawdown and repayment of finance lease liabilities	(5,647)	(67)
Proceeds from Issue of ordinary shares	-	13,515
Net cash (used in)/generated from financing activities	(14,025)	34,150
Net decrease in cash and cash equivalents	(7,548)	(12,815)
Effect of foreign exchange rate changes	943	(58)
Cash and cash equivalents at beginning of the financial year	6,818	11,142
Cash and cash equivalents at end of the quarter	213	(1,731)
Cash and cash equivalents at the end of the quarter comprises :		
Short term investment	170	170
Cash and bank balances	11,403	10,383
Bank overdrafts (included within the short term borrowings in Part B Note 9)	(10,848)	(11,787)
Deposit pledged to licensed bank	(512)	(497)
	213	(1,731)

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.

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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.

Impacts on financial statements

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

	MFRS RM'000	MFRS 16 adjustments RM'000	Restated under MFRS RM'000
As at 1 April 2019			
Impact of MFRS 16 adoption			
Statement of Financial Position			
Right of use assets	-	9,102	9,102
Retained earnings	119,978	(280)	119,698
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.

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

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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
As at 1 April 2018					
Impact of MFRS 9 adoption					
Statement of Financial Position					
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 undue 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
31 March 2018			
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 Sep 2019		6 months ended 30 Sep 2019	
	Segment revenue	Segment results	Segment revenue	Segment results
	RM'000		RM'000	
Integrated livestock business	188,822	3,904	360,984	10,421
Retail supermarket	33,258	(757)	68,758	(1,246)
	222,080	3,147	429,742	9,175
Inter-segment eliminations	(5,425)	-	(10,868)	-
	216,655	3,147	418,874	9,175

All business operations are predominantly conducted in Malaysia.

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9. Subsequent events

There were no events subsequent to 30 September 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 RM119.80 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 2019 amounted to :

	RM'000
Approved and contracted for	<u>16,365</u>

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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	183,397	152,765	30,632	20.05
-Retail supermarket	33,258	34,265	(1,007)	(2.94)
	<u>216,655</u>	<u>187,030</u>	<u>29,625</u>	15.84
Profit/(loss) before tax	3,147	(17,167)	20,314	(118.33)

Revenue for the integrated livestock business had recorded an increase of 20.05% i.e from RM152.76 million recorded in the corresponding quarter last year to RM183.40 million in the current financial quarter. This was mainly due to the higher quantity and price of poultry products being sold in the current quarter compared to corresponding quarter last year.

For the retail supermarket segment, a lower revenue of RM33.26 million was recorded in the current quarter compared to RM34.27 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 RM3.15 million was recorded in the current quarter compared to pre-tax loss of RM17.17 million in the corresponding quarter of last financial year due to the reasons stated above and the one time non-recurring write-off on the layers' cost for a entire flock of birds which were culled in the corresponding quarter.

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	183,397	166,719	16,678	10.00
-Retail supermarket	33,258	35,500	(2,242)	(6.32)
	<u>216,655</u>	<u>202,219</u>	<u>14,436</u>	7.14
Profit/(loss) before tax	3,147	6,028	(2,881)	(47.79)

For the current quarter under review, integrated livestock business segment registered a higher revenue of RM183.40 million compared to RM166.72 million in the immediate preceding quarter mainly due to the higher selling price of poultry products being sold.

The retail supermarket segment recorded a lower revenue of RM33.26 million in the current quarter as compared to RM35.50 million in the immediate preceding quarter due to Hari Raya festival in the immediate preceding quarter.

A group pre-tax profit of RM3.15 million was recorded in the current quarter compared to that of RM6.03 million registered in immediate preceding quarter mainly due to higher operating cost arising from outward transport, advertising and promotional expenses in current quarter.

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3. Prospects

The re-population of layers at the Sabah farm in Tamparuli has been completed at the end of the 2nd quarter and it is expected that the production of table eggs will be normalised in the 3rd quarter of this financial year ending 31 March 2020.

The challenges faced on the commissioning of the new liquid egg plant in Johor have been overcome and the plant is now ready to commence commercial production soon.

For the 49% joint venture company with NH Foods Ltd., Japan, the company's plan is proceeding smoothly as planned and is now gearing towards commercial production.

4. Profit forecast or profit guarantee

Not applicable.

