

HUA YANG BERHAD (Co. No. 44094-M)  
(Incorporated in Malaysia)

Interim Financial Statements for the financial period ended 30 June 2011  
The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENTS

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING YEAR TO DATE
	30/6/2011 RM' 000	30/6/2010 RM' 000	30/6/2011 RM' 000	30/6/2010 RM' 000
Revenue	61,751	37,216	61,751	37,216
Cost of Sales	(39,612)	(26,392)	(39,612)	(26,392)
<b>Gross Profit</b>	<b>22,139</b>	<b>10,824</b>	<b>22,139</b>	<b>10,824</b>
Other Income	240	271	240	271
Selling and Marketing Expenses	(3,533)	(1,737)	(3,533)	(1,737)
Administrative and General Expenses	(3,314)	(2,423)	(3,314)	(2,423)
<b>Operating Profit</b>	<b>15,532</b>	<b>6,935</b>	<b>15,532</b>	<b>6,935</b>
Finance Costs	(273)	(190)	(273)	(190)
<b>Profit Before Taxation</b>	<b>15,259</b>	<b>6,745</b>	<b>15,259</b>	<b>6,745</b>
Income Tax Expenses	(3,747)	(1,850)	(3,747)	(1,850)
<b>Profit For The Period</b>	<b>11,512</b>	<b>4,895</b>	<b>11,512</b>	<b>4,895</b>
Profit attributable to:				
Owners of the Company	11,480	4,910	11,480	4,910
Minority interests	32	(15)	32	(15)
	<b>11,512</b>	<b>4,895</b>	<b>11,512</b>	<b>4,895</b>
<b>Earnings Per Share Attributable To Owners Of The Company (sen)</b>				
Basic, for profit for the period	10.63	5.46	10.63	5.46

The Condensed Consolidated Income Statements should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2011 and the accompanying explanatory notes attached to the interim financial statements.

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CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING YEAR TO DATE
	30/6/2011 RM' 000	30/6/2010 RM' 000	30/6/2011 RM' 000	30/6/2010 RM' 000
Profit For The Period	11,512	4,895	11,512	4,895
Other Comprehensive Income For The Period, Net Of Income Tax	-	-	-	-
<b>Total Comprehensive Income For The Period, Net Of Income Tax</b>	<b>11,512</b>	<b>4,895</b>	<b>11,512</b>	<b>4,895</b>
Total Comprehensive Income Attributable To :				
Owners of the Company	11,480	4,910	11,480	4,910
Minority interests	32	(15)	32	(15)
	<b>11,512</b>	<b>4,895</b>	<b>11,512</b>	<b>4,895</b>

The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2011 and the accompanying explanatory notes attached to the interim financial statements.

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**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	As at 30/6/2011 RM' 000	As at 31/03/2011 RM' 000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	6,101	5,447
Concession assets	14,431	14,569
Land held for property development	160,423	147,970
Investment property	2,118	2,129
Amount due from joint development partner on contract	5,037	5,024
Fixed deposit with licenced bank	810	809
Intangible assets	9,074	9,074
Deferred tax assets	765	809
<b>Total non-current assets</b>	<b>198,759</b>	<b>185,831</b>
<b>Current assets</b>		
Inventories	4,184	4,184
Property development costs	53,786	60,676
Trade and other receivables	102,219	98,715
Cash and bank balances	6,166	6,259
<b>Total current assets</b>	<b>166,355</b>	<b>169,834</b>
<b>TOTAL ASSETS</b>	<b>365,114</b>	<b>355,665</b>
<b>EQUITY AND LIABILITIES</b>		
Share capital	108,000	108,000
Reserves	122,757	111,277
<b>Total equity attributable to owners of the Company</b>	<b>230,757</b>	<b>219,277</b>
Minority interests	1,732	1,700
<b>Total equity</b>	<b>232,489</b>	<b>220,977</b>
<b>Non-current liabilities</b>		
Deferred tax liabilities	3,459	3,645
Hire purchase payables	51	65
Long term loans	56,983	53,449
<b>Total non-current liabilities</b>	<b>60,493</b>	<b>57,159</b>
<b>Current Liabilities</b>		
Trade and other payables	50,772	54,334
Short term borrowings	16,405	19,529
Taxation	4,955	3,666
<b>Total current liabilities</b>	<b>72,132</b>	<b>77,529</b>
<b>Total Liabilities</b>	<b>132,625</b>	<b>134,688</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>365,114</b>	<b>355,665</b>
<b>Net Assets Attributable to Owners of the Company</b>	<b>232,489</b>	<b>220,977</b>
<b>Net Assets Per Share Attributable to Owners of the Company (RM)</b>	<b>2.15</b>	<b>2.05</b>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2011 and the accompanying explanatory notes attached to the interim financial statements.

