

TO BE RELEASED TO BURSA



HUA YANG GROUP OF COMPANIES

INTERIM FINANCIAL RESULTS

SECOND QUARTER ENDED 30 SEPTEMBER 2015

Interim Financial Statements for the financial period ended 30 September 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
	30/09/2015 RM' 000	30/09/2014 RM' 000	30/09/2015 RM' 000	30/09/2014 RM' 000
Revenue	150,620	139,491	293,194	275,961
Cost of Sales	(100,319)	(94,264)	(191,371)	(187,507)
Gross Profit	50,301	45,227	101,823	88,454
Other Income	403	868	1,200	1,472
Selling and Marketing Expenses	(3,803)	(3,788)	(8,128)	(8,005)
Administrative and General Expenses	(8,579)	(6,835)	(16,144)	(13,613)
Operating Profit	38,322	35,472	78,751	68,308
Finance Costs	(101)	(301)	(345)	(564)
Profit Before Taxation	38,221	35,171	78,406	67,744
Income Tax Expenses	(9,536)	(9,189)	(19,830)	(17,820)
Profit For The Period	28,685	25,982	58,576	49,924
Profit attributable to:				
Owners of the Company	28,685	25,982	58,576	49,924
Non-controlling Interests	-	-	-	-
	28,685	25,982	58,576	49,924
Earnings Per Share Attributable To Owners Of The Company (sen)				
Basic, for profit for the period	10.87	9.84	22.19	18.91

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 September 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
	30/09/2015 RM' 000	30/09/2014 RM' 000	30/09/2015 RM' 000	30/09/2014 RM' 000
Profit For The Period	28,685	25,982	58,576	49,924
Other Comprehensive Income For The Period, Net Of Income Tax	-	-	-	-
Total Comprehensive Income For The Period, Net Of Income Tax	28,685	25,982	58,576	49,924
Total Comprehensive Income Attributable To :				
Owners of the Company	28,685	25,982	58,576	49,924
Non-controlling Interests	-	-	-	-
	28,685	25,982	58,576	49,924

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

Interest Income	331	227	979	455
Other Income Including Investment Income	73	641	222	1,017
Interest Expense	101	301	345	564
Depreciation & Amortization	352	306	684	608
Provision For/Write Off of Receivables	(3)	-	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	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 September 2015

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	(UNAUDITED) As at 30/09/2015 RM' 000	(AUDITED) As at 31/03/2015 RM' 000
ASSETS		
Non-current assets		
Property, plant and equipment	9,016	9,208
Concession assets	11,687	11,995
Land held for property development	400,012	387,893
Investment property	1,846	1,867
Other receivables	5,135	4,725
Fixed deposit with licenced bank	1,080	1,077
Intangible assets	9,074	9,074
Deferred tax assets	6,598	3,536
	<u>444,448</u>	<u>429,375</u>
Current assets		
Inventories	19,787	9,959
Property development costs	144,283	169,571
Trade and other receivables	55,339	89,072
Other current assets	201,345	189,613
Cash and bank balances	76,134	40,798
	<u>496,888</u>	<u>499,013</u>
TOTAL ASSETS	<u>941,336</u>	<u>928,388</u>
EQUITY AND LIABILITIES		
Current liabilities		
Trade and other payables	129,469	146,630
Other current liabilities	758	11,374
Short term borrowings	75,267	78,592
Taxation	21,750	14,667
	<u>227,244</u>	<u>251,263</u>
Net current assets	<u>269,644</u>	<u>247,750</u>
Non-current liabilities		
Trade and other payables	17,113	17,003
Deferred tax liabilities	1,715	2,171
Long term borrowings	170,818	192,081
	<u>189,646</u>	<u>211,255</u>
TOTAL LIABILITIES	<u>416,890</u>	<u>462,518</u>
Net assets	<u>524,446</u>	<u>465,870</u>
Total equity attributable to owners of the Company		
Share capital	264,000	264,000
Reserves	260,446	201,870
TOTAL EQUITY	<u>524,446</u>	<u>465,870</u>
TOTAL EQUITY AND LIABILITIES	<u>941,336</u>	<u>928,388</u>
Net Assets Attributable to Owners of the Company	<u>524,446</u>	<u>465,870</u>
Net Assets Per Share Attributable to Owners of the Company (RM)	<u>1.99</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 September 2015

The figures have not been audited.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

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

	Share Capital	Distributable Retained Earnings	Total Equity
	RM' 000	RM' 000	RM' 000
<u>6 months ended 30 September 2014</u>			
Balance as at 1 April 2014	264,000	122,982	386,982
Total comprehensive income for the period	-	49,924	49,924
Balance as at 30 September 2014	<u>264,000</u>	<u>172,906</u>	<u>436,906</u>
<u>6 months ended 30 September 2015</u>			
Balance as at 1 April 2015	264,000	201,870	465,870
Total comprehensive income for the period	-	58,576	58,576
Balance as at 30 September 2015	<u>264,000</u>	<u>260,446</u>	<u>524,446</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 September 2015
The figures have not been audited.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	6 months ended 30/09/2015 RM' 000	6 months ended 30/09/2014 RM' 000
OPERATING ACTIVITIES		
Profit before taxation	78,406	67,744
Adjustments for :		
Non-cash items	689	602
Non-operating items	(633)	109
Operating cash flows before changes in working capital	78,462	68,455
<i>Net change in current assets</i>		
Receivables	21,587	20,174
Inventories	(9,829)	(3,363)
Property development costs	34,956	20,136
<i>Net change in current liabilities</i>		
Payables	(27,668)	(34,411)
Cash flows from operations	97,508	70,991
Tax paid	(16,259)	(12,778)
Interest received	979	455
Interest paid	(345)	(564)
Net cash flows from operating activities	81,883	58,104
INVESTING ACTIVITIES		
Purchase of property, plant and equipment and intangible assets	(167)	(278)
Land and development expenditure	(21,789)	(23,578)
Net cash flows used in investing activities	(21,956)	(23,856)
FINANCING ACTIVITIES		
Proceeds from borrowings	54,049	29,278
Repayment of borrowings	(77,864)	(47,432)
Fixed deposits	(3)	(3)
Dividend paid	-	(13,200)
Repayment to hire purchase / lease creditor	(95)	(171)
Net cash flows used in financing activities	(23,913)	(31,528)
NET INCREASE IN CASH AND CASH EQUIVALENTS	36,014	2,720
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	33,436	30,213
CASH AND CASH EQUIVALENTS AT END OF PERIOD	69,450	32,933
Cash and cash equivalents comprise of :		
Deposits, bank and cash balances	76,134	43,852
Bank overdrafts	(6,684)	(10,919)
	69,450	32,933

