

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

Interim Financial Statements for the financial period ended 31 March 2014

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
	31/3/2014 RM' 000	31/3/2013 RM' 000	31/3/2014 RM' 000	31/3/2013 RM' 000
Revenue	198,261	102,398	509,893	408,670
Cost of Sales	(132,346)	(67,136)	(343,009)	(257,441)
Gross Profit	65,915	35,262	166,884	151,229
Other Income	1,114	3,601	2,466	7,032
Selling and Marketing Expenses	(7,316)	(10,694)	(33,006)	(43,745)
Administrative and General Expenses	(7,444)	(4,508)	(22,956)	(18,708)
Operating Profit	52,269	23,661	113,388	95,808
Finance Costs	(713)	(379)	(1,023)	(503)
Profit Before Taxation	51,556	23,282	112,365	95,305
Income Tax Expenses	(13,738)	(6,274)	(30,195)	(24,833)
Profit For The Period	37,818	17,008	82,170	70,472
Profit attributable to:				
Owners of the Company	37,818	17,008	82,170	70,472
Non-controlling Interests	-	-	-	-
	37,818	17,008	82,170	70,472
Earnings Per Share Attributable To Owners Of The Company (sen)				
Basic, for profit for the period	14.32	6.44	31.12	27.43

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 QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING YEAR TO DATE
	31/3/2014 RM' 000	31/3/2013 RM' 000	31/3/2014 RM' 000	31/3/2013 RM' 000
Profit For The Period	37,818	17,008	82,170	70,472
Other Comprehensive Income For The Period, Net Of Income Tax	-	-	-	-
Total Comprehensive Income For The Period, Net Of Income Tax	37,818	17,008	82,170	70,472
Total Comprehensive Income Attributable To :				
Owners of the Company	37,818	17,008	82,170	70,472
Non-controlling Interests	-	-	-	-
	37,818	17,008	82,170	70,472

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

Interest Income	265	781	844	2,258
Other Income Including Investment Income	849	2,820	1,622	4,774
Interest Expense	713	379	1,023	503
Depreciation & Amortization	306	281	1,151	1,032
Provision For/Write Off of Receivables	1	7	16	24
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 March 2014

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	(UNAUDITED) As at 31/3/2014 RM' 000	(AUDITED) As at 31/03/2013 RM' 000
ASSETS		
Non-current assets		
Property, plant and equipment	7,659	6,910
Concession assets	12,609	13,223
Land held for property development	365,367	374,287
Investment property	1,558	1,596
Other receivables	4,069	3,305
Fixed deposit with licenced bank	1,058	701
Intangible assets	9,074	9,074
Deferred tax assets	2,075	2,108
	<u>403,469</u>	<u>411,204</u>
Current assets		
Inventories	6,148	6,529
Property development costs	142,221	41,385
Trade and other receivables	75,617	38,167
Other current assets	162,725	107,068
Cash and bank balances	34,061	29,545
	<u>420,772</u>	<u>222,694</u>
TOTAL ASSETS	<u>824,241</u>	<u>633,898</u>
EQUITY AND LIABILITIES		
Current liabilities		
Trade and other payables	167,317	156,527
Other current liabilities	-	2,257
Short term borrowings	60,664	6,686
Taxation	8,552	8,498
	<u>236,533</u>	<u>173,968</u>
Net current assets	<u>184,239</u>	<u>48,726</u>
Non-current liabilities		
Trade and other payables	10,038	14,188
Deferred tax liabilities	2,002	2,798
Long term borrowings	188,682	108,467
	<u>200,722</u>	<u>125,453</u>
TOTAL LIABILITIES	<u>437,255</u>	<u>299,421</u>
Net assets	<u>386,986</u>	<u>334,477</u>
Total equity attributable to owners of the Company		
Share capital	264,000	198,000
Reserves	122,986	136,477
TOTAL EQUITY	<u>386,986</u>	<u>334,477</u>
TOTAL EQUITY AND LIABILITIES	<u>824,241</u>	<u>633,898</u>
Net Assets Attributable to Owners of the Company	386,986	334,477
Net Assets Per Share Attributable to Owners of the Company (RM)	1.47	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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Interim Financial Statements for the financial period ended 31 March 2014