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	<-----Attributable to Owners of the Company----->						
	<---- Non-distributable ---->			Distributable			
	Share Capital RM' 000	Share Premium RM' 000	Capital Redemption Reserve RM' 000	Retained Earnings RM' 000	Total RM' 000	Minority Interests	Total Equity RM' 000
<b>3 months ended 30 June 2010</b>							
Balance as at 1 April 2010	90,000	6,697	500	98,627	195,824	1,760	197,584
As previously stated				419	419		419
Effects on adoption of FRS 139 As restated	90,000	6,697	500	99,046	196,243	1,760	198,003
Total comprehensive income for the period	-	-	-	4,910	4,910	(15)	4,895
Balance as at 30 June 2010	90,000	6,697	500	103,956	201,153	1,745	202,898
<b>3 months ended 30 June 2011</b>							
Balance as at 1 April 2011	108,000	-	-	111,277	219,277	1,700	220,977
Total comprehensive income for the period	-	-	-	11,480	11,480	32	11,512
Balance as at 30 June 2011	108,000	-	-	122,757	230,757	1,732	232,489

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2011 and the explanatory notes attached to the interim financial statements.

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**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

	<b>3 months ended 30/6/2011</b>	<b>3 months ended 30/6/2010</b>
	<b>RM' 000</b>	<b>RM' 000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	15,259	6,745
Adjustments for :		
Non-cash items	216	185
Non-operating items	241	182
Operating profit before working capital changes	15,716	7,112
Net change in current assets	3,417	(377)
Net change in current liabilities	(6,434)	(20,660)
Net cash from / (used in) operating activities	12,699	(13,925)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of property, plant and equipment & intangible assets	(721)	(1,383)
Land and development expenditure	(12,465)	(3,179)
Net cash used in investing activities	(13,186)	(4,562)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net bank borrowings	4,095	18,220
Fixed deposits	(1)	(1)
Payment of hire purchase	(14)	(46)
Net cash used in financing activities	4,080	18,173
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>3,593</b>	<b>(314)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>2,573</b>	<b>(1,725)</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>6,166</b>	<b>(2,039)</b>
Cash and cash equivalents comprise of :-		
Deposits, bank and cash balances	6,166	3,928
Bank overdrafts	-	(5,967)
	6,166	(2,039)

**The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2011 and the accompanying notes attached to the interim financial statements.**

**PART A - EXPLANATORY NOTES PURSUANT TO FRS 134**

**1 Basis of Preparation**

The interim financial statements have been prepared in accordance with Financial Reporting Standard ("FRS") 134, Interim Financial Reporting and paragraph 9.22 of the Bursa Malaysia Securities Berhad Listing Requirements.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 March 2011. 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 2011.

The significant accounting policies and methods of computation adopted by the Group in this interim financial statements are consistent with those adopted for the audited financial statements for the financial year ended 31 March 2011 save for the adoption of the following new and revised Financial Reporting Standards ("FRSs"), Issues Committee ("IC") Interpretations and amendments to FRSs and IC Interpretations that are mandatory for the Group for the financial year commencing 1 April 2011:

