

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

Interim Financial Statements for the financial period ended 30 June 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
	30/06/2014 RM' 000	30/06/2013 RM' 000	30/06/2014 RM' 000	30/06/2013 RM' 000
Revenue	136,470	80,499	136,470	80,499
Cost of Sales	(93,243)	(55,813)	(93,243)	(55,813)
Gross Profit	43,227	24,686	43,227	24,686
Other Income	604	421	604	421
Selling and Marketing Expenses	(4,217)	(3,446)	(4,217)	(3,446)
Administrative and General Expenses	(6,778)	(5,004)	(6,778)	(5,004)
Operating Profit	32,836	16,657	32,836	16,657
Finance Costs	(263)	(13)	(263)	(13)
Profit Before Taxation	32,573	16,644	32,573	16,644
Income Tax Expenses	(8,631)	(4,325)	(8,631)	(4,325)
Profit For The Period	23,942	12,319	23,942	12,319
Profit attributable to:				
Owners of the Company	23,942	12,319	23,942	12,319
Non-controlling Interests	-	-	-	-
	23,942	12,319	23,942	12,319
Earnings Per Share Attributable To Owners Of The Company (sen)				
Basic, for profit for the period	9.07	4.67	9.07	4.67

The Condensed Consolidated Income Statements should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2014 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
	30/06/2014 RM' 000	30/06/2013 RM' 000	30/06/2014 RM' 000	30/06/2013 RM' 000
Profit For The Period	23,942	12,319	23,942	12,319
Other Comprehensive Income For The Period, Net Of Income Tax	-	-	-	-
Total Comprehensive Income For The Period, Net Of Income Tax	23,942	12,319	23,942	12,319
Total Comprehensive Income Attributable To :				
Owners of the Company	23,942	12,319	23,942	12,319
Non-controlling Interests	-	-	-	-
	23,942	12,319	23,942	12,319

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

Interest Income	228	217	228	217
Other Income Including Investment Income	376	204	376	204
Interest Expense	263	13	263	13
Depreciation & Amortization	302	274	302	274
Provision For/Write Off of Receivables	-	5	-	5
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 2014 and the accompanying 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 2014

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	(UNAUDITED) As at 30/06/2014 RM' 000	(UNAUDITED) As at 31/03/2014 RM' 000
ASSETS		
Non-current assets		
Property, plant and equipment	7,563	7,659
Concession assets	12,455	12,609
Land held for property development	362,689	365,367
Investment property	1,548	1,558
Other receivables	3,988	3,984
Fixed deposit with licenced bank	1,059	1,058
Intangible assets	9,074	9,074
Deferred tax assets	2,414	2,585
	<u>400,790</u>	<u>403,894</u>
Current assets		
Inventories	9,962	6,482
Property development costs	145,087	141,890
Trade and other receivables	62,560	82,644
Other current assets	165,611	162,725
Cash and bank balances	26,953	35,130
	<u>410,173</u>	<u>428,871</u>
TOTAL ASSETS	<u>810,963</u>	<u>832,765</u>
EQUITY AND LIABILITIES		
Current liabilities		
Trade and other payables	134,546	174,485
Other current liabilities	358	-
Short term borrowings	74,167	60,671
Taxation	10,384	8,552
	<u>219,455</u>	<u>243,708</u>
Net current assets	<u>190,718</u>	<u>185,163</u>
Non-current liabilities		
Trade and other payables	13,541	10,954
Deferred tax liabilities	1,834	2,512
Long term borrowings	165,209	188,609
	<u>180,584</u>	<u>202,075</u>
TOTAL LIABILITIES	<u>400,039</u>	<u>445,783</u>
Net assets	<u>410,924</u>	<u>386,982</u>
Total equity attributable to owners of the Company		
Share capital	264,000	264,000
Reserves	146,924	122,982
TOTAL EQUITY	<u>410,924</u>	<u>386,982</u>
TOTAL EQUITY AND LIABILITIES	<u>810,963</u>	<u>832,765</u>
Net Assets Attributable to Owners of the Company	410,924	386,982
Net Assets Per Share Attributable to Owners of the Company (RM)	1.56	1.47

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2014 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 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	198,000	-	148,797	346,797	-	346,797
<u>3 months ended 30 June 2014</u>						
Balance as at 1 April 2014	264,000	-	122,982	386,982	-	386,982
Total comprehensive income for the period	-	-	23,942	23,942	-	23,942
Balance as at 30 June 2014	264,000	-	146,924	410,924	-	410,924

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2014 and the explanatory notes attached to the interim financial statements.