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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>12 months ended 31 March 2013</u>						
Balance as at 1 April 2012	144,000	-	122,075	266,075	2,182	268,257
Total comprehensive income for the period	-	-	70,472	70,472	-	70,472
Dividends	-	-	(25,245)	(25,245)	-	(25,245)
Share issuance on private placement	14,400	11,808	-	26,208	-	26,208
Capitalisation for bonus issue	39,600	(11,808)	(27,792)	-	-	-
Share issuance expenses	-	-	(641)	(641)	-	(641)
Acquisition of non-controlling interests	-	-	(2,392)	(2,392)	(2,182)	(4,574)
Balance as at 31 March 2013	198,000	-	136,477	334,477	-	334,477
<u>12 months ended 31 March 2014</u>						
Balance as at 1 April 2013	198,000	-	136,477	334,477	-	334,477
Total comprehensive income for the period	-	-	82,170	82,170	-	82,170
Dividends	-	-	(29,535)	(29,535)	-	(29,535)
Capitalisation for bonus issue	66,000	-	(66,000)	-	-	-
Share issuance expenses	-	-	(126)	(126)	-	(126)
Balance as at 31 March 2014	264,000	-	122,986	386,986	-	386,986

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 March 2014

The figures have not been audited.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	12 months ended 31/3/2014 RM' 000	12 months ended 31/3/2013 RM' 000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	112,365	95,305
Adjustments for :		
Non-cash items	1,602	(386)
Non-operating items	179	(2,115)
Operating profit before working capital changes	114,146	92,804
<i>Net change in current assets</i>		
Receivables	(93,855)	(21,168)
Inventories	381	(1,584)
Property development costs	17,594	39,390
Payables	3,928	100,875
<i>Net change in current liabilities</i>		
Tax paid	(30,904)	(23,403)
Interest received	844	2,258
Interest paid	(1,023)	(143)
Net cash from operating activities	11,111	189,029
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment and intangible assets	(1,336)	(285)
Acquisition of investment properties	-	(48)
Purchase of additional shares in subsidiary company	-	(4,100)
Proceeds from disposal of property, plant and equipment	75	1,997
Proceeds from disposal of subsidiary company	-	450
Land and development expenditure	(109,511)	(199,873)
Net cash used in investing activities	(110,772)	(201,859)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	189,118	85,611
Repayment of borrowings	(59,501)	(68,392)
Proceeds from private placement	-	26,208
Fixed deposits	(356)	(6)
Dividend paid	(29,535)	(25,245)
Repayment to hire purchase / lease creditor	(341)	(320)
Payment of share issuance expenses	(126)	(642)
Net cash from financing activities	99,259	17,214
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(402)	4,384
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	29,546	25,162
CASH AND CASH EQUIVALENTS AT END OF PERIOD	29,144	29,546
Cash and cash equivalents comprise of :		
Deposits, bank and cash balances	34,061	29,546
Bank overdrafts	(4,917)	-
	29,144	29,546

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.

HUA YANG BERHAD (Co. No. 44094-M)
(Incorporated in Malaysia)
Interim Financial Statements for the financial period ended 31 March 2014

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 3	Business Combinations
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
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 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
Annual Improvements 2009-2011 Cycle	

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
Amendments to FRS 119	Amendments to FRS 119: Defined Benefit Plans: Employee Contributions	1 July 2014
FRS 9 Financial Instruments (IFRS 9 issued by IASB* in November 2009)		To be announced
FRS 9 Financial Instruments (IFRS 9 issued by IASB* in October 2010)		To be announced
FRS 9 Financial Instruments: Hedge Accounting and amendments to FRS 9, FRS 7 and FRS 139		To be announced
Annual Improvements to FRSs 2010 - 2012 Cycle		1 July 2014
Annual Improvements to FRSs 2011 - 2013 Cycle		1 July 2014

* International Accounting Standards Board

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

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(Incorporated in Malaysia)
Interim Financial Statements for the financial period ended 31 March 2014

PART A - EXPLANATORY NOTES PURSUANT TO FRS 134

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.

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	
	31/3/2014 RM' 000	31/3/2013 RM' 000	31/3/2014 RM' 000	31/3/2013 RM' 000	31/3/2014 RM' 000	31/3/2013 RM' 000	31/3/2014 RM' 000	31/3/2013 RM' 000
Revenue:								
External customers	507,710	406,688	2,183	1,982	-	-	509,893	408,670
Inter-segment	4,590	16,720	-	-	(4,590)	(16,720)	-	-
	512,300	423,408	2,183	1,982	(4,590)	(16,720)	509,893	408,670
Results:								
Interest income	844	2,966	-	-	-	(708)	844	2,258
Dividend income	57,500	108,820	-	-	(57,500)	(108,820)	-	-
Depreciation and amortisation	(534)	(415)	(614)	(614)	(3)	(3)	(1,151)	(1,032)
Other non-cash income / (expenses)	5,942	11,700	(1,350)	4,378	(4,614)	(14,870)	(22)	1,208
Interest expenses	(5,637)	(16,299)	(1,417)	(708)	6,032	16,504	(1,023)	(503)
Segment profit / (loss)	114,381	96,268	(585)	(255)	(1,431)	(708)	112,365	95,305
Assets:								
Additions to non-current assets	114,017	211,896	-	-	-	-	114,017	211,896
Segment assets	1,104,314	833,369	13,729	14,530	(293,802)	(214,001)	824,241	633,898
Segment liabilities	683,173	467,045	12,482	12,506	(258,400)	(180,130)	437,255	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

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 March 2014.

