

**TO BE RELEASED TO BURSA**



**HUA YANG GROUP OF COMPANIES**

**INTERIM FINANCIAL RESULTS**

**FIRST QUARTER ENDED 30 JUNE 2015**

**Interim Financial Statements for the financial period ended 30 June 2015**

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
	30/06/2015 RM' 000	30/06/2014 RM' 000	30/06/2015 RM' 000	30/06/2014 RM' 000
Revenue	142,574	136,470	142,574	136,470
Cost of Sales	(91,052)	(93,243)	(91,052)	(93,243)
<b>Gross Profit</b>	<b>51,522</b>	43,227	<b>51,522</b>	43,227
Other Income	797	604	797	604
Selling and Marketing Expenses	(4,325)	(4,217)	(4,325)	(4,217)
Administrative and General Expenses	(7,565)	(6,778)	(7,565)	(6,778)
<b>Operating Profit</b>	<b>40,429</b>	32,836	<b>40,429</b>	32,836
Finance Costs	(244)	(263)	(244)	(263)
<b>Profit Before Taxation</b>	<b>40,185</b>	32,573	<b>40,185</b>	32,573
Income Tax Expenses	(10,294)	(8,631)	(10,294)	(8,631)
<b>Profit For The Period</b>	<b>29,891</b>	23,942	<b>29,891</b>	23,942
Profit attributable to:				
Owners of the Company	29,891	23,942	29,891	23,942
Non-controlling Interests	-	-	-	-
	<b>29,891</b>	23,942	<b>29,891</b>	23,942
<b>Earnings Per Share Attributable To Owners Of The Company (sen)</b>				
Basic, for profit for the period	11.32	9.07	11.32	9.07

The Condensed Consolidated Income Statements should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2015 and the accompanying explanatory notes attached to the interim financial statements.

Interim Financial Statements for the financial period ended 30 June 2015

The figures have not been audited.

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
	30/06/2015 RM' 000	30/06/2014 RM' 000	30/06/2015 RM' 000	30/06/2014 RM' 000
Profit For The Period	29,891	23,942	29,891	23,942
Other Comprehensive Income For The Period, Net Of Income Tax	-	-	-	-
<b>Total Comprehensive Income For The Period, Net Of Income Tax</b>	<b>29,891</b>	<b>23,942</b>	<b>29,891</b>	<b>23,942</b>
Total Comprehensive Income Attributable To :				
Owners of the Company	29,891	23,942	29,891	23,942
Non-controlling Interests	-	-	-	-
	<b>29,891</b>	<b>23,942</b>	<b>29,891</b>	<b>23,942</b>

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

Interest Income	648	228	648	228
Other Income Including Investment Income	149	376	149	376
Interest Expense	244	263	244	263
Depreciation & Amortization	332	302	332	302
Provision For/Write Off of Receivables	8	-	8	-
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	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 2015 and the accompanying explanatory notes attached to the interim financial statements.

Interim Financial Statements for the financial period ended 30 June 2015

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	(UNAUDITED) As at 30/06/2015 RM' 000	(UNAUDITED) As at 31/03/2015 RM' 000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	9,045	9,210
Concession assets	11,841	11,995
Land held for property development	394,387	387,893
Investment property	1,862	1,867
Other receivables	5,162	4,725
Fixed deposit with licenced bank	1,078	1,077
Intangible assets	9,074	9,074
Deferred tax assets	3,527	3,536
	<u>435,976</u>	<u>429,377</u>
<b>Current assets</b>		
Inventories	10,473	9,959
Property development costs	161,498	169,570
Trade and other receivables	72,928	88,922
Other current assets	200,743	189,613
Cash and bank balances	62,614	40,948
	<u>508,256</u>	<u>499,012</u>
<b>TOTAL ASSETS</b>	<u>944,232</u>	<u>928,389</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Current liabilities</b>		
Trade and other payables	135,070	146,630
Other current liabilities	3,709	11,374
Short term borrowings	78,095	78,592
Taxation	16,485	14,667
	<u>233,359</u>	<u>251,263</u>
<b>Net current assets</b>	<u>274,896</u>	<u>247,749</u>
<b>Non-current liabilities</b>		
Trade and other payables	17,973	17,003
Deferred tax liabilities	1,727	2,171
Long term borrowings	195,411	192,081
	<u>215,111</u>	<u>211,255</u>
<b>TOTAL LIABILITIES</b>	<u>448,470</u>	<u>462,518</u>
<b>Net assets</b>	<u>495,762</u>	<u>465,871</u>
<b>Total equity attributable to owners of the Company</b>		
Share capital	264,000	264,000
Reserves	231,762	201,871
<b>TOTAL EQUITY</b>	<u>495,762</u>	<u>465,871</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>944,232</u>	<u>928,389</u>
<b>Net Assets Attributable to Owners of the Company</b>	<u>495,762</u>	<u>465,871</u>
<b>Net Assets Per Share Attributable to Owners of the Company (RM)</b>	<u>1.88</u>	<u>1.76</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2015 and the accompanying explanatory notes attached to the interim financial statements.

