



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

**Condensed Consolidated Statement of Comprehensive Income**

	Individual Quarter		Cumulative Quarter	
	31 Mar 2020 Unaudited	31 Mar 2019 Audited	31 Mar 2020 Unaudited	31 Mar 2019 Audited
	RM'000	RM'000	RM'000	RM'000
Revenue	210,509	207,219	839,697	796,825
Operating expenses	(207,775)	(192,805)	(815,956)	(785,795)
Other income	5,611	3,208	10,585	8,407
Finance costs	(3,663)	(3,375)	(14,264)	(12,857)
Share of loss of associate	(1,447)	(1,230)	(5,398)	(2,673)
Profit before tax	3,235	13,017	14,664	3,907
Tax expense	(5,997)	(3,752)	(8,521)	(2,505)
Net (loss)/profit for the financial period	(2,762)	9,265	6,143	1,402
Other comprehensive loss, net of tax				
Items that are or may be reclassified subsequently to profit or loss				
Exchange differences on translation of foreign operations	(2,351)	(654)	(471)	(106)
Total other comprehensive loss, net of tax	(2,351)	(654)	(471)	(106)
Total comprehensive (loss)/income for the financial period	(5,113)	8,611	5,672	1,296
(Loss)/profit attributable to:				
Owners of the parent	(3,171)	12,200	3,965	7,267
Non-controlling interest	409	(2,935)	2,178	(5,865)
	(2,762)	9,265	6,143	1,402
Total comprehensive (loss)/income attributable to:				
Owners of the parent	(5,522)	11,546	3,494	7,161
Non-controlling interest	409	(2,935)	2,178	(5,865)
	(5,113)	8,611	5,672	1,296
Earnings per share (sen) :				
Basic	(0.48)	1.85	0.60	1.11
Diluted	*	1.33	*	0.87

\*No diluted earnings per share is presented as there are no potential dilutive ordinary shares as at the end of the financial period.

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 31 Mar 2020 Unaudited	As at 31 Mar 2019 Audited
	RM'000	RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	496,609	495,649
Right-of-use assets	7,317	-
Investment properties	5,940	5,940
Investment in associate	5,102	10,500
Other investments	197	197
Intangible assets	4,731	2,941
Deferred tax assets	9,184	7,403
	<b>529,080</b>	<b>522,630</b>
<b>Current assets</b>		
Biological assets	73,000	65,405
Inventories	100,066	93,432
Trade receivables	91,445	90,582
Other receivables	24,599	33,594
Due from an associate company	29	72
Short term investment	170	170
Cash and bank balances	15,675	14,383
	<b>304,984</b>	<b>297,638</b>
Non-current assets held for sale	27,600	-
	<b>332,584</b>	<b>297,638</b>
<b>TOTAL ASSETS</b>	<b>861,664</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	189,179	189,860
	<b>334,800</b>	<b>335,481</b>
Non-controlling interest	37,480	36,244
<b>Total equity</b>	<b>372,280</b>	<b>371,725</b>
<b>Non-current liabilities</b>		
Long term borrowings	100,817	98,274
Lease liabilities	6,031	-
Long term payables	1,128	1,128
Deferred tax liabilities	48,855	39,052
Other non-current liabilities	76	-
	<b>156,907</b>	<b>138,454</b>
<b>Current liabilities</b>		
Trade payables	88,665	84,436
Other payables	48,227	40,805
Due to an associate company	3,034	464
Income tax payable	56	209
Short term borrowings	190,716	184,175
Lease liabilities	1,779	-
	<b>332,477</b>	<b>310,089</b>
<b>Total liabilities</b>	<b>489,384</b>	<b>448,543</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>861,664</b>	<b>820,268</b>

