

TO BE RELEASED TO BURSA



HUA YANG GROUP OF COMPANIES

INTERIM FINANCIAL RESULTS

FOURTH QUARTER ENDED 31 MARCH 2016

Interim Financial Statements for the financial period ended 31 March 2016

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
	31/03/2016 RM' 000	31/03/2015 RM' 000	31/03/2016 RM' 000	31/03/2015 RM' 000
Revenue	127,571	152,115	575,740	583,576
Cost of Sales	(87,333)	(98,893)	(381,211)	(382,632)
Gross Profit	40,238	53,222	194,529	200,944
Other Income	952	3,628	2,701	5,981
Selling and Marketing Expenses	(6,283)	(5,182)	(19,143)	(17,572)
Administrative and General Expenses	(8,354)	(8,619)	(32,671)	(34,410)
Operating Profit	26,553	43,049	145,416	154,943
Finance Costs	(190)	(548)	(646)	(1,492)
Profit Before Taxation	26,363	42,501	144,770	153,451
Income Tax Expenses	(4,973)	(12,795)	(34,648)	(42,884)
Profit For The Period	21,390	29,706	110,122	110,567
Profit attributable to:				
Owners of the Company	21,390	29,706	110,122	110,567
Non-controlling Interests	-	-	-	-
	21,390	29,706	110,122	110,567
Earnings Per Share Attributable To Owners Of The Company (sen)				
Basic, for profit for the period	8.10	11.25	41.71	41.88

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 March 2016

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
	31/03/2016 RM' 000	31/03/2015 RM' 000	31/03/2016 RM' 000	31/03/2015 RM' 000
Profit For The Period	21,390	29,706	110,122	110,567
Other Comprehensive Income For The Period, Net Of Income Tax	-	-	-	-
Total Comprehensive Income For The Period, Net Of Income Tax	21,390	29,706	110,122	110,567
Total Comprehensive Income Attributable To :				
Owners of the Company	21,390	29,706	110,122	110,567
Non-controlling Interests	-	-	-	-
	21,390	29,706	110,122	110,567

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

Interest Income	60	729	1,502	1,567
Other Income Including Investment Income	892	2,899	1,199	4,414
Interest Expense	190	548	646	1,492
Depreciation & Amortization	350	350	1,387	1,280
Provision For/Write Off of Receivables	-	-	-	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	746	N/A	746	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 March 2016

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	(UNAUDITED) As at 31/03/2016 RM' 000	(AUDITED) As at 31/03/2015 RM' 000
ASSETS		
Non-current assets		
Property, plant and equipment	9,325	9,208
Concession assets	10,899	11,995
Land held for property development	412,822	387,893
Investment property	1,825	1,867
Other receivables	5,559	4,725
Fixed deposit with licenced bank	1,094	1,077
Intangible assets	10,922	9,074
Deferred tax assets	9,310	3,536
	<u>461,756</u>	<u>429,375</u>
Current assets		
Inventories	44,022	9,959
Property development costs	145,492	169,571
Trade and other receivables	74,732	89,072
Other current assets	180,146	189,613
Cash and bank balances	45,828	40,798
	<u>490,220</u>	<u>499,013</u>
TOTAL ASSETS	<u>951,976</u>	<u>928,388</u>
EQUITY AND LIABILITIES		
Current liabilities		
Trade and other payables	146,788	146,630
Other current liabilities	3,913	11,374
Short term borrowings	59,049	78,592
Taxation	10,310	14,666
	<u>220,060</u>	<u>251,262</u>
Net current assets	<u>270,160</u>	<u>247,751</u>
Non-current liabilities		
Trade and other payables	14,394	17,003
Deferred tax liabilities	5,922	2,171
Long term borrowings	169,927	192,081
	<u>190,243</u>	<u>211,255</u>
TOTAL LIABILITIES	<u>410,303</u>	<u>462,517</u>
Net assets	<u>541,673</u>	<u>465,871</u>
Total equity attributable to owners of the Company		
Share capital	264,000	264,000
Reserves	277,673	201,871
TOTAL EQUITY	<u>541,673</u>	<u>465,871</u>
TOTAL EQUITY AND LIABILITIES	<u><u>951,976</u></u>	<u><u>928,388</u></u>
Net Assets Attributable to Owners of the Company	541,673	465,871
Net Assets Per Share Attributable to Owners of the Company (RM)	2.05	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 March 2016

