

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

Interim Financial Statements for the financial period ended 30 June 2012

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
	30/06/2012 RM' 000	30/06/2011 RM' 000	30/06/2012 RM' 000	30/06/2011 RM' 000
Revenue	97,964	61,751	97,964	61,751
Cost of Sales	(61,401)	(39,612)	(61,401)	(39,612)
Gross Profit	36,563	22,139	36,563	22,139
Other Income	1,000	240	1,000	240
Selling and Marketing Expenses	(10,558)	(3,533)	(10,558)	(3,533)
Administrative and General Expenses	(4,527)	(3,314)	(4,527)	(3,314)
Operating Profit	22,478	15,532	22,478	15,532
Finance Costs	(78)	(273)	(78)	(273)
Profit Before Taxation	22,400	15,259	22,400	15,259
Income Tax Expenses	(5,930)	(3,747)	(5,930)	(3,747)
Profit For The Period	16,470	11,512	16,470	11,512
Profit attributable to:				
Owners of the Company	16,470	11,480	16,470	11,480
Non-controlling interests	0	32	0	32
	16,470	11,512	16,470	11,512
Earnings Per Share Attributable To Owners Of The Company (sen)				
Basic, for profit for the period	11.44	7.97	11.44	7.97

The Condensed Consolidated Income Statements should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2012 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
	30/06/2012 RM' 000	30/06/2011 RM' 000	30/06/2012 RM' 000	30/06/2011 RM' 000
Profit For The Period	16,470	11,512	16,470	11,512
Other Comprehensive Income For The Period, Net Of Income Tax	-	-	-	-
Total Comprehensive Income For The Period, Net Of Income Tax	16,470	11,512	16,470	11,512
Total Comprehensive Income Attributable To :				
Owners of the Company	16,470	11,480	16,470	11,480
Non-controlling interests	0	32	0	32
	16,469	11,512	16,469	11,512

Note: 1 - Included in the Total Comprehensive Income for the period are the followings:-

Interest Income	666	32	666	32
Other Income Including Investment Income	334	208	334	208
Interest Expense	78	273	78	273
Depreciation & Amortization	251	216	251	216
Provision For/Write Off of Receivables	22	-	22	-
Provision For/Write Off of Inventories	N/A	N/A	N/A	N/A
Gain/Loss on Disposal of Quoted and Unquoted Investment or Properties	N/A	N/A	N/A	N/A
Impairment of Assets	N/A	N/A	N/A	N/A
Gain/Loss on Foreign Exchange	N/A	N/A	N/A	N/A
Gain/Loss on Derivatives	N/A	N/A	N/A	N/A

N/A: Not Applicable

The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2012 and the accompanying explanatory notes attached to the interim financial statements.

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CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	As at 30/06/2012 RM' 000	As at 31/03/2012 RM' 000
ASSETS		
Non-current assets		
Property, plant and equipment	6,566	6,638
Concession assets	13,684	13,839
Land held for property development	205,839	205,821
Investment property	1,576	1,585
Other receivables	3,646	3,774
Fixed deposit with licenced bank	696	695
Intangible assets	9,074	9,074
Deferred tax assets	958	853
	<u>242,039</u>	<u>242,279</u>
Current assets		
Inventories	6,195	4,945
Property development costs	52,671	50,192
Trade and other receivables	44,442	57,444
Other current assets	68,470	64,665
Cash and bank balances	37,779	25,163
	<u>209,557</u>	<u>202,409</u>
Non-current assets classified as held for sale	543	540
	<u>210,100</u>	<u>202,949</u>
TOTAL ASSETS	<u>452,139</u>	<u>445,228</u>
EQUITY AND LIABILITIES		
Current liabilities		
Trade and other payables	53,398	56,161
Other current liabilities	-	-
Short term borrowings	7,770	8,843
Taxation	6,108	5,725
	<u>67,276</u>	<u>70,729</u>
Liabilities classified as held for sale	190	190
	<u>67,466</u>	<u>70,919</u>
Net current assets	<u>142,634</u>	<u>132,030</u>
Non-current liabilities		
Trade and other payables	16,754	14,721
Deferred tax liabilities	2,603	2,812
Long term loans	82,290	88,436
	<u>101,647</u>	<u>105,969</u>
TOTAL LIABILITIES	<u>169,113</u>	<u>176,888</u>
Net assets	<u>283,026</u>	<u>268,340</u>
Total equity attributable to owners of the Company		
Share capital	144,000	144,000
Reserves	138,545	122,158
	<u>282,545</u>	<u>266,158</u>
Non-controlling interests	481	2,182
TOTAL EQUITY	<u>283,026</u>	<u>268,340</u>
TOTAL EQUITY AND LIABILITIES	<u>452,139</u>	<u>445,228</u>
Net Assets Attributable to Owners of the Company	283,026	268,340
Net Assets Per Share Attributable to Owners of the Company (RM)	1.97	1.86