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

0.51

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 ("NCI")	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)	-	-	-	-	(213)	(213)	(101)	(314)
At 1 April 2019, as restated	145,621	65,378	4,111	393	119,765	335,268	36,143	371,411
Transfer (to) / from distributable reserve on realisation of revaluation reserve	-	(1,111)	-	-	1,111	-	-	-
NCI acquired in subsidiary	-	-	-	-	-	-	(128)	(128)
Arising from changes in tax rates	-	(1,374)	-	-	-	(1,374)	-	(1,374)
Net profit for the financial year	-	-	-	-	3,965	3,965	2,178	6,143
Dividends	-	-	-	-	(3,301)	(3,301)	-	(3,301)
Other comprehensive income	-	-	-	(471)	-	(471)	-	(471)
Acquisition of additional equity interest in subsidiaries company	-	-	-	-	713	713	(713)	-
At 31 March 2020	145,621	62,893	4,111	(78)	122,253	334,800	37,480	372,280
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 (to) / from distributable reserve on realisation of revaluation reserve	-	(1,075)	-	-	1,075	-	-	-
Net profit for the financial year	-	-	-	-	7,267	7,267	(5,865)	1,402
Other comprehensive income	-	-	-	(106)	-	(106)	-	(106)
Arising from conversion of warrants	15,512	-	-	-	-	15,512	-	15,512
Issuance of new SIS shares	-	-	(1,997)	-	-	(1,997)	-	(1,997)
Effect of increase in stake of a subsidiary	-	-	-	-	395	395	(395)	-
Dividends	-	-	-	-	(3,301)	(3,301)	-	(3,301)
At 31 March 2019	145,621	65,378	4,112	393	119,977	335,481	36,244	371,725

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.



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**Condensed Consolidated Statement of Cash Flows**

	12 months ended 31 Mar 2020 Unaudited RM'000	12 months ended 31 Mar 2019 Audited RM'000
<b>Cash Flow From Operating Activities</b>		
Profit before tax	14,664	3,907
<b>Adjustments for:-</b>		
Depreciation of property, plant and equipment	34,384	30,413
Depreciation of Right-of-use assets	1,785	-
Net gain on disposal of property, plant and equipment	(59)	(26)
Intangible asset written off	-	1,385
Property, plant and equipment written off	464	1,299
Fair value loss on non-current assets held for sale	3,002	-
Impairment on deposits	1,341	-
Inventories written off	266	51
Interest expense	14,264	12,857
Dividend income	(5)	(9)
Interest income	(91)	(56)
Bad debts written off	649	2,200
Net impairment losses on trade receivables	(137)	1,597
Changes in fair value on biological asset	(4,235)	(17,841)
Share of losses from an associated company	5,398	2,673
Unrealised (gain)/loss on foreign exchange differences	(2,576)	252
Operating profit before changes in working capital	69,114	38,701
Net change in current assets	(1,271)	43,543
Net change in current liabilities	14,296	(39,539)
Cash from operations	82,139	42,705
Tax paid	(2,145)	(6,897)
Interest paid	(14,264)	(12,857)
<b>Net cash generated from operating activities</b>	<b>65,730</b>	<b>22,951</b>
<b>Cash Flow From Investing Activities</b>		
Addition to intangible assets	(1,790)	-
Proceeds from disposal of property, plant and equipment	395	59
Purchase of property, plant and equipment	(33,609)	(53,033)
Interest income received	91	56
Dividend received	5	9
<b>Net cash used in investing activities</b>	<b>(34,908)</b>	<b>(52,909)</b>
<b>Cash Flow From Financing Activities</b>		
Net drawdown and repayment of bankers' acceptance	5,767	28,097
Net drawdown and repayment of term loans and revolving credits	(17,119)	(4,117)
Net drawdown and repayment of lease liabilities	(11,480)	(7,927)
Dividend paid	(3,301)	(3,301)
Proceeds from issue of ordinary shares	-	13,515
Increase in deposits pledged to licensed banks	(17)	(15)
<b>Net cash (used in)/generated from financing activities</b>	<b>(26,150)</b>	<b>26,252</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>4,672</b>	<b>(3,706)</b>
<b>Effect of foreign exchange rate changes</b>	<b>(1,190)</b>	<b>(618)</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>10,299</b>	<b>6,818</b>
<b>Cash and cash equivalents at the end of the quarter comprises :</b>		
Short term investment	170	170
Cash and bank balances	15,675	14,383
Bank overdrafts (included within the short term borrowings in Part B Note 9)	(5,017)	(7,223)
Deposit pledged to licensed bank	(529)	(512)
	<b>10,299</b>	<b>6,818</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.

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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 ended 31 March 2020.

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.

	MFRS RM'000	MFRS 16 adjustments RM'000	Restated under MFRS RM'000
<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
Deferred tax assets	7,403	99	7,502
Retained earnings	119,978	(213)	119,765
Non-controlling interests	36,244	(101)	36,143
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.

	1 April 2018 MFRS 139 RM'000	Remeasurement RM'000	1 April 2018 Reclassification to new MFRS 9 category AC RM'000
<b>Financial assets</b>			
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
<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

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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 under review.

**5. Changes in estimates**

There were no material changes in estimates that had a material effect on the current quarter under review.

