

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

Interim Financial Statements for the financial period ended 31 December 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
	31/12/2014 RM' 000	31/12/2013 RM' 000	31/12/2014 RM' 000	31/12/2013 RM' 000
Revenue	155,500	129,888	431,461	311,632
Cost of Sales	(96,232)	(82,676)	(283,739)	(210,663)
Gross Profit	59,268	47,212	147,722	100,969
Other Income	881	584	2,353	1,352
Selling and Marketing Expenses	(4,385)	(14,857)	(12,390)	(25,690)
Administrative and General Expenses	(12,178)	(5,252)	(25,791)	(15,512)
Operating Profit	43,586	27,687	111,894	61,119
Finance Costs	(380)	(212)	(944)	(310)
Profit Before Taxation	43,206	27,475	110,950	60,809
Income Tax Expenses	(12,269)	(7,770)	(30,089)	(16,457)
Profit For The Period	30,937	19,705	80,861	44,352
Profit attributable to:				
Owners of the Company	30,937	19,705	80,861	44,352
Non-controlling Interests	-	-	-	-
	30,937	19,705	80,861	44,352
Earnings Per Share Attributable To Owners Of The Company (sen)				
Basic, for profit for the period	11.72	7.46	30.63	16.80

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
	31/12/2014 RM' 000	31/12/2013 RM' 000	31/12/2014 RM' 000	31/12/2013 RM' 000
Profit For The Period	30,937	19,705	80,861	44,352
Other Comprehensive Income For The Period, Net Of Income Tax	-	-	-	-
Total Comprehensive Income For The Period, Net Of Income Tax	30,937	19,705	80,861	44,352
Total Comprehensive Income Attributable To :				
Owners of the Company	30,937	19,705	80,861	44,352
Non-controlling Interests	-	-	-	-
	30,937	19,705	80,861	44,352

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

Interest Income	383	180	838	579
Other Income Including Investment Income	498	404	1,515	773
Interest Expense	380	212	944	310
Depreciation & Amortization	322	288	930	845
Provision For/Write Off of Receivables	126	-	126	15
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	4,365	N/A	4,365	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 31 December 2014

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	(UNAUDITED) As at 31/12/2014 RM' 000	(AUDITED) As at 31/03/2014 RM' 000
ASSETS		
Non-current assets		
Property, plant and equipment	7,942	7,659
Concession assets	7,783	12,609
Land held for property development	359,169	365,367
Investment property	1,529	1,558
Other receivables	4,674	3,984
Fixed deposit with licenced bank	1,062	1,058
Intangible assets	9,074	9,074
Deferred tax assets	2,967	2,585
	<u>394,200</u>	<u>403,894</u>
Current assets		
Inventories	9,849	6,482
Property development costs	175,532	141,890
Trade and other receivables	73,344	82,644
Other current assets	180,281	162,725
Cash and bank balances	44,101	35,130
	<u>483,107</u>	<u>428,871</u>
TOTAL ASSETS	<u>877,307</u>	<u>832,765</u>
EQUITY AND LIABILITIES		
Current liabilities		
Trade and other payables	118,161	174,485
Other current liabilities	4,364	-
Short term borrowings	82,169	60,671
Taxation	16,439	8,552
	<u>221,133</u>	<u>243,708</u>
Net current assets	<u>261,974</u>	<u>185,163</u>
Non-current liabilities		
Trade and other payables	17,762	10,954
Deferred tax liabilities	1,628	2,512
Long term borrowings	187,421	188,609
	<u>206,811</u>	<u>202,075</u>
TOTAL LIABILITIES	<u>427,944</u>	<u>445,783</u>
Net assets	<u>449,363</u>	<u>386,982</u>
Total equity attributable to owners of the Company		
Share capital	264,000	264,000
Reserves	185,363	122,982
TOTAL EQUITY	<u>449,363</u>	<u>386,982</u>
TOTAL EQUITY AND LIABILITIES	<u>877,307</u>	<u>832,765</u>
Net Assets Attributable to Owners of the Company	449,363	386,982
Net Assets Per Share Attributable to Owners of the Company (RM)	1.70	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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Interim Financial Statements for the financial period ended 31 December 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 Equity
	RM' 000	RM' 000	RM' 000	RM' 000
<u>9 months ended 31 December 2013</u>				
Balance as at 1 April 2013	198,000	-	136,477	334,477
Total comprehensive income for the period	-	-	44,352	44,352
Dividends	-	-	(16,335)	(16,335)
Capitalisation for bonus issue	66,000	-	(66,000)	-
Share issuance expenses	-	-	(126)	(126)
Balance as at 31 December 2013	<u>264,000</u>	<u>-</u>	<u>98,368</u>	<u>362,368</u>
<u>9 months ended 31 December 2014</u>				
Balance as at 1 April 2014	264,000	-	122,982	386,982
Total comprehensive income for the period	-	-	80,861	80,861
Balance as at 31 December 2014	<u>264,000</u>	<u>-</u>	<u>185,363</u>	<u>449,363</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 2014 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 2014