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2012 and the accompanying explanatory notes attached to the interim financial statements.

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Interim Financial Statements for the financial period ended 30 June 2012

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

<-----Attributable to Owners of the Company----->

	Share Capital	<----- Non-distributable ----->		Distributable	Total	Non-	Total Equity
	Share Premium	Capital	Redemption	Retained		controlling	
	RM' 000	RM' 000	Reserve	Earnings	RM' 000	Interests	RM' 000
			RM' 000	RM' 000	RM' 000	RM' 000	RM' 000
<u>3 months ended 30 June 2011</u>							
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
<u>3 months ended 30 June 2012</u>							
Balance as at 1 April 2012	144,000	-	-	122,075	266,075	2,182	268,257
Total comprehensive income for the period	-	-	-	16,470	16,470	0	16,470
Acquisition of shares in a subsidiary company	-	-	-	-	-	(1,701)	(1,701)
Balance as at 30 June 2012	144,000	-	-	138,545	282,545	481	283,026

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2012 and the explanatory notes attached to the interim financial statements.

HUA YANG BERHAD (Co. No. 44094-M)
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Interim Financial Statements for the financial period ended 30 June 2012

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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	3 months ended 30/06/2012 RM' 000	3 months ended 30/06/2011 RM' 000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	22,400	15,259
Adjustments for :		
Non-cash items	273	216
Non-operating items	(589)	241
Operating profit before working capital changes	22,084	15,716
<i>Net change in current assets</i>		
Receivables	9,295	(3,503)
Inventories	(1,250)	-
Property development costs	(2,478)	6,888
Payables	(729)	(3,561)
<i>Net change in current liabilities</i>		
Tax paid	(5,936)	(2,600)
Interest received	666	32
Interest paid	(78)	(273)
Net cash from / (used in) operating activities	21,573	12,699
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment & intangible assets	(16)	(721)
Payment of intangible assets	-	-
Purchase of shares from minority interest in a subsidiary company	(3,000)	-
Proceeds from disposal of property, plant and equipment	-	-
Land and development expenditure	1,281	(12,465)
Net cash used in investing activities	(1,736)	(13,186)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceed from borrowings	14,416	8,500
Repayment of borrowings	(21,618)	(4,405)
Fixed deposits	(1)	(1)
Payment of hire purchase	(18)	(14)
Net cash from financing activities	(7,221)	4,080
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	12,617	3,593
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	25,162	2,573
CASH AND CASH EQUIVALENTS AT END OF PERIOD	37,779	6,166
Cash and cash equivalents comprise of :-		
Deposits, bank and cash balances	37,779	6,166
Bank overdrafts	-	-
	37,779	6,166

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2012 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 2012. 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 2012.