**6. Debt and equity securities**

- (i) No new share were issued under the Share Issuance Scheme (SIS) in the current quarter under review.
- (ii) No Warrants 2016/2021 were exercised in the current quarter under review.

**7. Dividends**

No dividends were paid by the Company in the current financial quarter under review.

**8. Segmental information**

	3 months ended 31 March 2020		12 months ended 31 March 2020	
	Segment revenue	Segment results	Segment revenue	Segment results
	RM'000		RM'000	
Integrated livestock business	179,825	3,296	721,370	16,224
Retail supermarket	36,193	(61)	140,634	(1,560)
	216,018	3,235	862,004	14,664
Inter-segment eliminations	(5,509)	-	(22,307)	-
	<u>210,509</u>	<u>3,235</u>	<u>839,697</u>	<u>14,664</u>

All business operations are predominantly conducted in Malaysia.

**9. Subsequent events**

There were no events subsequent to 31 March 2020 that would have a material effect on the interim financial statements of the current quarter under review.

**10. Valuation of Property, Plant and Equipment and Investment Properties**

There were no revaluation of property, plant and equipment for the quarter under review.

The Group adopts the fair value model for its investment properties. There is no significant and indicative change in value of the said investment properties since the last balance sheet date.

**11. Changes in composition of the Group**

There were no other changes in the composition of the Group in the current financial quarter under review.



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**12. Changes in contingent liabilities**

Credit facilities guarantee by the Group granted by financial institutions to subsidiaries is as follows:-

	RM'000
Bank guarantee	2,030

**13. Capital commitments**

Commitments for the capital expenditure not provided for in the financial statements is as follows:-

	RM'000
Acquisition of property, plant and equipment Approved and contracted for	8,793

**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 12 month financial period compared to the corresponding preceding period is as follows:

	12 months ended		Variance	Variance
	31 March 2020	31 March 2019	RM'000	%
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>%</u>
Revenue				
-Integrated livestock business("ILB")	699,063	659,588	39,475	5.98
-Retail supermarket	140,634	137,237	3,397	2.48
	839,697	796,825	42,872	5.38
Profit before tax ("PBT")	14,664	3,907	10,757	275.33

Revenue for the ILB segment increased by 5.98% or RM39.48 million to RM699.06 million. The higher revenue was attributable to higher selling price of poultry products coupled with the increased quantity of eggs sold. The higher quantity of eggs sold was due to the normalisation of our operations in Sabah in which was affected by the culling of matured layer birds ("Catastrophic event") in last

For the retail supermarket segment, the group recorded an increase in revenue by 2.48% or RM3.40 million to RM140.63 million as compared with last corresponding preceding period of RM137.24 million due to increasing demand from consumers following the imposition of the Movement Control Order ("MCO") by the Government.

The group recorded a higher PBT of RM14.66 million as compared to the last corresponding preceding period of RM3.91 million. This was due mainly to the absent of a one time non-recurring catastrophic event in Sabah operations. If not for the higher share of losses from associated company by RM5.40 million against the losses in last corresponding period of RM2.67 million, the Group performance will be

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**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:

	3 months ended		Variance	Variance
	31 March 2020	31 Dec 2019		
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>%</u>
Revenue				
-ILB	174,316	174,630	(314)	(0.18)
-Retail supermarket	36,193	35,684	509	1.43
	<u>210,509</u>	<u>210,314</u>	<u>195</u>	<u>0.09</u>
 PBT	 3,235	 2,254	 981	 43.52

For the current quarter under review, ILB and retail supermarket segment revenue remain flat at RM174.32 million and RM36.19 million respectively as compared with RM174.63 million and RM35.68 million in the immediate preceding quarter.

The Group's recorded a higher PBT of RM3.24 million as compared with the immediate preceding quarter of RM2.25 million. This was attributable to the better performance in our ILB - food manufacturing division resulted from the increasing demand immediately before the imposition of MCO by the Government.

**3. Prospects**

Restriction on movements and social distancing rules imposed by the Malaysia Government to contain the spread of Covid 19 pandemic has affected the economic activities, income and consumption patterns. Despite the Government effort to stimulate the economy, the situation is expected to remain fluid.

While the Group is in business of basic food production, the restriction on movement have taken a toll on the demand of our products especially in the confectionary and restaurants businesses. In addition to that, some of our supply chain was affected by the movement restriction thus increase our cost of doing business. We expect that cost of doing business will become volatile until the Government begin to relax the restriction on movements.

