

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

Interim Financial Statements for the financial period ended 30 June 2013

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
	30/06/2013 RM' 000	30/06/2012 RM' 000	30/06/2013 RM' 000	30/06/2012 RM' 000
Revenue	80,499	97,964	80,499	97,964
Cost of Sales	(55,813)	(61,401)	(55,813)	(61,401)
Gross Profit	24,686	36,563	24,686	36,563
Other Income	421	1,000	421	1,000
Selling and Marketing Expenses	(3,446)	(10,558)	(3,446)	(10,558)
Administrative and General Expenses	(5,004)	(4,527)	(5,004)	(4,527)
Operating Profit	16,657	22,478	16,657	22,478
Finance Costs	(13)	(78)	(13)	(78)
Profit Before Taxation	16,644	22,400	16,644	22,400
Income Tax Expenses	(4,325)	(5,930)	(4,325)	(5,930)
Profit For The Period	12,319	16,470	12,319	16,470
Profit attributable to:				
Owners of the Company	12,319	16,470	12,319	16,470
Non-controlling Interests	-	-	-	-
	12,319	16,470	12,319	16,470
Earnings Per Share Attributable To Owners Of The Company (sen)				
Basic, for profit for the period	6.22	8.97	6.22	8.97

The Condensed Consolidated Income Statements should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2013 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	PRECEDING YEAR	CURRENT	PRECEDING YEAR
	QUARTER	CORRESPONDING	YEAR TO DATE	CORRESPONDING
	30/06/2013	30/06/2012	30/06/2013	30/06/2012
	RM' 000	RM' 000	RM' 000	RM' 000
Profit For The Period	12,319	16,470	12,319	16,470
Other Comprehensive Income For The Period, Net Of Income Tax	-	-	-	-
Total Comprehensive Income For The Period, Net Of Income Tax	12,319	16,470	12,319	16,470
Total Comprehensive Income Attributable To :				
Owners of the Company	12,319	16,470	12,319	16,470
Non-controlling Interests	-	-	-	-
	12,319	16,470	12,319	16,470

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

Interest Income	217	666	217	666
Other Income Including Investment Income	204	334	204	334
Interest Expense	13	78	13	78
Depreciation & Amortization	274	251	274	251
Provision For/Write Off of Receivables	5	22	5	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
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 2013 and the accompanying explanatory notes attached to the interim financial statements.

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

Interim Financial Statements for the financial period ended 30 June 2013

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	(UNAUDITED) As at 30/06/2013 RM' 000	(UNAUDITED) As at 31/03/2013 RM' 000
ASSETS		
Non-current assets		
Property, plant and equipment	6,811	6,910
Concession assets	13,070	13,223
Land held for property development	378,712	374,288
Investment property	1,586	1,596
Other receivables	3,425	3,305
Fixed deposit with licenced bank	703	701
Intangible assets	9,074	9,074
Deferred tax assets	1,980	2,108
	<u>415,361</u>	<u>411,205</u>
Current assets		
Inventories	4,973	6,529
Property development costs	40,944	41,385
Trade and other receivables	44,936	38,167
Other current assets	104,863	107,068
Cash and bank balances	18,282	29,545
	<u>213,998</u>	<u>222,694</u>
TOTAL ASSETS	<u>629,359</u>	<u>633,899</u>
EQUITY AND LIABILITIES		
Current liabilities		
Trade and other payables	65,426	156,527
Other current liabilities	1,930	2,257
Short term borrowings	46,272	6,686
Taxation	7,205	8,498
	<u>120,833</u>	<u>173,968</u>
Net current assets	<u>93,165</u>	<u>48,726</u>
Non-current liabilities		
Trade and other payables	18,032	14,188
Deferred tax liabilities	2,495	2,798
Long term borrowings	141,202	108,467
	<u>161,729</u>	<u>125,453</u>
TOTAL LIABILITIES	<u>282,562</u>	<u>299,421</u>
Net assets	<u>346,797</u>	<u>334,478</u>
Total equity attributable to owners of the Company		
Share capital	198,000	198,000
Reserves	148,797	136,478
TOTAL EQUITY	<u>346,797</u>	<u>334,478</u>
TOTAL EQUITY AND LIABILITIES	<u>629,359</u>	<u>633,899</u>
Net Assets Attributable to Owners of the Company	346,797	334,478
Net Assets Per Share Attributable to Owners of the Company (RM)	1.75	1.69

