

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

Interim Financial Statements for the financial period ended 31 December 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
	31/12/2013 RM' 000	31/12/2012 RM' 000	31/12/2013 RM' 000	31/12/2012 RM' 000
Revenue	129,888	104,604	311,632	306,272
Cost of Sales	(82,676)	(62,095)	(210,663)	(190,305)
Gross Profit	47,212	42,509	100,969	115,967
Other Income	584	761	1,352	3,431
Selling and Marketing Expenses	(14,857)	(11,630)	(25,690)	(33,051)
Administrative and General Expenses	(5,252)	(4,611)	(15,512)	(14,200)
Operating Profit	27,687	27,029	61,119	72,147
Finance Costs	(212)	(36)	(310)	(124)
Profit Before Taxation	27,475	26,993	60,809	72,023
Income Tax Expenses	(7,770)	(7,059)	(16,457)	(18,559)
Profit For The Period	19,705	19,934	44,352	53,464
Profit attributable to:				
Owners of the Company	19,705	19,934	44,352	53,464
Non-controlling Interests	-	-	-	-
	19,705	19,934	44,352	53,464
Earnings Per Share Attributable To Owners Of The Company (sen)				
Basic, for profit for the period	7.46	7.55	16.80	20.81

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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(Incorporated in Malaysia)

Interim Financial Statements for the financial period ended 31 December 2013

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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
	31/12/2013 RM' 000	31/12/2012 RM' 000	31/12/2013 RM' 000	31/12/2012 RM' 000
Profit For The Period	19,705	19,934	44,352	53,464
Other Comprehensive Income For The Period, Net Of Income Tax	-	-	-	-
Total Comprehensive Income For The Period, Net Of Income Tax	19,705	19,934	44,352	53,464
Total Comprehensive Income Attributable To :				
Owners of the Company	19,705	19,934	44,352	53,464
Non-controlling Interests	-	-	-	-
	19,705	19,934	44,352	53,464

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

Interest Income	180	629	579	1,477
Other Income Including Investment Income	404	132	773	1,954
Interest Expense	212	36	310	124
Depreciation & Amortization	288	251	845	751
Provision For/Write Off of Receivables	-	15	15	17
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	44
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 31 December 2013

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	(UNAUDITED)	(AUDITED)
	As at	As at
	31/12/2013	31/03/2013
	RM' 000	RM' 000
ASSETS		
Non-current assets		
Property, plant and equipment	7,126	6,910
Concession assets	12,762	13,223
Land held for property development	361,315	374,287
Investment property	1,567	1,596
Other receivables	3,702	3,305
Fixed deposit with licenced bank	706	701
Intangible assets	9,074	9,074
Deferred tax assets	1,794	2,108
	<u>398,046</u>	<u>411,204</u>
Current assets		
Inventories	5,212	6,529
Property development costs	142,018	41,385
Trade and other receivables	51,557	38,167
Other current assets	150,656	107,068
Cash and bank balances	16,463	29,545
	<u>365,906</u>	<u>222,694</u>
TOTAL ASSETS	<u>763,952</u>	<u>633,898</u>
EQUITY AND LIABILITIES		
Current liabilities		
Trade and other payables	99,784	156,527
Other current liabilities	614	2,257
Short term borrowings	63,159	6,686
Taxation	5,711	8,498
	<u>169,268</u>	<u>173,968</u>
Net current assets	<u>196,638</u>	<u>48,726</u>
Non-current liabilities		
Trade and other payables	26,215	14,188
Deferred tax liabilities	2,182	2,798
Long term borrowings	203,919	108,467
	<u>232,316</u>	<u>125,453</u>
TOTAL LIABILITIES	<u>401,584</u>	<u>299,421</u>
Net assets	<u>362,368</u>	<u>334,477</u>
Total equity attributable to owners of the Company		
Share capital	264,000	198,000
Reserves	98,368	136,477
TOTAL EQUITY	<u>362,368</u>	<u>334,477</u>
TOTAL EQUITY AND LIABILITIES	<u>763,952</u>	<u>633,898</u>
Net Assets Attributable to Owners of the Company	362,368	334,477
Net Assets Per Share Attributable to Owners of the Company (RM)	1.37	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>9 months ended 31 December 2012</u>						
Balance as at 1 April 2012	144,000	-	122,075	266,075	2,182	268,257
Total comprehensive income for the period	-	-	53,464	53,464	-	53,464
Dividends	-	-	(17,820)	(17,820)	-	(17,820)
Share issuance on private placement	14,400	11,808	-	26,208	-	26,208
Capitalisation for bonus issue	39,600	-	(39,600)	-	-	-
Share issuance expenses	-	-	(642)	(642)	-	(642)
Acquisition of non-controlling interests	-	-	-	-	(2,182)	(2,182)
Balance as at 31 December 2012	198,000	11,808	117,477	327,285	-	327,285
<u>9 months ended 31 December 2013</u>						
Balance as at 1 April 2013	198,000	-	136,477	334,477	-	334,477
Total comprehensive income for the period	-	-	44,352	44,352	-	44,352
Dividends	-	-	(16,335)	(16,335)	-	(16,335)
Capitalisation for bonus issue	66,000	-	(66,000)	-	-	-
Share issuance expenses	-	-	(126)	(126)	-	(126)
Balance as at 31 December 2013	264,000	-	98,368	362,368	-	362,368