Despite the threat post by Covid 19 pandemic, the Board is optimistic that the Group will be able to meet the market needs especially in the food manufacturing division. However, due to the weakening of Ringgit Malaysia against the United States Dollar("USD"), the cost of our raw material especially feeds which are commodities transacted in USD will be a challenge to the Group's.

**4. Profit forecast or profit guarantee**

The Group did not issue any profit forecast or profit guarantee during the current year under review.

**5. Income tax**

	3 months ended	12 months ended
	31 March 2020	31 March 2020
	<u>RM'000</u>	<u>RM'000</u>
Current tax	1,147	1,773
Deferred tax (Net of (assets) / liabilities)	4,850	6,748
	<u>5,997</u>	<u>8,521</u>

**6. Purchase or Disposal of quoted and unquoted investments and property, plant and equipments.**

There were no sales of unquoted and quoted investments during the current quarter under review.

There were no material or significant disposal of property, plant and equipment during the current quarter under review.

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**7. Purchase or disposal of quoted investments**

There were no purchase or disposal of quoted securities during the current quarter under review.

**8. Status of corporate proposals**

There were no corporate proposals announced but not completed as at the date of this report.

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9. The Group's borrowings as at 31 March 2020 are as follows :

	Short term				Long term				Total borrowings				
	Foreign denomination THB ('000)	RM equivalents ('000)	RM denomination ('000)	Total in RM ('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	-	-	5,017	<b>5,017</b>	-	-	-	-	-	-	-	5,017	<b>5,017</b>
Bankers' Acceptance	-	-	66,078	<b>66,078</b>	-	-	-	-	-	-	-	66,078	<b>66,078</b>
Hire Purchase	396	53	10,148	<b>10,201</b>	983	132	21,077	<b>21,209</b>	-	1,379	185	31,225	<b>31,410</b>
Term Loan	-	-	20,704	<b>20,704</b>	-	-	79,608	<b>79,608</b>	-	-	-	100,312	<b>100,312</b>
	<b>396</b>	<b>53</b>	<b>101,947</b>	<b>102,000</b>	<b>983</b>	<b>132</b>	<b>100,685</b>	<b>100,817</b>	-	<b>1,379</b>	<b>185</b>	<b>202,632</b>	<b>202,817</b>
<b>Unsecured</b>													
Bankers' Acceptance	-	-	73,716	<b>73,716</b>	-	-	-	-	-	-	-	73,716	<b>73,716</b>
Revolving Credit	-	-	15,000	<b>15,000</b>	-	-	-	-	-	-	-	15,000	<b>15,000</b>
	-	-	88,716	<b>88,716</b>	-	-	-	-	-	-	-	88,716	<b>88,716</b>
	<b>396</b>	<b>53</b>	<b>190,663</b>	<b>190,716</b>	<b>983</b>	<b>132</b>	<b>100,685</b>	<b>100,817</b>	-	<b>1,379</b>	<b>185</b>	<b>291,348</b>	<b>291,533</b>

The Group's borrowings as at 31 March 2019 are as follows :

	Short term				Long term				Total borrowings				
	Foreign denomination THB ('000)	RM equivalents ('000)	RM denomination ('000)	Total in RM ('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	-	-	7,177	<b>7,177</b>	-	-	-	-	-	-	-	7,177	<b>7,177</b>
Bankers' Acceptance	-	-	59,111	<b>59,111</b>	-	-	-	-	-	-	-	59,111	<b>59,111</b>
Hire Purchase	-	-	8,768	<b>8,768</b>	-	-	22,002	<b>22,002</b>	-	-	-	30,770	<b>30,770</b>
Term Loan	-	-	17,157	<b>17,157</b>	-	-	76,272	<b>76,272</b>	-	-	-	93,429	<b>93,429</b>
	-	-	92,213	<b>92,213</b>	-	-	98,274	<b>98,274</b>	-	-	-	190,487	<b>190,487</b>
<b>Unsecured</b>													
Overdraft	-	-	46	<b>46</b>	-	-	-	-	-	-	-	46	<b>46</b>
Bankers' Acceptance	-	-	74,916	<b>74,916</b>	-	-	-	-	-	-	-	74,916	<b>74,916</b>
Revolving Credit	-	-	17,000	<b>17,000</b>	-	-	-	-	-	-	-	17,000	<b>17,000</b>
	-	-	91,962	<b>91,962</b>	-	-	-	-	-	-	-	91,962	<b>91,962</b>
	-	-	<b>184,175</b>	<b>184,175</b>	-	-	<b>98,274</b>	<b>98,274</b>	-	-	-	<b>282,449</b>	<b>282,449</b>

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**10. Off balance sheet financial instruments**

The Group did not enter into any contracts involving off balance sheet financial instruments during the current quarter under review.