**Interim Financial Statements for the financial period ended 30 June 2015**

The figures have not been audited.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

<----- Attributable to Owners of the Company ----- >

	<b>Share Capital</b>	<b>Distributable Retained Earnings</b>	<b>Total Equity</b>
	<b>RM' 000</b>	<b>RM' 000</b>	<b>RM' 000</b>
<b><u>3 months ended 30 June 2014</u></b>			
Balance as at 1 April 2014	264,000	122,982	386,982
Total comprehensive income for the period	-	23,942	23,942
Balance as at 30 June 2014	<u>264,000</u>	<u>146,924</u>	<u>410,924</u>
<b><u>3 months ended 30 June 2015</u></b>			
Balance as at 1 April 2015	<b>264,000</b>	<b>201,871</b>	<b>465,871</b>
Total comprehensive income for the period	-	<b>29,891</b>	<b>29,891</b>
Balance as at 30 June 2015	<u><b>264,000</b></u>	<u><b>231,762</b></u>	<u><b>495,762</b></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 2015 and the explanatory notes attached to the interim financial statements.**

**Interim Financial Statements for the financial period ended 30 June 2015**

The figures have not been audited.

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

	<b>3 months ended 30/06/2015 RM' 000</b>	<b>3 months ended 30/06/2014 RM' 000</b>
<b>OPERATING ACTIVITIES</b>		
Profit before taxation	40,185	32,573
Adjustments for :		
Non-cash items	340	295
Non-operating items	(404)	35
Operating cash flows before changes in working capital	40,121	32,903
<i>Net change in current assets</i>		
Receivables	4,420	17,199
Inventories	(514)	(3,481)
Property development costs	8,303	10,624
<i>Net change in current liabilities</i>		
Payables	(18,257)	(23,793)
Cash flows from operations	34,073	33,452
Tax paid	(8,909)	(7,304)
Interest received	648	228
Interest paid	(244)	(263)
Net cash flows from operating activities	25,568	26,113
<b>INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment and intangible assets	(10)	(43)
Land and development expenditure	(6,724)	(11,142)
Net cash flows used in investing activities	(6,734)	(11,185)
<b>FINANCING ACTIVITIES</b>		
Proceeds from borrowings	36,450	62,297
Repayment of borrowings	(30,777)	(82,175)
Fixed deposits	(1)	(1)
Dividend paid	-	(13,200)
Repayment to hire purchase / lease creditor	(91)	(85)
Net cash flows from / (used in) financing activities	5,581	(33,164)
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>24,415</b>	<b>(18,236)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>33,586</b>	<b>30,213</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>58,002</b>	<b>11,977</b>
Cash and cash equivalents comprise of :		
Deposits, bank and cash balances	62,614	26,953
Bank overdrafts	(4,612)	(14,976)
	<b>58,002</b>	<b>11,977</b>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2015 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 2015. 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 2015.

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 2015 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 2015:

Amendments to FRS 119	Defined Benefit Plans: Employee Contributions
Annual Improvements to FRSs 2010-2012 Cycle	
Annual Improvements to FRSs 2011-2013 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 yet to adopt the following FRSs and amendments to FRSs that have been issued but not yet effective:

	Effective for financial periods beginning on or after
Annual Improvements to FRSs 2012-2014 Cycle	1 January 2016
Amendments to FRS 10 and FRS 128	1 January 2016
Amendments to FRS 11	1 January 2016
Amendments to FRS 116 and FRS 138	1 January 2016
Amendments to FRS 127	1 January 2016
Amendments to FRS 101	1 January 2016
Amendments to FRS 10, FRS 12 and FRS 128	1 January 2016
FRS 14	1 January 2016
FRS 9	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 2015 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.

**PART A - EXPLANATORY NOTES PURSUANT TO FRS 134**

**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	
	30/06/2015 RM' 000	30/06/2014 RM' 000	30/06/2015 RM' 000	30/06/2014 RM' 000	30/06/2015 RM' 000	30/06/2014 RM' 000	30/06/2015 RM' 000	30/06/2014 RM' 000
<b>Revenue:</b>								
External customers	141,997	135,898	577	572	-	-	142,574	136,470
Inter-segment	663	579	-	-	(663)	(579)	-	-
	<b>142,660</b>	<b>136,477</b>	<b>577</b>	<b>572</b>	<b>(663)</b>	<b>(579)</b>	<b>142,574</b>	<b>136,470</b>
<b>Results:</b>								
Interest income	648	228	-	-	-	-	648	228
Depreciation and amortisation	(177)	(147)	(154)	(154)	(1)	(1)	(332)	(302)
Other non-cash income / (expenses)	-	-	(8)	7	-	-	(8)	7
Interest expenses	(244)	(263)	-	-	-	-	(244)	(263)
Segment profit / (loss)	<b>39,988</b>	<b>32,355</b>	<b>197</b>	<b>218</b>	<b>-</b>	<b>-</b>	<b>40,185</b>	<b>32,573</b>
<b>Assets:</b>								
Additions to non-current assets	6,641	11,678	-	-	-	-	6,641	11,678
Segment assets	<b>1,217,179</b>	<b>1,095,403</b>	<b>12,669</b>	<b>13,431</b>	<b>(285,616)</b>	<b>(297,871)</b>	<b>944,232</b>	<b>810,963</b>
<b>Segment liabilities</b>	<b>691,975</b>	<b>649,104</b>	<b>13,668</b>	<b>14,968</b>	<b>(257,173)</b>	<b>(264,033)</b>	<b>448,470</b>	<b>400,039</b>