The figures have not been audited.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	9 months ended 31/12/2014 RM' 000	9 months ended 31/12/2013 RM' 000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	110,950	60,809
Adjustments for :		
Non-cash items	5,411	803
Non-operating items	106	(269)
Operating profit before working capital changes	116,467	61,343
<i>Net change in current assets</i>		
Receivables	(9,062)	(57,333)
Inventories	(3,367)	1,317
Property development costs	22,539	8,545
<i>Net change in current liabilities</i>		
Payables	(31,953)	(46,360)
Cash generated from / (used in) operations	94,624	(32,488)
Tax paid	(23,468)	(19,546)
Interest received	838	579
Interest paid	(944)	(310)
Net cash from / (used in) operating activities	71,050	(51,765)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment and intangible assets	(724)	(644)
Proceeds from disposal of property, plant and equipment	-	73
Land and development expenditure	(49,982)	(96,206)
Net cash used in investing activities	(50,706)	(96,777)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	61,830	169,277
Repayment of borrowings	(50,711)	(25,716)
Fixed deposits	(4)	(5)
Dividend paid	(31,680)	(16,335)
Repayment to hire purchase / lease creditor	(256)	(255)
Payment of share issuance expenses	-	(126)
Net cash (used in) / from financing activities	(20,821)	126,840
NET DECREASE IN CASH AND CASH EQUIVALENTS	(477)	(21,702)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	30,213	29,545
CASH AND CASH EQUIVALENTS AT END OF PERIOD	29,736	7,843
Cash and cash equivalents comprise of :		
Deposits, bank and cash balances	44,101	16,463
Bank overdrafts	(14,365)	(8,620)
	29,736	7,843

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 31 December 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	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
Amendments to FRS 11	Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
FRS 14	Regulatory Deferral Accounts	1 January 2016
Amendments to FRS 116 and FRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to FRS 127	Equity Method in Separate Financial Statements	1 January 2016
Amendments to FRS 10 and FRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
Annual Improvements to FRSs 2012 - 2014 Cycle		1 January 2016
FRS 9	Financial Instruments	1 January 2018

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 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.

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

PART A - EXPLANATORY NOTES PURSUANT TO FRS 134

7 Dividends Paid

On 15 October 2014, the Company paid a final single-tier dividend of 7% per share, amounting RM18,480,000 in respect of the financial year ended 31 March 2014.

8 Segment Information

	Property Development		Other Operation		Adjustments and Eliminations		Per Consolidated Financial Statements	
	31/12/2014 RM' 000	31/12/2013 RM' 000	31/12/2014 RM' 000	31/12/2013 RM' 000	31/12/2014 RM' 000	31/12/2013 RM' 000	31/12/2014 RM' 000	31/12/2013 RM' 000
Revenue:								
External customers	429,785	310,011	1,676	1,621	-	-	431,461	311,632
Inter-segment	1,563	3,719	-	-	(1,563)	(3,719)	-	-
	431,348	313,730	1,676	1,621	(1,563)	(3,719)	431,461	311,632
Results:								
Interest income	838	579	-	-	-	-	838	579
Dividend income	-	(40,500)	-	-	-	40,500	-	-
Depreciation and amortisation	(467)	(382)	(461)	(461)	(2)	(2)	(930)	(845)
Other non-cash income / (expenses)	(127)	(19)	(4,354)	58	-	-	(4,481)	39
Interest expenses	(944)	(310)	-	-	-	-	(944)	(310)
Segment profit / (loss)	114,720	60,163	(3,770)	646	-	-	110,950	60,809
Assets:								
Additions to non-current assets	33,251	99,173	-	-	-	-	33,251	99,173
Segment assets	1,144,491	1,022,135	8,609	14,064	(275,793)	(272,247)	877,307	763,952
Segment liabilities	660,771	626,569	14,243	11,541	(247,070)	(236,526)	427,944	401,584

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 31 December 2014.

