



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

**Condensed Consolidated Statement of Comprehensive Income**

	Individual Quarter		Cumulative Quarter	
	31 Dec 2019 Unaudited	31 Dec 2018 Unaudited	31 Dec 2019 Unaudited	31 Dec 2018 Unaudited
	RM'000	RM'000	RM'000	RM'000
Revenue	210,314	203,323	629,188	589,606
Operating expenses	(204,485)	(194,619)	(608,181)	(592,990)
Other income	1,622	1,444	4,974	5,199
Finance costs	(3,766)	(3,236)	(10,601)	(9,482)
Share of loss of associate	(1,431)	(860)	(3,951)	(1,443)
Profit/(loss) before tax	2,254	6,052	11,429	(9,110)
Tax expense	651	(2,327)	(2,524)	1,247
Net profit/(loss) for the financial period	2,905	3,725	8,905	(7,863)
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	(97)	812	1,880	548
	(97)	812	1,880	548
Total other comprehensive income/(loss), net of tax	(97)	812	1,880	548
Total comprehensive income/(loss) for the financial period	2,808	4,537	10,785	(7,315)
Profit/(loss) attributable to:				
Owners of the parent	2,159	3,745	7,136	(4,933)
Non-controlling interest	746	(20)	1,769	(2,930)
	2,905	3,725	8,905	(7,863)
Total comprehensive income/(loss) attributable to:				
Owners of the parent	2,062	4,557	9,016	(4,385)
Non-controlling interest	746	(20)	1,769	(2,930)
	2,808	4,537	10,785	(7,315)
Earnings per share (sen) :				
Basic	0.33	0.57	1.08	(0.76)
Diluted	0.24	0.41	0.78	(0.60)

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)**  
Incorporated in Malaysia

**Condensed Consolidated Statement of Financial Position**

	As at 31 Dec 2019 Unaudited	As at 31 Mar 2019 Audited
	RM'000	RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	518,508	495,649
Right-of-use assets	7,762	-
Investment properties	5,940	5,940
Investment in associate	6,549	10,500
Other investments	196	197
Intangible assets	2,941	2,941
Deferred tax assets	10,167	7,403
	<b>552,063</b>	<b>522,630</b>
<b>Current assets</b>		
Biological assets	67,791	65,405
Inventories	99,629	93,432
Trade receivables	84,527	90,582
Other receivables	34,963	33,594
Due from an associate company	6	72
Short term investment	170	170
Cash and bank balances	12,394	14,383
	<b>299,480</b>	<b>297,638</b>
<b>TOTAL ASSETS</b>	<b>851,543</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	195,295	189,860
	<b>340,916</b>	<b>335,481</b>
Non-controlling interest	37,752	36,244
<b>Total equity</b>	<b>378,668</b>	<b>371,725</b>
<b>Non-current liabilities</b>		
Long term borrowings	103,968	98,274
Lease liabilities	6,484	-
Long term payables	1,128	1,128
Deferred tax liabilities	43,566	39,052
	<b>155,146</b>	<b>138,454</b>
<b>Current liabilities</b>		
Trade payables	84,495	84,436
Other payables	51,263	40,805
Due to an associate company	1,460	464
Income tax payable	167	209
Short term borrowings	178,584	184,175
Lease liabilities	1,760	-
	<b>317,729</b>	<b>310,089</b>
<b>Total liabilities</b>	<b>472,875</b>	<b>448,543</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>851,543</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)  
Incorporated in Malaysia

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	-	(837)	-	-	837	-	-	-
Net profit for the financial period	-	-	-	-	7,136	7,136	1,769	8,905
Dividends	-	-	-	-	(3,301)	(3,301)	-	(3,301)
Other comprehensive income	-	-	-	1,880	-	1,880	-	1,880
Acquisition of additional equity interest in subsidiaries company	-	-	-	-	-	-	(128)	(128)
At 31 December 2019	145,621	64,541	4,111	2,273	124,370	340,916	37,752	378,668
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	-	(807)	-	-	807	-	-	-
Net profit for the financial period	-	-	-	-	(4,933)	(4,933)	(2,930)	(7,863)
Other comprehensive income	-	-	-	548	-	548	-	548
Arising from conversion of warrants	15,512	-	-	-	-	15,512	-	15,512
Issuance of new SIS shares	-	-	(1,997)	-	-	(1,997)	-	(1,997)
Dividends	-	-	-	-	(3,301)	(3,301)	-	(3,301)
At 31 December 2018	145,621	65,646	4,112	1,047	107,114	323,540	39,574	363,114