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Interim Financial Statements for the financial period ended 30 June 2014

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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	3 months ended 30/06/2014 RM' 000	3 months ended 30/06/2013 RM' 000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	32,573	16,644
Adjustments for :		
Non-cash items	295	242
Non-operating items	35	(203)
Operating profit before working capital changes	32,903	16,683
<i>Net change in current assets</i>		
Receivables	17,199	(4,652)
Inventories	(3,481)	1,556
Property development costs	10,624	5,479
Payables	(23,793)	(87,585)
<i>Net change in current liabilities</i>		
Tax paid	(7,304)	(5,792)
Interest received	228	217
Interest paid	(263)	(13)
Net cash from operating activities	26,113	(74,107)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment and intangible assets	(43)	(13)
Land and development expenditure	(11,142)	(9,463)
Net cash used in investing activities	(11,185)	(9,476)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	62,297	90,957
Repayment of borrowings	(82,175)	(18,550)
Fixed deposits	(1)	(2)
Dividend paid	(13,200)	-
Repayment to hire purchase / lease creditor	(85)	(85)
Net cash from financing activities	(33,164)	72,320
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(18,236)	(11,263)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	30,213	29,545
CASH AND CASH EQUIVALENTS AT END OF PERIOD	11,977	18,282
Cash and cash equivalents comprise of :		
Deposits, bank and cash balances	26,953	18,282
Bank overdrafts	(14,976)	-
	11,977	18,282

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2014 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 30 June 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 2014. 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 2014.

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 2014 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 2014:

Amendments to FRS 132	Offsetting Financial Assets and Financial Liabilities
Amendments to FRS 10, FRS 12 and FRS 127	Investment Entities
Amendments to FRS 136	Recoverable Amount Disclosures for Non-Financial Assets
Amendments to FRS 139	Novation of Derivatives and Continuation of Hedge Accounting
IC Interpretation 21	Levies

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 119	Amendments to FRS 119: Defined Benefit Plans: Employee Contributions
	1 July 2014
Annual Improvements to FRSs 2010 - 2012 Cycle	1 July 2014
Annual Improvements to FRSs 2011 - 2013 Cycle	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

* 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 30 June 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 2014 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

During the quarter under review, the Company paid an interim single tier dividend of 5% per share amounting to RM13,200,000 for the financial year ended 31 March 2014.

8 Segment Information

	Property Development		Other Operation		Adjustments and Eliminations		Per Consolidated Financial Statements	
	30/06/2014 RM' 000	30/06/2013 RM' 000	30/06/2014 RM' 000	30/06/2013 RM' 000	30/06/2014 RM' 000	30/06/2013 RM' 000	30/06/2014 RM' 000	30/06/2013 RM' 000
Revenue:								
External customers	135,898	79,942	572	557	-	-	136,470	80,499
Inter-segment	579	1,700	-	-	(579)	(1,700)	-	-
	136,476	81,642	572	557	(579)	(1,700)	136,470	80,499
Results:								
Interest income	228	217	-	-	-	-	228	217
Dividend income	-	-	-	-	-	-	-	-
Depreciation and amortisation	(147)	(119)	(154)	(154)	(1)	(1)	(302)	(274)
Other non-cash income / (expenses)	-	(5)	7	37	-	-	7	32
Interest expenses	(263)	(13)	-	-	-	-	(263)	(13)
Segment profit / (loss)	32,355	16,463	218	181	-	-	32,573	16,644
Assets:								
Additions to non-current assets	11,678	9,822	-	-	-	-	11,678	9,822
Segment assets	1,095,403	882,504	13,431	14,493	(297,871)	(267,638)	810,963	629,359
Segment liabilities	649,104	502,583	14,968	12,254	(264,033)	(232,275)	400,039	282,562

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 2014.