HUA YANG BERHAD (Co. No. 44094-M)**(Incorporated in Malaysia)****Interim Financial Statements for the financial period ended 31 December 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 31/12/2014 RM' 000	Preceding Year Corresponding Quarter 31/12/2013 RM' 000	Current Year to Date 31/12/2014 RM' 000	Preceding Year Corresponding Year to Date 31/12/2013 RM' 000
Malaysian income tax	(12,732)	(7,452)	(31,521)	(16,443)
Deferred tax	280	(2)	1,249	302
	<u>(12,452)</u>	<u>(7,454)</u>	<u>(30,272)</u>	<u>(16,141)</u>
Over/(Under) provision of Malaysian income tax in prior years	183	(316)	183	(316)
	<u>(12,269)</u>	<u>(7,770)</u>	<u>(30,089)</u>	<u>(16,457)</u>

15 Corporate Proposals

As of 21 January 2015, the Company has not announced any corporate proposal.

16 Borrowings - Secured

	As at 31/12/2014 RM' 000	As at 31/03/2014 RM' 000
Bank Overdrafts	14,365	4,917
Short Term Bank Borrowings	67,804	55,754
Long Term Bank Borrowings	187,421	188,609
	<u>269,590</u>	<u>249,280</u>

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).

There were no drawdown of facilities up to the date of issuance of this interim financial statements.

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 2015. 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 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.

		9 months ended 31/12/2014	9 months ended 31/12/2013
(a) Basic earnings per share			
Profit for the period	(RM' 000)	<u>80,861</u>	<u>44,352</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)	30.63	16.80
(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 RM30.94 million, representing an increase of RM11.23 million (57%) as compared to the preceding year's corresponding quarter.

Revenue achieved for the quarter under review of RM155.50 million was 20% higher than the preceding year corresponding quarter.

Total unbilled sales at the end of the quarter under review stood at RM733.34 million.

The Group's earnings per share for the period ended 31 December 2014 was 30.63 sen.

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

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31/12/2014 RM' 000	Preceding Year Corresponding Quarter 31/12/2013 RM' 000	Current Year to Date 31/12/2014 RM' 000	Preceding Year Corresponding Year to Date 31/12/2013 RM' 000
Revenue				
Property Development	154,952	129,332	429,785	310,011
Other Operation	548	556	1,676	1,621
	<u>155,500</u>	<u>129,888</u>	<u>431,461</u>	<u>311,632</u>
Profit before tax				
Property Development	47,355	27,259	114,720	60,163
Other Operation	(4,149)	216	(3,770)	646
	<u>43,206</u>	<u>27,475</u>	<u>110,950</u>	<u>60,809</u>

HUA YANG BERHAD (Co. No. 44094-M)**(Incorporated in Malaysia)****Interim Financial Statements for the financial period ended 31 December 2014****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 20% and 74% 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 RM43.21 million was RM8.04 million or 23% higher than the immediate preceding quarter ended 30 September 2014 of RM35.17 million.

22 Current Year Prospects

The Board is satisfied with the Group's financial results for the quarter under review. Barring any unforeseen circumstances, the Board is of the view that the performance in the remaining financial quarter will continue to be driven by the Group's relatively high unbilled sales and the steady construction progress from its multiple on-going development projects for its 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 January 2015.

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 31/12/2014 (RM' 000)	As at 31/03/2014 (RM' 000)
Total retained profits of the Company and its subsidiaries:		
- Realised	212,907	150,530
- Unrealised	1,653	386
	<u>214,560</u>	<u>150,916</u>
Less: Consolidation adjustments	(29,197)	(27,934)
Total group retained profits as per consolidated accounts	<u>185,363</u>	<u>122,982</u>