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2013 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 ----- >

	Share Capital	Non-distributable Share Premium	Distributable Retained Earnings	Total	Non-controlling Interests	Total Equity
	RM' 000	RM' 000	RM' 000	RM' 000	RM' 000	RM' 000
<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	-	16,470
Transactions with non-controlling interests	-	-	-	-	(1,701)	(1,701)
Balance as at 30 June 2012	<u>144,000</u>	<u>-</u>	<u>138,545</u>	<u>282,545</u>	<u>481</u>	<u>283,026</u>
<u>3 months ended 30 June 2013</u>						
Balance as at 1 April 2013	198,000	-	136,478	334,478	-	334,478
Total comprehensive income for the period	-	-	12,319	12,319	-	12,319
Balance as at 30 June 2013	<u>198,000</u>	<u>-</u>	<u>148,797</u>	<u>346,797</u>	<u>-</u>	<u>346,797</u>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2013 and the explanatory notes attached to the interim financial statements.

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Interim Financial Statements for the financial period ended 30 June 2013

The figures have not been audited.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	(UNAUDITED) 3 months ended 30/06/2013 RM' 000	(UNAUDITED) 3 months ended 30/06/2012 RM' 000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	16,644	22,400
Adjustments for :		
Non-cash items	242	273
Non-operating items	(203)	(589)
Operating profit before working capital changes	16,683	22,084
<i>Net change in current assets</i>		
Receivables	(4,652)	9,294
Inventories	1,556	(1,250)
Property development costs	5,479	(2,478)
Payables	(87,584)	(729)
<i>Net change in current liabilities</i>		
Tax paid	(5,792)	(5,936)
Interest received	217	666
Interest paid	(13)	(78)
Net cash (used in) / from operating activities	(74,106)	21,573
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment and intangible assets	(13)	(16)
Purchase of additional investment in subsidiary company	-	(3,000)
Land and development expenditure	(9,463)	1,281
Net cash used in investing activities	(9,476)	(1,735)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	90,957	14,416
Repayment of borrowings	(18,550)	(21,618)
Fixed deposits	(2)	(1)
Repayment to hire purchase / lease creditor	(85)	(18)
Net cash from / (used in) financing activities	72,320	(7,221)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(11,263)	12,617
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	29,545	25,162
CASH AND CASH EQUIVALENTS AT END OF PERIOD	18,282	37,779
Cash and cash equivalents comprise of :		
Deposits, bank and cash balances	18,282	37,779
Bank overdrafts	-	-
	18,282	37,779

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2013 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 are unaudited and 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 2013. 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 2013.

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 2013 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 2013:

FRS 10	Consolidated Financial Statements
FRS 11	Joint Arrangements
FRS 12	Disclosure of Interests in Other Entities
FRS 13	Fair Value Measurement
FRS 119	Employee Benefits
FRS 127	Separate Financial Statements
FRS 128	Investment in Associates and Joint Ventures
Amendments to IC Interpretation 2	Members' Shares in Co-operative Entities and Similar Instruments (Improvements to FRSs (2012))
IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine
Amendments to FRS 7	Disclosures - Offsetting Financial Assets and Financial Liabilities
Amendments to FRS 1	First-time Adoption of Malaysian Financial Reporting Standards - Government Loans
Amendments to FRS 1	First-time Adoption of Malaysian Financial Reporting Standards (Improvements to FRSs (2012))
Amendments to FRS 116	Property, Plant and Equipment (Improvements to FRSs (2012))
Amendments to FRS 132	Financial Instruments: Presentation (Improvements to FRSs
Amendments to FRS 134	Interim Financial Reporting (Improvements to FRSs (2012))
Amendments to FRS 10	Consolidated Financial Statements: Transition Guidance
Amendments to FRS 11	Joint Arrangements: Transition Guidance
Amendments to FRS 12	Disclosure of Interests in Other Entities: Transition Guidance