**11. Changes in material litigation**

Except for the below mentioned claim, there is no material pending litigation.

On 2 July 2018, Lay Hong Berhad ("Plaintiff") had filed a claim against Loke Chee Min ("1st defendant"), Beh Yong Hock ("2nd defendant"), Leong Sze Seng ("3rd defendant") and The Roof Realty Sdn Bhd ("4th Defendant") for a special damages of RM3,256,904.84 with interest and costs.

Pursuant to the claim, the Plaintiff is seeking the special damages upon the recommendation/misrepresentation of the 3rd defendant (a real estate negotiator employed by the 4th defendant, a register real estate agent) wherein 3rd defendant represented inter alia to the plaintiff that the owners of the land held under Grant Mukim 6469 for Lot 31982 and Grant Mukim 6470 for Lot 31983 both in the Mukim of Kapar, District of Klang, Selangor (the said lands) wishes to sell the lands and that the 1st defendant is the solicitor representing the land owner. The 2nd defendant is the solicitor appointed by the plaintiff to handle the sale and purchase transaction on its behalf while the 1st defendant purportedly acted for the owners of the said lands. The plaintiff paid the monies to the 1st defendant as stakeholder based on the sale and purchase agreement terms executed between the parties.

Subsequently, the plaintiff found out that the owners of the said lands did not appoint the first defendant as their solicitors neither did they sell their said lands.

The plaintiff claims against the defendants inter alia for the loss and damage suffered by it:-

- 1) against the 1st defendant for breach of fiduciary duty and/or trust as the stakeholder of the purchase price of the said lands and wrongfully deprived the plaintiff the said payments;
- 2) against the 2nd defendant for breach of contract and negligence;
- 3) against the 3rd defendant for fraudulent and/or negligent misrepresentation; and
- 4) against the 4th defendant as the principal and/or employer of the 3rd defendant for vicarious liability in respect of the act and/or omission of the 3rd defendant

The court proceeded with the trial on 12/11/2019, 13/11/2019, 14/11/2019, 21/11/2019 and 31/1/2020 and fixed continued hearing on 17/8/2020 and 18/8/2020.

**12. Dividend**

In respect of the financial year ended 31 March 2020, the Board has proposed the payment of a single-tier final cash dividend of 0.75 sen per ordinary share amounting to approximately RM 4.95 million. The proposed single-tier final cash dividend will be subject to shareholders' approval.

**13. Earnings per share**

	3 months ended		12 months ended	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
(Loss)/profit attributable to ordinary equity holders of the parent (RM'000)	(3,171)	12,200	3,965	7,267
Weighted average number of ordinary shares in (basic) ('000)	660,289	660,289	660,289	652,999
Effect of dilution of outstanding SIS ('000)	*	19,242	*	16,044
Effect of dilution of outstanding Warrants ('000)	*	240,665	*	168,314
Weighted average number of ordinary shares (diluted) ('000)	*	920,196	*	837,357
Basic earnings per share (sen)	(0.48)	1.85	0.60	1.11
Diluted earnings per share (sen)	*	1.33	*	0.87

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**13. Earnings per share (cont'd)**

Basic earnings per share is computed based on the (loss)/profit attributable to ordinary equity holders of the parent and the weighted average number of ordinary shares in issue during the period.

Diluted earnings per share is computed based on the (loss)/profit attributable to ordinary equity holders of the parent and the weighted average number of ordinary shares in issue during the period after adjustment for full conversion of the SIS Options.

\* No diluted earnings per share is presented as there are no potential dilutive ordinary shares as at the end of the financial period.

**14. Notes to the Condensed Consolidated Statement of Comprehensive Income**

The following amounts have been credited/(charged) in arriving at (loss)/profit before tax:

	3 months ended		12 months ended	
	31 March 2020 RM'000	31 March 2019 RM'000	31 March 2020 RM'000	31 March 2019 RM'000
Interest income	39	27	91	56
Dividend income	-	4	5	9
Interest expense	(3,663)	(3,375)	(14,264)	(12,857)
Depreciation and amortisation	(10,306)	(8,197)	(36,169)	(30,413)
Written off of property, plant and equipment	(85)	(1,249)	(464)	(1,299)
Gain on disposal of property, plant and equipment	32	19	59	26
Unrealised forex gain	2,004	124	2,448	252
Realised forex (loss)/gain	(245)	(25)	(192)	39

**15. 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.

**16. 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 29th June 2020.