

TO BE RELEASED TO BURSA



HUA YANG GROUP OF COMPANIES

INTERIM FINANCIAL RESULTS

THIRD QUARTER ENDED 31 DECEMBER 2015

Interim Financial Statements for the financial period ended 31 December 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
	31/12/2015 RM' 000	31/12/2014 RM' 000	31/12/2015 RM' 000	31/12/2014 RM' 000
Revenue	154,975	155,500	448,169	431,461
Cost of Sales	(102,507)	(96,232)	(293,878)	(283,739)
Gross Profit	52,468	59,268	154,291	147,722
Other Income	549	881	1,749	2,353
Selling and Marketing Expenses	(4,732)	(4,385)	(12,860)	(12,390)
Administrative and General Expenses	(8,173)	(12,178)	(24,317)	(25,791)
Operating Profit	40,112	43,586	118,863	111,894
Finance Costs	(111)	(380)	(456)	(944)
Profit Before Taxation	40,001	43,206	118,407	110,950
Income Tax Expenses	(9,845)	(12,269)	(29,675)	(30,089)
Profit For The Period	30,156	30,937	88,732	80,861
Profit attributable to:				
Owners of the Company	30,156	30,937	88,732	80,861
Non-controlling Interests	-	-	-	-
	30,156	30,937	88,732	80,861
Earnings Per Share Attributable To Owners Of The Company (sen)				
Basic, for profit for the period	11.42	11.72	33.61	30.63

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 31 December 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
	31/12/2015 RM' 000	31/12/2014 RM' 000	31/12/2015 RM' 000	31/12/2014 RM' 000
Profit For The Period	30,156	30,937	88,732	80,861
Other Comprehensive Income For The Period, Net Of Income Tax	-	-	-	-
Total Comprehensive Income For The Period, Net Of Income Tax	30,156	30,937	88,732	80,861
Total Comprehensive Income Attributable To :				
Owners of the Company	30,156	30,937	88,732	80,861
Non-controlling Interests	-	-	-	-
	30,156	30,937	88,732	80,861

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

Interest Income	463	383	1,442	838
Other Income Including Investment Income	85	498	307	1,515
Interest Expense	111	380	456	944
Depreciation & Amortization	353	322	1,037	930
Provision For/Write Off of Receivables	(5)	126	-	126
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 31 December 2015

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	(UNAUDITED) As at 31/12/2015 RM' 000	(AUDITED) As at 31/03/2015 RM' 000
ASSETS		
Non-current assets		
Property, plant and equipment	9,136	9,208
Concession assets	11,534	11,995
Land held for property development	392,269	387,893
Investment property	1,835	1,867
Other receivables	5,747	4,725
Fixed deposit with licenced bank	1,081	1,077
Intangible assets	9,074	9,074
Deferred tax assets	6,576	3,536
	<u>437,252</u>	<u>429,375</u>
Current assets		
Inventories	27,653	9,959
Property development costs	143,936	169,571
Trade and other receivables	86,743	89,072
Other current assets	199,945	189,613
Cash and bank balances	36,069	40,798
	<u>494,346</u>	<u>499,013</u>
TOTAL ASSETS	<u>931,598</u>	<u>928,388</u>
EQUITY AND LIABILITIES		
Current liabilities		
Trade and other payables	142,234	146,630
Other current liabilities	1,690	11,374
Short term borrowings	54,430	78,592
Taxation	14,507	14,667
	<u>212,861</u>	<u>251,263</u>
Net current assets	<u>281,485</u>	<u>247,750</u>
Non-current liabilities		
Trade and other payables	17,455	17,003
Deferred tax liabilities	580	2,171
Long term borrowings	167,220	192,081
	<u>185,255</u>	<u>211,255</u>
TOTAL LIABILITIES	<u>398,116</u>	<u>462,518</u>
Net assets	<u>533,482</u>	<u>465,870</u>
Total equity attributable to owners of the Company		
Share capital	264,000	264,000
Reserves	269,482	201,870
TOTAL EQUITY	<u>533,482</u>	<u>465,870</u>
TOTAL EQUITY AND LIABILITIES	<u><u>931,598</u></u>	<u><u>928,388</u></u>
Net Assets Attributable to Owners of the Company	533,482	465,870
Net Assets Per Share Attributable to Owners of the Company (RM)	2.02	1.76