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

The Group has not early adopted the following FRSs and amendments to FRSs that have been issued but not yet effective:

		Effective for financial periods beginning on or after
Amendments to FRS 132	Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to FRS 10, FRS 12 and FRS 127	Investment Entities	1 January 2014
FRS 9	Financial Instruments: Classification and Measurement	1 January 2015

These new and amended standards will have no material impact on the financial statements of the Group upon their initial application.

2 Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the year ended 31 March 2013 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.

HUA YANG BERHAD (Co. No. 44094-M)
(Incorporated in Malaysia)
Interim Financial Statements for the financial period ended 30 June 2013

PART A - EXPLANATORY NOTES PURSUANT TO FRS 134

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 were no issuance 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	
	30/06/2013 RM' 000	30/06/2012 RM' 000	30/06/2013 RM' 000	30/06/2012 RM' 000	30/06/2013 RM' 000	30/06/2012 RM' 000	30/06/2013 RM' 000	30/06/2012 RM' 000
Revenue:								
External customers	79,942	97,478	557	486	-	-	80,499	97,964
Inter-segment	1,700	8,123	-	-	(1,700)	(8,123)	-	-
	81,642	105,601	557	486	(1,700)	(8,123)	80,499	97,964
Results:								
Interest income	217	1,014	-	-	-	(348)	217	666
Dividend income	-	45,320	-	-	-	(45,320)	-	-
Depreciation and amortisation	(120)	(96)	(154)	(154)	(1)	(1)	(274)	(251)
Other non-cash income / (expenses)	(5)	(2)	37	(20)	-	-	32	(22)
Interest expenses	(13)	(78)	-	(348)	-	348	(13)	(78)
Segment profit / (loss)	16,464	23,146	181	(398)	-	(348)	16,644	22,400
Assets:								
Additions to non-current assets	9,822	15,025	-	-	-	-	9,822	15,025
Segment assets	882,504	843,368	14,493	15,749	(267,638)	(225,218)	629,359	633,899
Segment liabilities	502,583	479,748	12,254	18,234	(232,275)	(198,561)	282,562	299,421

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 2013.

10 Material Events Subsequent to the End of the Reporting Period

On 8 July 2013, a wholly-owned subsidiary company has entered into a Sale and Purchase Agreement for the acquisition of 54 pieces of leasehold land measuring approximately 4 acres for a total consideration of RM5,000,000.

On 17 July 2013, the Board approved the proposal to undertake a bonus issue of 66,000,000 new ordinary shares of RM1 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.

Save for the above, there were no material events subsequent to the end of the reporting date up to date of issuance of this interim financial statements.

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 2013.

13 Capital Commitments

	RM' 000
Commitments to purchase land held for property development	
- Approved and contracted for as at 30 June 2013	51,220
- Approved but not contracted for as at 30 June 2013	4,500
	<u>55,720</u>

HUA YANG BERHAD (Co. No. 44094-M)**(Incorporated in Malaysia)****Interim Financial Statements for the financial period ended 30 June 2013****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
	30/06/2013	30/06/2012	30/06/2013	30/06/2012
	RM' 000	RM' 000	RM' 000	RM' 000
Malaysian income tax	(4,499)	(6,213)	(4,499)	(6,213)
Deferred tax	174	283	174	283
	<u>(4,325)</u>	<u>(5,930)</u>	<u>(4,325)</u>	<u>(5,930)</u>
Over/(Under) provision of Malaysian income tax in prior years	-	-	-	-
	<u><u>(4,325)</u></u>	<u><u>(5,930)</u></u>	<u><u>(4,325)</u></u>	<u><u>(5,930)</u></u>

15 Corporate Proposals

On 17 July 2013, the Board approved the proposal to undertake a bonus issue of 66,000,000 new ordinary shares of RM1 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.