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 2012 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 2012:

IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments
Amendments to IC Interpretation 14	Prepayments of Minimum Funding Requirement
Amendments to FRS 1	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters
Amendments to FRS 7	Transfers of Financial Assets
Amendments to FRS 112	Deferred Tax: Recovery of Underlying Assets
FRS 124	Related Party Disclosures

The adoption of these new FRSs, amendments and IC Interpretation will have no material impact on the financial statements of the Group. The Group have not early adopted the following FRSs, IC Interpretations and amendments to FRSs, which have been issued and will be effective for the financial periods as stated below:-

		Effective date for financial periods beginning on or after
Amendments to FRS 101	Presentation of Items of Other Comprehensive Income	1 July 2012
FRS 10	Consolidated Financial Statements	1 January 2013
FRS 11	Joint Arrangements	1 January 2013
FRS 12	Disclosure of Interests in Other Entities	1 January 2013
FRS 13	Fair Value Measurement	1 January 2013
FRS 119	Employee Benefits	1 January 2013
FRS 127	Separate Financial Statements	1 January 2013
FRS 128	Investment in Associates and Joint Ventures	1 January 2013
IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
Amendments to FRS 7	Disclosures - Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to FRS 132	Offsetting Financial Assets and Financial Liabilities	1 January 2014
FRS 9	Financial Instruments	1 January 2015

The above new FRSs, revised FRSs, IC Interpretations and amendments to FRSs will be adopted by the Group when they become effective and that the initial applications of these Standards and IC interpretations 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 2012 was not qualified.

PART A - EXPLANATORY NOTES PURSUANT TO FRS 134

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 Information

	Property Development		Other Operation		Adjustments and Eliminations		Per Consolidated Financial Statements	
	30/06/2012 RM' 000	30/06/2011 RM' 000	30/06/2012 RM' 000	30/06/2011 RM' 000	30/06/2012 RM' 000	30/06/2011 RM' 000	30/06/2012 RM' 000	30/06/2011 RM' 000
Revenue:								
External customers	97,478	61,320	486	431	-	-	97,964	61,751
Inter-segment	8,123	1,696	-	-	(8,123)	(1,696)	-	-
	105,601	63,016	486	431	(8,123)	(1,696)	97,964	61,751
Results:								
Interest income	1,015	339	-	-	(348)	(307)	666	32
Dividend income	45,320	47,400	-	-	(45,320)	(47,400)	-	-
Depreciation and amortisation	96	80	154	135	1	1	251	216
Segment profit / (loss)	23,145	15,919	(398)	(352)	(348)	(308)	22,400	15,259
Assets:								
Additions to non-current assets	(1,263)	13,188	(1)	(2)	-	-	(1,264)	13,186
Segment assets	436,391	429,573	15,749	15,655	-	-	452,139	445,228
Segment liabilities	150,878	159,967	18,234	16,921	-	-	169,113	176,888

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 2012.

10 Material Events Subsequent to the End of the Reporting Period

On 6 April 2012, a wholly-owned subsidiary company has entered into Sale and Purchase Agreement ("SPA") for the purchase of 156 lots of freehold titles measuring approximately 21 acres for a total consideration of RM15,200,000.

The SPA had been completed on 9 July 2012.

Save for the above, there were no material events subsequent to the balance sheet date up to 18 July 2012, being the latest practicable date from the date of issuance of this Interim Financial Report.

11 Changes in the Composition of the Group

On 17 April 2012, the Company completed the acquisition of the remaining issued and paid-up share capital of Sunny Mode Sdn Bhd ("SMSB") comprising of 1,315,555 ordinary shares of RM1.00 each for a cash consideration of RM3,000,000, resulting in SMSB becoming a wholly-owned subsidiary of the Company.

Save for the above, 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 2012.

13 Capital Commitments

Commitments to purchase land held for property development
- Approved and contracted for

RM' 000

14,954

HUA YANG BERHAD (Co. No. 44094-M)**(Incorporated in Malaysia)****Interim Financial Statements for the financial period ended 30 June 2012****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
	30/06/2012 RM' 000	30/06/2011 RM' 000	30/06/2012 RM' 000	30/06/2011 RM' 000
Malaysian income tax	(6,213)	(3,889)	(6,213)	(3,889)
Deferred tax	283	142	283	142
	<u>(5,930)</u>	<u>(3,747)</u>	<u>(5,930)</u>	<u>(3,747)</u>
Overprovision of Malaysian income tax in prior years	-	-	-	-
	<u>(5,930)</u>	<u>(3,747)</u>	<u>(5,930)</u>	<u>(3,747)</u>

15 Corporate Proposals

As of 12 July 2012, the Company has not announced any corporate proposal.