FRS 1	First-time Adoption of Financial Reporting Standards
FRS 3	Business Combinations (revised)
Amendments to FRS 2	Share-based Payment
Amendments to FRS 5	Non-Current Assets Held for Sale and Discontinued Operations
Amendments to FRS 127	Consolidated and Separate Financial Statements
Amendments to FRS 138	Intangible Assets
Amendments to IC	
Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 12	Service Concession Arrangements
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation
IC Interpretation 17	Distributions of Non-Cash Assets to Owner
Amendments to FRS 132	Classification of Rights Issues
Amendments to FRS 1	Additional Exemptions for First-time Adopters
Amendments to FRS 1	Limited Exemption from Comparative FRS 7 Disclosure for First-time Adopters
Amendments to FRS 7	Improving Disclosures about Financial Instruments
Amendments to FRS 2	Group Cash-settled Share-based Payment Transactions
Amendments to FRS contained in the document entitled "Improvements to FRSs (2010)"	
IC Interpretation 4	Determining whether an Arrangement contains a Lease
IC Interpretation 18	Transfer of Assets from Customers
TRi - 3	Guidance on Disclosure of Translation to IFRSs
TRi - 4	Shariah Compliant Sale Contracts

The adoption of these new FRSs, amendments and IC Interpretation will have no material impact on the financial statements of the Group.

**2 Auditors' Report on Preceding Annual Financial Statements**

The auditors' report on the financial statements for the year ended 31 March 2011 was not qualified.

**3 Seasonal or Cyclical Factors**

The business operations of the Group were not affected by any seasonal or cyclical factors.

**4 Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the financial period under review.

**5 Changes in Estimates**

There were no changes in estimates of amounts reported in prior financial years that have a material effect in the current quarter.

**6 Debt and Equity Securities**

There have been no issue and repayment of debts and equity, repurchases, share cancellation or new issuance during the quarter under review and financial year-to-date.

**7 Dividends Paid**

No dividend has been paid during the quarter under review.

**8 Segment Revenue and Results**

The Group's main operation is property development. Other operations of the Group mainly comprise of investment holdings and provision of management and secretarial services to the subsidiary companies, neither which are of sufficient size to be reported as a segment. The Group's operations are carried out in Malaysia.

**9 Valuation of Property, Plant and Equipment**

The valuation of property, plant and equipment have been brought forward, without any amendments from the previous annual audited financial statements for the year ended 31 March 2011.

**10 Material Events Subsequent to the End of the Reporting Period**

There were no material events subsequent to end of current quarter.

**11 Changes in the Composition of the Group**

There were no changes in the composition of the Group during the quarter under review.

**12 Changes in Contingent Liabilities and Contingent Assets**

There were no changes in contingent liabilities or contingent assets since the last annual statement of financial position as at 31 March 2011.

**13 Capital Commitments**

A wholly-owned subsidiary company has entered into Sale and Purchase Agreement for the purchase a piece of leasehold vacant land measuring 1.55 acres for a total consideration of RM32,000,000 with 10% paid during the quarter under review.

The same subsidiary company has also acquired another piece of leasehold vacant land measuring 3.73 acres through public auction for a total consideration of RM13,000,000 with 10% paid during the quarter under review.

Approved and contracted for - balance payable	<b>RM'000</b>
	<u>40,500</u>
	<u><u>40,500</u></u>

**PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

**14 Income Tax Expenses**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year to Date	Preceding Year Corresponding Year to Date
	30/6/2011 RM' 000	30/6/2010 RM' 000	30/6/2011 RM' 000	30/6/2010 RM' 000
Malaysian income tax	(3,889)	(1,997)	(3,889)	(1,997)
Deferred tax	142	147	142	147
	<u>(3,747)</u>	<u>(1,850)</u>	<u>(3,747)</u>	<u>(1,850)</u>
Overprovision of Malaysian income tax in prior years	-	-	-	-
	<u>(3,747)</u>	<u>(1,850)</u>	<u>(3,747)</u>	<u>(1,850)</u>

**15 Quoted Securities**

There were no investments in quoted securities during the quarter under review and financial year-to-date.

**16 Sale of Unquoted Investments and/or Properties**

There were no sale of unquoted investments and/or properties outside the ordinary course of the Group's business during the quarter ended 30 June 2011.

**17 Corporate Proposals**

On 14 July 2011, the Company has announced the proposal to seek shareholders' approval for the Proposed Bonus Issue of 36,000,000 new ordinary shares of RM1.00 each in HYB on the basis of one (1) Bonus Share for every three (3) existing HYB Shares held on an entitlement date to be determined and announced later.