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 31 December 2015

The figures have not been audited.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

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

	Share Capital RM' 000	Distributable Retained Earnings RM' 000	Total Equity RM' 000
<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
Dividends	-	(18,480)	(18,480)
Balance as at 31 December 2014	264,000	185,363	449,363
<u>9 months ended 31 December 2015</u>			
Balance as at 1 April 2015	264,000	201,870	465,870
Total comprehensive income for the period	-	88,732	88,732
Dividends	-	(21,120)	(21,120)
Balance as at 31 December 2015	264,000	269,482	533,482

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 31 December 2015

The figures have not been audited.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	9 months ended 31/12/2015 RM' 000	9 months ended 31/12/2014 RM' 000
OPERATING ACTIVITIES		
Profit before taxation	118,407	110,950
Adjustments for :		
Non-cash items	1,050	5,411
Non-operating items	(986)	106
Operating cash flows before changes in working capital	118,471	116,467
<i>Net change in current assets</i>		
Receivables	(9,025)	(9,062)
Inventories	(17,695)	(3,367)
Property development costs	55,280	22,539
<i>Net change in current liabilities</i>		
Payables	(13,629)	(31,953)
Cash flows from operations	133,402	94,624
Tax paid	(34,459)	(23,468)
Interest received	1,442	838
Interest paid	(456)	(944)
Net cash flows from operating activities	99,929	71,050
INVESTING ACTIVITIES		
Purchase of property, plant and equipment and intangible assets	(498)	(724)
Proceeds from disposal of property, plant and equipment	10	-
Land and development expenditure	(34,022)	(49,982)
Net cash flows used in investing activities	(34,510)	(50,706)
FINANCING ACTIVITIES		
Proceeds from borrowings	68,875	61,830
Repayment of borrowings	(119,674)	(50,711)
Fixed deposits	(4)	(4)
Dividend paid	(21,120)	(31,680)
Repayment to hire purchase / lease creditor	(100)	(256)
Net cash flows used in financing activities	(72,023)	(20,821)
NET INCREASE IN CASH AND CASH EQUIVALENTS	(6,604)	(477)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	33,436	30,213
CASH AND CASH EQUIVALENTS AT END OF PERIOD	26,832	29,736
Cash and cash equivalents comprise of :		
Deposits, bank and cash balances	36,069	44,101
Bank overdrafts	(9,237)	(14,365)
	26,832	29,736

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 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
Amendments to FRS 10 and FRS 128	To be announced

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

On 16 October 2015, the Company paid a final single tier dividend of 8% per share, amounting RM21,120,000 in respect of the financial year ended 31 March 2015.

8 Segment Information

	Property Development		Other Operation		Adjustments and Eliminations		Per Consolidated Financial Statements	
	31/12/2015 RM' 000	31/12/2014 RM' 000	31/12/2015 RM' 000	31/12/2014 RM' 000	31/12/2015 RM' 000	31/12/2014 RM' 000	31/12/2015 RM' 000	31/12/2014 RM' 000
Revenue:								
External customers	446,512	429,785	1,656	1,676	-	-	448,169	431,461
Inter-segment	2,162	1,563	-	-	(2,162)	(1,563)	-	-
	448,674	431,348	1,656	1,676	(2,162)	(1,563)	448,169	431,461
Results:								
Interest income	1,442	838	-	-	-	-	1,442	838
Dividend income	12,100	-	-	-	(12,100)	-	-	-
Depreciation and amortisation	(573)	(467)	(461)	(461)	(3)	(2)	(1,037)	(930)
Other non-cash income / (expenses)	(14)	(127)	-	(4,354)	-	-	(14)	(4,481)
Interest expenses	(456)	(944)	-	-	-	-	(456)	(944)
Segment profit / (loss)	117,865	114,720	542	(3,770)	-	-	118,407	110,950
Assets:								
Additions to non-current assets	34,745	33,251	-	-	-	-	34,745	33,251
Segment assets	1,185,022	1,144,491	12,540	8,609	(265,963)	(275,793)	931,598	877,307
Segment liabilities	619,822	660,771	13,276	14,243	(234,982)	(247,070)	398,116	427,944

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

The Company had on 4 December 2015, entered into a conditional Shares Sales Agreement ("SSA") with Phuah Cheng Peng and Ng Kok Kheng to acquire its entire paid up share capital of G Land Development Sdn Bhd for a total cash consideration of RM16,552,338.51. The acquisition was completed on 8 January 2016 and G Land Development Sdn Bhd become wholly owned subsidiary of Company.