16 Borrowings - Secured

	As at 30/06/2012 RM' 000	As at 31/03/2012 RM' 000
<u>Short Term Borrowings</u>		
- Hire Purchase	61	72
- Bank Overdraft	-	-
- Term Loan	7,709	8,771
- Revolving Loan	-	-
	<u>7,770</u>	<u>8,843</u>
<u>Long Term Borrowings</u>		
- Hire Purchase	65	72
- Term Loan	74,154	74,164
- Bridging Loan	8,070	14,200
	<u>82,290</u>	<u>88,436</u>

17 Changes in Material Litigation

There were no material litigation since the date of the last annual statement of financial position to the date of this report.

18 Dividends Payable

No interim dividend has been declared for the financial period ended 30 June 2012.

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

19 Earnings Per Share

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

		3 months ended	3 months ended
		30/06/2012	30/06/2011
(a) Basic earnings per share			
Profit for the period	(RM' 000)	16,470	11,480
Number of ordinary shares in issue	('000)	144,000	144,000
Weighted average number of ordinary shares in issue	('000)	144,000	144,000
Basic earnings per share	(sen)	11.44	7.97
(b) Diluted earnings per share	(sen)	N/A	N/A

20 Review of Group Performance

The Group achieved profit after tax of RM16.47 million, representing an increase of RM4.96 million (43%) as compared to the preceding year's corresponding quarter.

Revenue achieved for the quarter under review was RM97.48 million, representing 59% higher than the preceding year corresponding quarter with total unbilled sales of RM475.82 million, giving the Group earnings visibility in the next financial year.

The Group's earnings per share for the year ended 30 June 2012 was 11.44 sen.

The performance of the respective operating business segments are analysed as follows:-

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year to Date	Preceding Year Corresponding Year to Date
	30/06/2012	30/06/2011	30/06/2012	30/06/2011
	RM' 000	RM' 000	RM' 000	RM' 000
Revenue				
Property Development	97,478	61,320	97,478	61,320
Other Operations	486	431	486	431
	97,964	61,751	97,964	61,751
Profit before tax				
Property Development	22,449	15,303	22,449	15,303
Other Operations	(49)	(44)	(49)	(44)
	22,400	15,259	22,400	15,259

(a) Property development:

For the quarter ended, revenue has increase 59% while profit before tax also increase by 47% as compared to previous financial year corresponding period. Steady construction progress recognition especially for our service apartments projects in Klang Valley, namely One South and Symphony Heights and others on-going projects include Taman Pulai Indah at Johor Bahru and Bandar University Seri Iskandar at Perak were the major contributor to the higher revenue and profit before tax..

(b) Other operation:

Revenue and profit from other operations mainly consist of rental income derived from the operation of commercial properties under the "build, operate and transfer" concession with local authorities.

21 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 RM22.40 million was RM3.82 million or 21% higher than the immediate preceding quarter ended 31 March 2012 of RM18.58 million.

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

22 Current Year Prospects

The Group is satisfied with the growth momentum, strong demand and sales achieved for the 1st quarter under review. Continued customer support and confidence on Hua Yang's affordability product have enabled the Group to gear towards launching RM815million worth of projects in the current financial year. Despite the concern of a possible slowdown in the global economy, coupled with the challenging and competitive business environment, the Group remains positive of posting improved results in the remaining period of the financial year.

23 Explanatory Notes for Variance of Actual Profit from Forecast Profit / Profit Guarantee

Not applicable

24 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 18 July 2012.

25 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>As at</u> <u>30/06/2012</u> <u>(RM'000)</u>	<u>As at</u> <u>31/03/2012</u> <u>(RM' 000)</u>
Total retained profits of the Company and its subsidiaries:		
- Realised	160,953	143,313
- Unrealised	(1,302)	(1,615)
	159,652	141,698
Less: Consolidation adjustments	(21,107)	(19,540)
Total group retained profits as per consolidated accounts	138,545	122,158