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.

HUA YANG BERHAD (Co. No. 44094-M)
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Interim Financial Statements for the financial period ended 31 December 2013

The figures have not been audited.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	9 months ended 31/12/2013 RM' 000	9 months ended 31/12/2012 RM' 000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	60,809	72,023
Adjustments for :		
Non-cash items	803	(431)
Non-operating items	(269)	(1,353)
	<hr/>	<hr/>
Operating profit before working capital changes	61,343	70,239
<i>Net change in current assets</i>		
Receivables	(57,333)	(23,107)
Inventories	1,317	1,348
Property development costs	8,545	31,805
Payables	(46,360)	1,818
<i>Net change in current liabilities</i>		
Tax paid	(19,546)	(14,903)
Interest received	579	1,477
Interest paid	(310)	(124)
	<hr/>	<hr/>
Net cash (used in) / from operating activities	(51,765)	68,553
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment and intangible assets	(644)	(119)
Acquisition of investment properties	-	(48)
Purchase of additional shares in subsidiary company	-	(4,100)
Proceeds from disposal of property, plant and equipment	73	2,048
Proceeds from disposal of subsidiary company	-	450
Land and development expenditure	(96,206)	(32,661)
	<hr/>	<hr/>
Net cash used in investing activities	(96,777)	(34,430)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	169,277	34,483
Repayment of borrowings	(25,716)	(55,283)
Proceeds from private placement	-	25,661
Fixed deposits	(5)	(5)
Dividend paid	(16,335)	(17,820)
Repayment to hire purchase / lease creditor	(255)	(226)
Payment of share issuance expenses	(126)	(96)
	<hr/>	<hr/>
Net cash from / (used in) financing activities	126,840	(13,286)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(21,702)	20,837
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	29,545	25,162
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<hr/> 7,843 <hr/>	<hr/> 45,999 <hr/>
Cash and cash equivalents comprise of :		
Deposits, bank and cash balances	16,463	48,477
Bank overdrafts	(8,620)	(2,478)
	<hr/> 7,843 <hr/>	<hr/> 45,999 <hr/>

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:

Amendments to FRS 101	Presentation of Items of Other Comprehensive Income
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
Amendments to FRS 136	Recoverable Amount Disclosures for Non-Financial Assets	1 January 2014
Amendments to FRS 139	Novation of Derivatives and Continuation of Hedge Accounting	1 January 2014
IC Interpretation 21	Levies	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.

PART A - EXPLANATORY NOTES PURSUANT TO FRS 134

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 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	
	31/12/2013 RM' 000	31/12/2012 RM' 000	31/12/2013 RM' 000	31/12/2012 RM' 000	31/12/2013 RM' 000	31/12/2012 RM' 000	31/12/2013 RM' 000	31/12/2012 RM' 000
Revenue:								
External customers	310,011	304,802	1,621	1,470	-	-	311,632	306,272
Inter-segment	3,719	13,723	-	-	(3,719)	(13,723)	-	-
	313,730	318,525	1,621	1,470	(3,719)	(13,723)	311,632	306,272
Results:								
Interest income	579	2,185	-	-	-	(708)	579	1,477
Dividend income	40,500	45,320	-	-	(40,500)	(45,320)	-	-
Depreciation and amortisation	(382)	(288)	(461)	(461)	(2)	(2)	(845)	(751)
Other non-cash income / (expenses)	(19)	1,226	58	-	-	-	39	1,226
Interest expenses	(310)	(124)	-	(708)	-	708	(310)	(124)
Segment profit / (loss)	60,163	73,218	646	(487)	-	(708)	60,809	72,023
Assets:								
Additions to non-current assets	99,173	41,716	-	(1)	-	-	99,173	41,715
Segment assets	1,022,135	731,500	14,064	15,081	(272,247)	(252,362)	763,952	494,219
Segment liabilities	626,569	367,030	11,541	17,643	(236,526)	(217,739)	401,584	166,934

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

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

There were no outstanding capital commitments for the group as at 31 December 2013.