5. Income tax

	Current quarter RM'000	Year-to- date RM'000
Current tax	652	745
Deferred tax (Net of (assets) / liabilities)	830	2,430
	<u>1,482</u>	<u>3,175</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 2019 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)
Secured															
Overdraft	-	-	-	7,944	7,944	-	-	-	-	-	-	-	-	7,944	7,944
Bankers' Acceptance	-	-	-	57,917	57,917	-	-	-	-	-	-	-	-	57,917	57,917
Hire Purchase	-	-	-	9,242	9,242	-	-	-	20,017	20,017	-	-	-	29,259	29,259
Term Loan	-	-	-	16,978	16,978	-	-	-	86,913	86,913	-	-	-	103,891	103,891
	-	-	-	92,081	92,081	-	-	-	106,930	106,930	-	-	-	199,011	199,011
Unsecured															
Overdraft	-	-	-	2,904	2,904	-	-	-	-	-	-	-	-	2,904	2,904
Bankers' Acceptance	-	-	-	69,795	69,795	-	-	-	-	-	-	-	-	69,795	69,795
Revolving Credit	-	-	-	14,500	14,500	-	-	-	-	-	-	-	-	14,500	14,500
	-	-	-	87,199	87,199	-	-	-	-	-	-	-	-	87,199	87,199
	-	-	-	179,280	179,280	-	-	-	106,930	106,930	-	-	-	286,210	286,210

The Group's borrowings as at 31 March 2019 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)
Secured															
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
Unsecured															
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

Material changes to the above:

(i) Term loan - financing of ongoing capital expenditure of the Group.

Weighted average interest rate of borrowings - Group basis:

	%	
Bank Overdraft	7.89	
Bankers' Acceptance	4.52	
Revolving Credit	5.04	
Term Loan	6.09	
Total borrowings - Term Loan:		RM'000
Floating	101,602	98%
Fixed	2,289	2%
	<u>103,891</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

No dividend has been proposed in the current quarter.

13. Earnings per share

	3 months ended		6 months ended	
	30 Sep 2019	30 Sep 2018	30 Sep 2019	30 Sep 2018
Profit/(loss) attributable to ordinary equity holders of the parent (RM'000)	1,113	(10,961)	4,977	(8,678)
Weighted average number of ordinary shares in (basic) ('000)	660,289	645,837	660,289	645,837
Effect of dilution of outstanding SIS ('000)	20,024	16,266	19,378	14,368
Effect of dilution of outstanding Warrants ('000)	250,446	147,702	242,366	130,461
Weighted average number of ordinary shares (diluted) ('000)	930,759	809,805	922,033	790,666
Basic earnings per share (sen)	0.17	(1.70)	0.75	(1.34)
Diluted earnings per share (sen)	0.12	(1.35)	0.54	(1.10)

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 Quarter 30 Sep 2019 RM'000	Corresponding Quarter 30 Sep 2018 RM'000	Current Year to Date 30 Sep 2019 RM'000	Corresponding Period 30 Sep 2018 RM'000
a) Interest income	26	10	37	22
b) Interest expense	(3,389)	(3,173)	(6,835)	(6,246)
c) Depreciation and amortisation	(9,263)	(7,320)	(17,667)	(14,697)
d) Written off of property, plant and equipment	(35)	(47)	(65)	(50)
e) Gain/(loss) on disposal of property, plant and equipment	28	-	28	(2)
f) Unrealised forex gain	-	14	448	128
g) Realised forex gain	6	66	18	26

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15. Trade Receivables

	Financial period ended 30 Sep 2019 RM'000	Immediate preceding financial year ended 31 Mar 2019 RM'000
Trade receivables		
Third parties	100,338	100,329
Impairment losses		
- brought forward	(9,747)	(8,151)
- Net impairment losses on trade receivables during the period/year	(2,000)	(1,596)
	<u>(11,747)</u>	<u>(9,747)</u>
	<u>88,591</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 Sep 2019 RM'000	Immediate preceding financial year ended 31 Mar 2019 RM'000
Neither past due nor impaired	83,994	83,210
Up to 90 days past due not impaired	2,809	2,835
More than 90 days past due not impaired	1,788	4,537
	4,597	7,372
Impaired		
- brought forward	9,747	8,151
- Net impairment losses on trade receivables during the period/year	2,000	1,596
	<u>11,747</u>	<u>9,747</u>
	<u>100,338</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 25th November 2019.