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 2014.

13 Capital Commitments

There were no outstanding capital commitments for the group as at 30 June 2014.

HUA YANG BERHAD (Co. No. 44094-M)
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Interim Financial Statements for the financial period ended 30 June 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 30/06/2014 RM' 000	Preceding Year Corresponding Quarter 30/06/2013 RM' 000	Current Year to Date 30/06/2014 RM' 000	Preceding Year Corresponding Year to Date 30/06/2013 RM' 000
Malaysian income tax	(9,136)	(4,499)	(9,136)	(4,499)
Deferred tax	505	174	505	174
	(8,631)	(4,325)	(8,631)	(4,325)
Over/(Under) provision of Malaysian income tax in prior years	-	-	-	-
	(8,631)	(4,325)	(8,631)	(4,325)

15 Corporate Proposals

As of 16 July 2014, the Company has not announced any corporate proposal.

16 Borrowings - Secured

	As at 30/06/2014 RM' 000	As at 31/03/2014 RM' 000
Bank Overdrafts	14,977	4,917
Short Term Bank Borrowings	59,190	55,754
Long Term Bank Borrowings	165,209	188,609
	239,375	249,280

Status of Sukuk Murabahah Programme announced and 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

No interim dividend has been declared for the financial period ended 30 June 2014.

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Interim Financial Statements for the financial period ended 30 June 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.

		3 months ended 30/06/2014	3 months ended 30/06/2013
(a) Basic earnings per share			
Profit for the period	(RM' 000)	<u>23,942</u>	<u>12,319</u>
Number of ordinary shares at beginning of the year	('000)	264,000	198,000
Effect of shares issued pursuant to:			
- Bonus Issue	('000)	<u>-</u>	<u>66,000</u>
Weighted average number of ordinary shares	('000)	<u>264,000</u>	<u>264,000</u>
Basic earnings per share	(sen)	9.07	4.67
(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 RM23.94 million, representing an increase of RM11.62 million (94%) as compared to the preceding year's corresponding quarter.

Revenue achieved for the quarter under review of RM136.47 million was 70% higher than the preceding year corresponding quarter.

Total unbilled sales at the end of the quarter under review stood at RM756.38 million.

The Group's earnings per share for the period ended 30 June 2014 was 9.07 sen.

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

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30/06/2014 RM' 000	Preceding Year Corresponding Quarter 30/06/2013 RM' 000	Current Year to Date 30/06/2014 RM' 000	Preceding Year Corresponding Year to Date 30/06/2013 RM' 000
Revenue				
Property Development	135,898	79,942	135,898	79,942
Other Operation	<u>572</u>	<u>557</u>	<u>572</u>	<u>557</u>
	<u>136,470</u>	<u>80,499</u>	<u>136,470</u>	<u>80,499</u>
Profit before tax				
Property Development	32,355	16,463	32,355	16,463
Other Operation	<u>218</u>	<u>181</u>	<u>218</u>	<u>181</u>
	<u>32,573</u>	<u>16,644</u>	<u>32,573</u>	<u>16,644</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 70% and 97% respectively as compared to the previous financial year corresponding quarter. The higher revenue and profit before tax were contributed from steady construction progress from all on-going projects 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 RM32.57 million was RM18.98 million or 37% lower than the immediate preceding quarter ended 31 March 2014 of RM51.56 million.

22 Current Year Prospects

Based on the Group's pipeline of on-going and upcoming launches, the Board remains 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 16 July 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 30/06/2014 (RM' 000)	As at 31/03/2014 (RM' 000)
Total retained profits of the Company and its subsidiaries:		
- Realised	174,236	150,530
- Unrealised	891	386
	175,125	150,916
Less: Consolidation adjustments	(28,201)	(27,934)
Total group retained profits as per consolidated accounts	146,924	122,982