**18 Borrowings - Secured**

	As at 30/6/2011 RM' 000	As at 31/3/2011 RM' 000
<u>Short Term Borrowings</u>		
- Hire Purchase	56	55
- Bank Overdraft	-	3,686
- Term Loan	4,937	4,286
- Revolving Loan	11,412	11,502
	<u>16,405</u>	<u>19,529</u>
<u>Long Term Borrowings</u>		
- Hire Purchase	51	65
- Term Loan	56,693	51,619
- Bridging Loan	290	1,830
	<u>57,034</u>	<u>53,514</u>



**19 Off Balance Sheet Financial Instruments**

There were no off balance sheet arrangements entered into nor were there any off balance sheet financial instruments issued as at the date of this report.

**20 Changes in Material Litigation**

There were no changes in material litigation from the date of the last quarterly report to the date of this report.

**21 Dividends Payable**

No interim dividend has been declared for the financial period ended 30 June 2011.

**22 Earnings Per Share**

Basic earnings per share is calculated by dividing profit for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares in issue during the period.

		3 months ended 30/6/2011	3 months ended 30/6/2010
(a) Basic earnings per share			
Profit for the period	(RM' 000)	11,480	4,910
Number of ordinary shares in issue	('000)	108,000	90,000
Weighted average number of ordinary shares in issue	('000)	108,000	90,000
Basic earnings per share	(sen)	10.63	5.46
(b) Diluted earnings per share	(sen)	N/A	N/A

**23 Review of Group Performance**

For the first quarter ended 30 June 2011, the Group achieved a revenue of RM61.751 million and profit before tax of RM15.259 million. Net profit for the quarter under review was RM11.512 million, an increase of RM6.617 million (135%) as compared to the preceding year corresponding quarter.

The Group's revenue for the period ended 30 June 2011 showed an increase of RM24.535 million (66%) as compared to RM37.216 million of the preceding year corresponding period.

The strong quarterly results were due to better sales achieved, steady construction progress recognition and completion of sale of a parcel of land to Tesco at our Bandar Universiti Seri Iskandar.

Sales achieved for the quarter under review was 232% higher than the preceding year corresponding quarter with total unbilled sales of RM372.3 million, giving the group an improved earnings visibility in the remaining period of the FY 2012.

The Group's earnings per share for the period ended 30 June 2011 was 10.63 sen.

The Group's Net Assets per share stood at RM2.15 as at 30 June 2011 compared to RM2.05 as at 31 March 2011.

**24 Material Changes in the Quarterly Results compared to the Results of the Immediate Preceding Quarter**

The Group's profit before tax for the quarter under review of RM15.259 million was RM3.624 million or 31% higher than the immediate preceding quarter ended 31 March 2011 of RM11.635 million.

**25 Current Year Prospects**

With the positive outlook of Malaysia's economy, coupled with the steady growth, strong demand and encouraging sales for the first quarter of FY 2012, the Board is optimistic of posting improved results for the remaining period of the financial year.

**26 Explanatory Notes for Variance of Actual Profit from Forecast Profit / Profit Guarantee**

Not applicable

**27 Authorisation For Issue**

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors passed at the Board of Directors' meeting held on 14 July 2011.

**28 Realised and Unrealised Profits/Losses**

Bursa Malaysia Securities Berhad has on 25 March 2010 and 20 December 2010, issued directives requiring all listed issuers to disclose the breakdown of retained profits or losses into realised and unrealised in quarterly reports and annual audited financial statements.

The breakdown of retained profits of the Group as at the reporting date, into realised and unrealised profits are as follows:

	<u>Current</u> <u>financial period</u> <u>(RM'000)</u>	<u>As at the end of</u> <u>last financial</u> <u>year (RM'000)</u>
Total retained profits of the Company and its subsidiaries:		
- Realised	142,263	131,489
- Unrealised	<u>(2,143)</u>	<u>(2,285)</u>
	140,120	129,204
Less: Consolidation adjustments	(17,363)	(17,927)
Total group retained profits as per consolidated accounts	<u>122,757</u>	<u>111,277</u>