HUA YANG BERHAD (Co. No. 44094-M)**(Incorporated in Malaysia)****Interim Financial Statements for the financial period ended 31 March 2014****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 31/3/2014 RM' 000	Preceding Year Corresponding Quarter 31/3/2013 RM' 000	Current Year to Date 31/3/2014 RM' 000	Preceding Year Corresponding Year to Date 31/3/2013 RM' 000
Malaysian income tax	(14,199)	(6,715)	(30,642)	(26,105)
Deferred tax	461	441	763	1,267
	<u>(13,738)</u>	<u>(6,274)</u>	<u>(29,879)</u>	<u>(24,838)</u>
Over/(Under) provision of Malaysian income tax in prior years	0	-	(316)	5
	<u>(13,738)</u>	<u>(6,274)</u>	<u>(30,195)</u>	<u>(24,833)</u>

15 Corporate Proposals

As of 21 May 2014, the Company has not announced any corporate proposal.

16 Borrowings - Secured

	As at 31/3/2014 RM' 000	As at 31/03/2013 RM' 000
Bank Overdrafts	4,917	-
Short Term Bank Borrowings	55,747	6,686
Long Term Bank Borrowings	188,682	108,467
	<u>249,346</u>	<u>115,153</u>

Status of Sukuk Murabahah Programme Announced but not completed:

On 29 April 2014, Public Investment Bank Berhad had, on behalf of the Board announced that the Company has obtained approval from the Securities Commission Malaysia on 28 April 2014 with regards to the proposed Sukuk Murabahah Programme of up to RM250.0 million in nominal value.

Proceed raised from the Sukuk Murabahah Programme issuance shall be utilised to part finance the acquisition cost of the Shariah compliant development land(s) and/or such other Shariah compliant property(ies).

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

For the financial year ending 31 March 2014, the Board of Directors propose a final single tier dividend of 7 sen per share amounting to RM18.48 million, subject to the approval of shareholders at the forthcoming Annual General Meeting.

HUA YANG BERHAD (Co. No. 44094-M)**(Incorporated in Malaysia)****Interim Financial Statements for the financial period ended 31 March 2014****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.

		12 months ended 31/3/2014	12 months ended 31/3/2013
(a) Basic earnings per share			
Profit for the period	(RM' 000)	<u>82,170</u>	<u>70,472</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)	31.12	27.43
(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 RM37.82 million, representing an increase of RM20.81 million (122%) as compared to the preceding year's corresponding quarter.

Revenue achieved for the quarter under review of RM198.26 million was 94% higher than the preceding year corresponding quarter.

Total unbilled sales at the end of the quarter under review stood at RM808.13 million.

The Group's earnings per share for the period ended 31 March 2014 was 31.12 sen.

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

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31/3/2014 RM' 000	Preceding Year Corresponding Quarter 31/3/2013 RM' 000	Current Year to Date 31/3/2014 RM' 000	Preceding Year Corresponding Year to Date 31/3/2013 RM' 000
Revenue				
Property Development	197,699	101,886	507,710	406,688
Other Operation	562	512	2,183	1,982
	<u>198,261</u>	<u>102,398</u>	<u>509,893</u>	<u>408,670</u>
Profit before tax				
Property Development	51,356	23,050	111,519	94,852
Other Operation	200	232	846	453
	<u>51,556</u>	<u>23,282</u>	<u>112,365</u>	<u>95,305</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 increased by 94% and 123% respectively as compared to previous financial year corresponding quarter. The higher revenue and profit before tax were contributed from steady construction progress from all on-going project throughout Malaysia.

(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 RM51.56 million was RM24.08 million or 88% higher than the immediate preceding quarter ended 31 December 2013 of RM27.48 million.

22 Current Year Prospects

The Board is satisfied with the growth momentum, strong demand and sales achieved for the 4th quarter under review and for the year ended 31 March 2014. Despite rising cost coupled with property cooling measures, the Board is positive of posting improved results for the financial year ending 31 March 2015.

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 21 May 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 31/03/2014 (RM' 000)	As at 31/03/2013 (RM' 000)
Total retained profits of the Company and its subsidiaries:		
- Realised	150,534	164,203
- Unrealised	386	(1,399)
	150,920	162,804
Less: Consolidation adjustments	(27,934)	(26,327)
Total group retained profits as per consolidated accounts	122,986	136,477