HUA YANG BERHAD (Co. No. 44094-M)**(Incorporated in Malaysia)****Interim Financial Statements for the financial period ended 31 December 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 31/12/2013 RM' 000	Preceding Year Corresponding Quarter 31/12/2012 RM' 000	Current Year to Date 31/12/2013 RM' 000	Preceding Year Corresponding Year to Date 31/12/2012 RM' 000
Malaysian income tax	(7,452)	(7,268)	(16,443)	(19,390)
Deferred tax	(2)	204	302	826
	<u>(7,454)</u>	<u>(7,064)</u>	<u>(16,141)</u>	<u>(18,564)</u>
Over/(Under) provision of Malaysian income tax in prior years	<u>(316)</u>	<u>5</u>	<u>(316)</u>	<u>5</u>
	<u><u>(7,770)</u></u>	<u><u>(7,059)</u></u>	<u><u>(16,457)</u></u>	<u><u>(18,559)</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 (Proposed Bonus Issue"). The shareholders of HYB approved the Proposed Bonus Issue on 23 August 2013.

The above exercise was completed on 16 October 2013.

16 Borrowings - Secured

	As at 31/12/2013 RM' 000	As at 31/03/2013 RM' 000
Bank Overdrafts	8,620	-
Short Term Bank Borrowings	54,539	6,686
Long Term Bank Borrowings	<u>203,919</u>	<u>108,467</u>
	<u><u>267,078</u></u>	<u><u>115,153</u></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

The Board of Directors has agreed to declare an interim single tier dividend of 5 sen per share in respect of the financial year ending 31 March 2014. The Dividend Entitlement and payment dates will be announced in due course.

HUA YANG BERHAD (Co. No. 44094-M)**(Incorporated in Malaysia)****Interim Financial Statements for the financial period ended 31 December 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.

		9 months ended 31/12/2013	9 months ended 31/12/2012
(a) Basic earnings per share			
Profit for the period	(RM' 000)	<u>44,352</u>	<u>53,464</u>
Number of ordinary shares at beginning of the year	('000)	198,000	144,000
Effect of shares issued pursuant to:			
- Bonus Issue	('000)	66,000	105,600
- Private Placement	('000)	<u>-</u>	<u>7,331</u>
Weighted average number of ordinary shares	('000)	<u>264,000</u>	<u>256,931</u>
Basic earnings per share	(sen)	16.80	20.81
(b) Diluted earnings per share			
	(sen)	N/A	N/A

20 Review of Group Performance

For the quarter under review, the Group achieved profit after tax of RM19.71 million, representing a marginal decrease of RM0.23 million (1%) as compared to the preceding year's corresponding quarter.

Revenue achieved for the quarter under review of RM129.89 million was 24% higher than the preceding year corresponding quarter.

Total unbilled sales at the end of the quarter under review stood at RM838.27 million.

The Group's earnings per share for the period ended 31 December 2013 was 16.80 sen.

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

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31/12/2013 RM' 000	Preceding Year Corresponding Quarter 31/12/2012 RM' 000	Current Year to Date 31/12/2013 RM' 000	Preceding Year Corresponding Year to Date 31/12/2012 RM' 000
Revenue				
Property Development	129,332	104,119	310,011	304,802
Other Operation	556	485	1,621	1,470
	<u>129,888</u>	<u>104,604</u>	<u>311,632</u>	<u>306,272</u>
Profit before tax				
Property Development	27,259	26,834	60,163	71,802
Other Operation	216	159	646	221
	<u>27,475</u>	<u>26,993</u>	<u>60,809</u>	<u>72,023</u>

HUA YANG BERHAD (Co. No. 44094-M)

(Incorporated in Malaysia)

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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 increased by 24% and 2% respectively as compared to previous financial year corresponding quarter. The higher revenue recognition were contributed from increased launches throughout the Group in the quarter under review. However, profit before tax was marginally lower than preceding year corresponding quarter due to higher sales and marketing expenses incurred for the newly launched projects.

(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 RM27.48 million was RM10.79 million or 65% higher than the immediate preceding quarter ended 30 September 2013 of RM16.69 million.

22 Current Year Prospects

Despite the new property cooling measures, 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 22 January 2014.

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 31/12/2013 (RM' 000)	As at 31/03/2013 (RM' 000)
Total retained profits of the Company and its subsidiaries:		
- Realised	124,331	164,203
- Unrealised	320	(1,399)
	<u>124,651</u>	<u>162,804</u>
Less: Consolidation adjustments	(26,283)	(26,327)
Total group retained profits as per consolidated accounts	<u>98,368</u>	<u>136,477</u>