**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 2015.

**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 2015.

**13 Capital Commitments**

	<b>RM' 000</b>
Commitments to purchase land held for property development	
- Approved and contracted for as at 30 June 2015	<u><b>8,114</b></u>



**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 30/06/2015 RM' 000	Preceding Year Corresponding Quarter 30/06/2014 RM' 000	Current Year to Date 30/06/2015 RM' 000	Preceding Year Corresponding Year to Date 30/06/2014 RM' 000
Malaysian income tax	(10,728)	(9,136)	(10,728)	(9,136)
Deferred tax	434	505	434	505
	<b>(10,294)</b>	<b>(8,631)</b>	<b>(10,294)</b>	<b>(8,631)</b>
Over/(Under) provision of Malaysian income tax in prior years	-	-	-	-
	<b>(10,294)</b>	<b>(8,631)</b>	<b>(10,294)</b>	<b>(8,631)</b>

**15 Corporate Proposals**

As of 13 July 2015, the Company has not announced any corporate proposal.

**16 Borrowings - Secured**

	As at 30/06/2015 RM' 000	As at 31/03/2015 RM' 000
Bank Overdrafts	4,612	7,362
Short Term Bank Borrowings	73,483	71,230
Long Term Bank Borrowings	195,411	192,081
	<b>273,506</b>	<b>270,673</b>

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**

For the financial year ending 31 March 2015, the Board of Directors propose a final single tier dividend of 8 sen per share amounting to RM21.12 million, subject to the approval of shareholders at the forthcoming Annual General Meeting.

**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.

		<b>3 months ended 30/06/2015</b>	<b>3 months ended 30/06/2014</b>
(a) Basic earnings per share			
Profit for the period	(RM' 000)	<u>29,891</u>	<u>23,942</u>
Weighted average number of ordinary shares	('000)	<u>264,000</u>	<u>264,000</u>
Basic earnings per share	(sen)	<b>11.32</b>	9.07
(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 RM29.89 million, representing an increase of RM5.95 million (25%) as compared to the preceding year's corresponding quarter.

Revenue achieved for the quarter under review of RM142.57 million was 4% higher than the preceding year corresponding quarter.

Total unbilled sales at the end of the quarter under review stood at RM660.80 million.

The Group's earnings per share for the period ended 30 June 2015 was 11.32 sen.

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

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>Current Year Quarter 30/06/2015 RM' 000</b>	<b>Preceding Year Corresponding Quarter 30/06/2014 RM' 000</b>	<b>Current Year to Date 30/06/2015 RM' 000</b>	<b>Preceding Year Corresponding Year to Date 30/06/2014 RM' 000</b>
<b>Revenue</b>				
Property Development	141,997	135,898	141,997	135,898
Other Operation	<u>577</u>	<u>572</u>	<u>577</u>	<u>572</u>
	<u>142,574</u>	<u>136,470</u>	<u>142,574</u>	<u>136,470</u>
<b>Profit before tax</b>				
Property Development	39,988	32,355	39,988	32,355
Other Operation	<u>197</u>	<u>218</u>	<u>197</u>	<u>218</u>
	<u>40,185</u>	<u>32,573</u>	<u>40,185</u>	<u>32,573</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 4% and 24% respectively as compared to the previous financial year corresponding quarter due to steady construction progress of all on-going 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 RM40.19 million was RM2.31 million or 5% lower than the immediate preceding quarter ended 31 March 2015 of RM42.49 million.

**22 Current Year Prospects**

Based on the Group's pipeline of on-going and upcoming launches, the Board remains positive of posting satisfactory results for the financial year ending 31 March 2016.

**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 13 July 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.

	<b>As at 30/06/2015 (RM' 000)</b>	<b>As at 31/03/2015 (RM' 000)</b>
Total retained profits of the Company and its subsidiaries:		
- Realised	<b>258,487</b>	228,597
- Unrealised	<b>2,232</b>	1,798
	<b>260,719</b>	230,395
Less: Consolidation adjustments	<b>(28,957)</b>	(28,524)
Total group retained profits as per consolidated accounts	<b>231,762</b>	201,871