16 Borrowings - Secured

	As at 30/06/2013 RM' 000	As at 31/03/2013 RM' 000
<u>Short Term Borrowings</u>		
- Hire Purchase	17	17
- Lease	325	324
- Bank Overdraft	-	-
- Term Loan	5,931	6,345
- Revolving Loan	40,000	-
	<u>46,272</u>	<u>6,686</u>
<u>Long Term Borrowings</u>		
- Hire Purchase	42	47
- Lease	330	411
- Term Loan	134,986	97,018
- Bridging Loan	5,844	10,991
	<u>141,202</u>	<u>108,467</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 2013.

HUA YANG BERHAD (Co. No. 44094-M)**(Incorporated in Malaysia)****Interim Financial Statements for the financial period ended 30 June 2013****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 30/06/2013	3 months ended 30/06/2012
(a) Basic earnings per share			
Profit for the period	(RM' 000)	<u>12,319</u>	<u>16,470</u>
Number of ordinary shares at beginning of the year	('000)	198,000	144,000
Effect of shares issued pursuant to:			
- Bonus Issue	('000)	<u>-</u>	<u>39,600</u>
Weighted average number of ordinary shares	('000)	<u>198,000</u>	<u>183,600</u>
Basic earnings per share	(sen)	6.22	8.97
(b) Diluted earnings per share			
	(sen)	N/A	N/A

20 Review of Group Performance

For the 1st quarter under review, the Group achieved profit after tax of RM12.32 million, representing a decrease of RM4.15 million (25%) as compared to the preceding year's corresponding quarter.

Revenue achieved for the quarter under review of RM80.50 million was 18% lower than the preceding year corresponding quarter.

Total unbilled sales at the end of the quarter under review stood at RM530.29 million.

The Group's earnings per share for the period ended 30 June 2013 was 6.22 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
	30/06/2013	30/06/2012	30/06/2013	30/06/2012
	RM' 000	RM' 000	RM' 000	RM' 000
Revenue				
Property Development	79,942	97,478	79,942	97,478
Other Operation	557	486	557	486
	<u>80,499</u>	<u>97,964</u>	<u>80,499</u>	<u>97,964</u>
Profit before tax				
Property Development	16,463	22,450	16,463	22,450
Other Operation	181	(50)	181	(50)
	<u>16,644</u>	<u>22,400</u>	<u>16,644</u>	<u>22,400</u>

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

20 Review of Group Performance (contd.)

(a) Property development:

For the quarter under review, revenue and profit before tax decreased by 18% and 27% respectively as compared to previous financial year corresponding quarter due to slower construction progress throughout the Group and minimal launches recognition from preceeding quarter and current quarter.

(b) Other operations:

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 RM16.64 million was RM6.64 million or 29% lower than the immediate preceding quarter ended 31 March 2013 of RM23.28 million.

22 Current Year Prospects

Based on the Group's pipeline of ongoing and upcoming projects, the Board remains positive of posting improved results for the financial year ending 31 March 2014.

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 17 July 2013.

25 Realised and Unrealised Profits/Losses

The breakdown of retained profits of the Group as at the reporting date into realised and unrealised profits is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and 20 December 2010 and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

	As at 30/06/2013 (RM' 000)	As at 31/03/2013 (RM' 000)
Total retained profits of the Company and its subsidiaries:		
- Realised	175,292	164,204
- Unrealised	194	(1,399)
	175,486	162,805
Less: Consolidation adjustments	(26,689)	(26,327)
Total group retained profits as per consolidated accounts	148,797	136,478