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**

	9 months ended 31 Dec 2019 Unaudited RM'000	9 months ended 31 Dec 2018 Unaudited RM'000
<b>Cash Flow From Operating Activities</b>		
<b>Profit/(loss) before tax</b>	11,429	(9,110)
<b>Adjustments for:-</b>		
Depreciation and amortisation (PPE)	24,523	22,216
Depreciation of Right-of-use assets	1,340	-
Net (gain)/loss on disposal of property, plant and equipment	(27)	(7)
Property, plant and equipment written off	379	50
Stock written off	202	-
Negative goodwill	(128)	-
Interest expense	10,601	9,482
Interest income	(52)	(29)
Net impairment losses on trade receivables	2,000	(1,003)
Unrealised gain on foreign exchange differences	(444)	(128)
Operating profit before changes in working capital	49,823	21,471
Net change in current assets	(3,844)	43,379
Net change in current liabilities	11,512	(58,526)
Tax paid	(2,561)	(6,740)
Interest paid	(10,601)	(9,482)
<b>Net cash generated from/(used in) operating activities</b>	<b>44,329</b>	<b>(9,898)</b>
<b>Cash Flow From Investing Activities</b>		
Net change in investment in an associate	3,951	1,443
Net change in intangible asset	-	1,385
Proceeds from disposal of property, plant and equipment	369	12
Purchase of property, plant and equipment	(35,232)	(48,198)
Interest income received	52	28
<b>Net cash used in investing activities</b>	<b>(30,860)</b>	<b>(45,330)</b>
<b>Cash Flow From Financing Activities</b>		
Net drawdown and repayment of bankers' acceptance	(10,358)	24,978
Net drawdown and repayment of term loans and revolving credits	(2,823)	12,020
Net drawdown and repayment of finance lease liabilities	(6,162)	(1,645)
Dividend paid	(3,301)	(3,301)
Proceeds from Issue of ordinary shares	-	13,515
<b>Net cash (used in)/generated from financing activities</b>	<b>(22,644)</b>	<b>45,567</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(9,175)</b>	<b>(9,661)</b>
<b>Effect of foreign exchange rate changes</b>	<b>2,395</b>	<b>205</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>38</b>	<b>1,686</b>
<b>Cash and cash equivalents at the end of the quarter comprises :</b>		
Short term investment	170	170
Cash and bank balances	12,394	10,736
Bank overdrafts (included within the short term borrowings in Part B Note 9)	(12,014)	(8,723)
Deposit pledged to licensed bank	(512)	(497)
	<b>38</b>	<b>1,686</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)**  
**Incorporated in Malaysia**

**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 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's 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.

	<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	119,978	(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 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's 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 Reclassification to new MFRS 9 category AC RM'000</b>
<b>Financial assets</b>			
Trade receivables	141,025	(2,541)	138,484

**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 interest	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
<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

**LAY HONG BERHAD (107129-H)**  
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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**

The Company paid a final tax exempt dividend for the year ended 31 March 2019 of 0.50 cents per ordinary share totalling RM3.301 million on 13 November 2019.

**8. Segmental information**

	3 months ended 31 Dec 2019		9 months ended 31 Dec 2019	
	Segment revenue	Segment results	Segment revenue	Segment results
	RM'000		RM'000	
Integrated livestock business	180,560	2,507	541,544	12,928
Retail supermarket	35,684	(253)	104,442	(1,499)
	216,244	2,254	645,986	11,429
Inter-segment eliminations	(5,930)	-	(16,798)	-
	210,314	2,254	629,188	11,429

All business operations are predominantly conducted in Malaysia.



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**9. Subsequent events**

There were no events subsequent to 31 December 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 RM115.88 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 2019 amounted to :

	RM'000
Approved and contracted for	<u>13,938</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	174,630	169,621	5,009	2.95
-Retail supermarket	35,684	33,702	1,982	5.88
	<u>210,314</u>	<u>203,323</u>	<u>6,991</u>	3.44
Profit before tax	2,254	6,052	(3,798)	(62.76)

Revenue for the integrated livestock business had recorded an increase of 2.95% i.e from RM169.62 million recorded in the corresponding quarter last year to RM174.63 million in the current financial quarter. This was mainly due to the higher quantity and selling price of processed chicken products being sold in the current quarter compared to corresponding quarter last year.

For the retail supermarket segment, a higher revenue of RM35.68 million was recorded in the current quarter compared to RM33.70 million in the corresponding quarter last year due to higher consumer spending in this Christmas season.

A reduced group pre-tax profit of RM2.25 million was recorded in the current quarter compared to that pre-tax profit of RM6.05 million in the corresponding quarter of last financial year mainly due to higher rebate given to hypermarkets and higher spending on advertising and promotional expenses plus share of higher losses from an associate Company.

**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	174,630	183,397	(8,767)	(4.78)
-Retail supermarket	35,684	33,258	2,426	7.29
	<u>210,314</u>	<u>216,655</u>	<u>(6,341)</u>	(2.93)
Profit before tax	2,254	3,147	(893)	(28.38)

For the current quarter under review, integrated livestock business segment registered a lower revenue of RM174.63 million compared to RM183.40 million in the immediate preceding quarter mainly due to lower quantity and lower selling price of poultry products being sold.