On 11 January 2016, the Company had entered into a conditional Shares Sales Agreement ("SSA") with Chew Seng Guan, Loh Ah Kow, Yeo Ann Seck, Phun Chin Tung, Lee Choon Phooi, Loh Wui Tek, Ting Chu Huat, Yeo Ann Ling, Tiew Siang Yong, Lee Ah Kong and Sim Cher Chuan to acquire its entire paid up share capital of Grand View Realty Sdn Bhd for a total cash consideration of RM52,900,000.00.

Save for the above, there were no material events subsequent to the statement of financial position date up to 20 January 2016, being the latest practicable date from the date of issuance of this Interim Financial Report.

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 as at 31 December 2015

- Approved and contracted for	19,553
- Approved but not contracted for	24,500
	<u>44,053</u>

RM' 000

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 31/12/2015 RM' 000	Preceding Year Corresponding Quarter 31/12/2014 RM' 000	Current Year to Date 31/12/2015 RM' 000	Preceding Year Corresponding Year to Date 31/12/2014 RM' 000
Malaysian income tax	(11,765)	(12,732)	(33,534)	(31,521)
Deferred tax	1,109	280	3,048	1,249
	(10,656)	(12,452)	(30,486)	(30,272)
Over/(Under) provision of Malaysian income tax in prior years	811	183	811	183
	(9,845)	(12,269)	(29,675)	(30,089)

15 Corporate Proposals

As of 20 January 2016, the Company has not announced any corporate proposal.

16 Borrowings - Secured

	As at 31/12/2015 RM' 000	As at 31/03/2015 RM' 000
Bank Overdrafts	9,237	7,362
Short Term Bank Borrowings	45,193	71,230
Long Term Bank Borrowings	167,220	192,081
	221,649	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

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 2016. The dividend entitlement and payment date will be announced in due course.

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 31/12/2015	9 months ended 31/12/2014
(a) Basic earnings per share			
Profit for the period	(RM' 000)	<u>88,732</u>	<u>80,861</u>
Weighted average number of ordinary shares	('000)	<u>264,000</u>	<u>264,000</u>
Basic earnings per share	(sen)	33.61	30.63
(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 RM30.16 million, representing a decrease of RM0.78 million (3%) as compared to the preceding year's corresponding quarter.

Revenue achieved for the quarter under review of RM154.98 million was marginally lower (0.3%) than the preceding year corresponding quarter.

Total unbilled sales at the end of the quarter under review stood at RM530.53 million.

The Group's earnings per share for the period ended 31 December 2015 was 33.61 sen.

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

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31/12/2015 RM' 000	Preceding Year Corresponding Quarter 31/12/2014 RM' 000	Current Year to Date 31/12/2015 RM' 000	Preceding Year Corresponding Year to Date 31/12/2014 RM' 000
Revenue				
Property Development	154,437	154,952	446,512	429,785
Other Operation	537	548	1,656	1,676
	<u>154,975</u>	<u>155,500</u>	<u>448,169</u>	<u>431,461</u>
Profit before tax				
Property Development	39,816	47,355	117,865	114,720
Other Operation	185	(4,149)	542	(3,770)
	<u>40,001</u>	<u>43,206</u>	<u>118,407</u>	<u>110,950</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 decreased by 0.3% and 7% respectively as compared to the previous financial year corresponding quarter due to lower sales achieved.

(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 RM40.00 million was RM1.78 million or 5% higher than the immediate preceding quarter ended 30 September 2015 of RM38.21 million.

22 Current Year Prospects

Despite the continuing challenging environment in 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 20 January 2016.

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 31/12/2015 (RM' 000)	As at 31/03/2015 (RM' 000)
Total retained profits of the Company and its subsidiaries:		
- Realised	292,960	228,596
- Unrealised	5,995	1,798
	298,955	230,394
Less: Consolidation adjustments	(29,473)	(28,524)
Total group retained profits as per consolidated accounts	269,482	201,870