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	
	30/09/2015 RM' 000	30/09/2014 RM' 000	30/09/2015 RM' 000	30/09/2014 RM' 000	30/09/2015 RM' 000	30/09/2014 RM' 000	30/09/2015 RM' 000	30/09/2014 RM' 000
Revenue:								
External customers	292,075	274,833	1,119	1,128	-	-	293,194	275,961
Inter-segment	1,370	1,071	-	-	(1,370)	(1,071)	-	-
	293,445	275,904	1,119	1,128	(1,370)	(1,071)	293,194	275,961
Results:								
Interest income	979	455	-	-	-	-	979	455
Depreciation and amortisation	(375)	(300)	(307)	(307)	(2)	(1)	(684)	(608)
Other non-cash income / (expenses)	-	-	(5)	6	-	-	(5)	6
Interest expenses	(345)	(564)	-	-	-	-	(345)	(564)
Segment profit / (loss)	78,049	67,365	357	379	-	-	78,406	67,744
Assets:								
Additions to non-current assets	22,268	24,362	-	-	-	-	22,268	24,362
Segment assets	1,227,347	1,109,937	12,482	13,167	(298,493)	(295,123)	941,336	827,981
Segment liabilities	678,626	641,735	13,359	14,583	(275,095)	(265,243)	416,890	391,075

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

Commitments to purchase land held for property development
- Approved and contracted for as at 30 September 2015

RM' 000

27,667

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 30/09/2015 RM' 000	Preceding Year Corresponding Quarter 30/09/2014 RM' 000	Current Year to Date 30/09/2015 RM' 000	Preceding Year Corresponding Year to Date 30/09/2014 RM' 000
Malaysian income tax	(11,041)	(9,653)	(21,769)	(18,789)
Deferred tax	1,505	464	1,939	969
	(9,536)	(9,189)	(19,830)	(17,820)
Over/(Under) provision of Malaysian income tax in prior years	-	-	-	-
	(9,536)	(9,189)	(19,830)	(17,820)

15 Corporate Proposals

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

16 Borrowings - Secured

	As at 30/09/2015 RM' 000	As at 31/03/2015 RM' 000
Bank Overdrafts	6,684	7,362
Short Term Bank Borrowings	68,583	71,230
Long Term Bank Borrowings	170,818	192,081
	246,085	270,673

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

No interim dividend has been declared for the financial period ended 30 September 2015.

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.

		6 months ended 30/09/2015	6 months ended 30/09/2014
(a) Basic earnings per share			
Profit for the period	(RM' 000)	<u>58,576</u>	49,924
Weighted average number of ordinary shares	('000)	<u>264,000</u>	264,000
Basic earnings per share	(sen)	22.19	18.91
(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 RM28.69 million, representing an increase of RM2.70 million (10%) as compared to the preceding year's corresponding quarter.

Revenue achieved for the quarter under review of RM150.62 million was 8% higher than the preceding year corresponding quarter.

Total unbilled sales at the end of the quarter under review stood at RM607.22 million.

The Group's earnings per share for the period ended 30 September 2015 was 22.19 sen.

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

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30/09/2015 RM' 000	Preceding Year Corresponding Quarter 30/09/2014 RM' 000	Current Year to Date 30/09/2015 RM' 000	Preceding Year Corresponding Year to Date 30/09/2014 RM' 000
Revenue				
Property Development	150,078	138,935	292,075	274,833
Other Operation	<u>542</u>	556	<u>1,119</u>	1,128
	<u>150,620</u>	<u>139,491</u>	<u>293,194</u>	<u>275,961</u>
Profit before tax				
Property Development	38,061	35,010	78,049	67,365
Other Operation	<u>160</u>	161	<u>357</u>	379
	<u>38,221</u>	<u>35,171</u>	<u>78,406</u>	<u>67,744</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 8% and 9% 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 RM38.22 million was RM1.96 million or 5% lower than the immediate preceding quarter ended 30 June 2015 of RM40.19 million.

22 Current Year Prospects

Despite the challenges faced by the property industry, the Board remains positive of posting satisfactory results for the remaining 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 21 October 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 30/09/2015 (RM' 000)	As at 31/03/2015 (RM' 000)
Total retained profits of the Company and its subsidiaries:		
- Realised	284,260	228,596
- Unrealised	5,315	1,798
	289,575	230,394
Less: Consolidation adjustments	(29,129)	(28,524)
Total group retained profits as per consolidated accounts	260,446	201,870