The retail supermarket segment recorded a higher revenue of RM35.68 million in the current quarter as compared to RM33.26 million in the immediate preceding quarter due to the year end festivities in the current quarter.

A group pre-tax profit of RM2.25 million was recorded in the current quarter compared to that of RM3.15 million registered in immediate preceding quarter mainly due to the reason mentioned above.

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**3. Prospects**

The table eggs production at the Tamparuli farm in Sabah which has been disrupted in the previous quarters has been normalized and restored in the current quarter. With this in place, egg production will be increased progressively to its original capacity of approximately 3.0 million eggs per day when all the birds reach its subsequent maturities thus enhance their laying capacities.

With the completion of the second liquid egg processing facility in Johor, revenue from this downstream activity will increase in due course with its focus on new customers down south in particular Johor and Singapore. For the 49% joint venture company with NH Foods Limited, Japan, the company is actively working towards commercial production both for the domestic and export markets.

The recent weakening of the Malaysian Ringgit against the US dollars has posed serious challenges on our feed cost going forward. However, with the recent lowering of the OPR to 0.75% per annum by Bank Negara, the group financing cost will be favorable.

**4. Profit forecast or profit guarantee**

Not applicable.

**5. Income tax**

	Current quarter RM'000	Year-to- date RM'000
Current tax	(119)	626
Deferred tax (Net of (assets) / liabilities)	(532)	1,898
	<u>(651)</u>	<u>2,524</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 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	-	-	-	-	12,014	12,014	-	-	-	-	-	-	-	-	12,014	12,014
Bankers' Acceptance	-	-	-	-	54,315	54,315	-	-	-	-	-	-	-	-	54,315	54,315
Hire Purchase	-	-	-	-	9,498	9,498	-	-	-	19,674	19,674	-	-	-	29,172	29,172
Term Loan	-	-	-	-	18,405	18,405	-	-	-	84,294	84,294	-	-	-	102,699	102,699
	-	-	-	-	94,232	94,232	-	-	-	103,968	103,968	-	-	-	198,200	198,200
<b>Unsecured</b>																
Overdraft	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bankers' Acceptance	-	-	-	-	69,352	69,352	-	-	-	-	-	-	-	-	69,352	69,352
Revolving Credit	-	-	-	-	15,000	15,000	-	-	-	-	-	-	-	-	15,000	15,000
	-	-	-	-	84,352	84,352	-	-	-	-	-	-	-	-	84,352	84,352
	-	-	-	-	178,584	178,584	-	-	-	103,968	103,968	-	-	-	282,552	282,552

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

**Material changes to the above:**

- (i) Improvement in short term borrowings is a result of additional financing of capital expenditures via term loans & hire purchase.  
(ii) Term loan - financing of ongoing capital expenditure of the Group.

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

	%
Bank Overdraft	7.91
Bankers' Acceptance	4.40
Revolving Credit	4.97
Term Loan	6.11
<b>Total borrowings - Term Loan:</b>	RM'000
Floating	100,597      98%
Fixed	2,102      2%
	<u>102,699</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		9 months ended	
	31 Dec 2019	31 Dec 2018	31 Dec 2019	31 Dec 2018
Profit/(loss) attributable to ordinary equity holders of the parent (RM'000)	2,159	3,745	7,136	(4,933)
Weighted average number of ordinary shares in (basic) ('000)	660,289	660,289	660,289	650,613
Effect of dilution of outstanding SIS ('000)	18,101	19,502	18,914	15,699
Effect of dilution of outstanding Warrants ('000)	226,401	243,912	236,563	156,602
Weighted average number of ordinary shares (diluted) ('000)	904,791	923,703	915,767	822,913
Basic earnings per share (sen)	0.33	0.57	1.08	(0.76)
Diluted earnings per share (sen)	0.24	0.41	0.78	(0.60)

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	Corresponding Quarter	Current Year to Date	Corresponding Period
	31 Dec 2019	31 Dec 2018	31 Dec 2019	31 Dec 2018
	RM'000	RM'000	RM'000	RM'000
a) Interest income	15	7	52	29
b) Interest expense	(3,766)	(3,236)	(10,601)	(9,482)
c) Depreciation and amortisation	(8,196)	(7,519)	(25,863)	(22,216)
d) Written off of property, plant and equipment	(314)	-	(379)	(50)
e) Gain/(loss) on disposal of property, plant and equipment	(1)	9	27	7
f) Unrealised forex gain	(5)	0	444	128
g) Realised forex gain	35	38	53	64

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**15. Trade Receivables**

	Financial period ended 31 Dec 2019 RM'000	Immediate preceding financial year ended 31 Mar 2019 RM'000
Trade receivables		
Third parties	96,274	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>84,527</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 31 Dec 2019 RM'000	Immediate preceding financial year ended 31 Mar 2019 RM'000
Neither past due nor impaired	79,834	83,210
Up to 90 days past due not impaired	1,816	2,835
More than 90 days past due not impaired	2,877	4,537
	4,693	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>96,274</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 24th February 2020.