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>12 months ended 31 March 2015</u>			
Balance as at 1 April 2014	264,000	122,984	386,984
Total comprehensive income for the period	-	110,567	110,567
Dividends	-	(31,680)	(31,680)
Balance as at 31 March 2015	<u>264,000</u>	<u>201,871</u>	<u>465,871</u>
<u>12 months ended 31 March 2016</u>			
Balance as at 1 April 2015	264,000	201,871	465,871
Total comprehensive income for the period	-	110,122	110,122
Dividends	-	(34,320)	(34,320)
Balance as at 31 March 2016	<u>264,000</u>	<u>277,673</u>	<u>541,673</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 31 March 2016

The figures have not been audited.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	12 months ended 31/03/2016 RM' 000	12 months ended 31/03/2015 RM' 000
OPERATING ACTIVITIES		
Profit before taxation	144,770	153,451
Adjustments for :		
Non-cash items	2,644	5,181
Non-operating items	<u>(856)</u>	<u>(75)</u>
Operating cash flows before changes in working capital	146,558	158,557
<i>Net change in current assets</i>		
Receivables	23,123	(34,247)
Inventories	(34,064)	(3,478)
Property development costs	88,071	34,369
<i>Net change in current liabilities</i>		
Payables	<u>(13,385)</u>	<u>(15,743)</u>
Cash flows from operations	210,303	139,458
Tax paid	(45,462)	(38,062)
Interest received	1,502	1,217
Interest paid	(646)	(1,260)
Net cash flows from operating activities	<u>165,697</u>	<u>101,353</u>
INVESTING ACTIVITIES		
Purchase of property, plant and equipment and intangible assets	(904)	(2,418)
Acquisition of investment properties	-	(246)
Net cash outflow on acquisition of a subsidiary	(16,552)	-
Proceeds from disposal of property, plant and equipment	10	33
Land and development expenditure	<u>(67,187)</u>	<u>(69,549)</u>
Net cash flows used in investing activities	(84,633)	(72,180)
FINANCING ACTIVITIES		
Proceeds from borrowings	92,778	86,556
Repayment of borrowings	(130,827)	(67,265)
Fixed deposits	(17)	(19)
Dividend paid	(34,320)	(44,880)
Repayment to hire purchase / lease creditor	<u>(104)</u>	<u>(342)</u>
Net cash flows used in financing activities	(72,490)	(25,950)
NET INCREASE IN CASH AND CASH EQUIVALENTS	8,574	3,223
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	33,436	30,213
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>42,010</u>	<u>33,436</u>
Cash and cash equivalents comprise of :		
Deposits, bank and cash balances	45,828	40,798
Bank overdrafts	<u>(3,818)</u>	<u>(7,362)</u>
	<u>42,010</u>	<u>33,436</u>

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
Amendments to FRS 112	1 January 2017
Amendments to FRS 107	1 January 2017
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.

PART A - EXPLANATORY NOTES PURSUANT TO FRS 134

6 Debt and Equity Securities

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).

During the current quarter under review, the Company drawdown the borrowings facilities as follow:

Date of drawdown	Amount drawdown (RM' 000)
31 March 2016	18,450
Total	18,450

Save for the above, there were no other 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

No dividend has been paid during the quarter under review.

8 Segment Information

	Property Development		Other Operation		Adjustments and Eliminations		Per Consolidated Financial Statements	
	31/03/2016 RM' 000	31/03/2015 RM' 000	31/03/2016 RM' 000	31/03/2015 RM' 000	31/03/2016 RM' 000	31/03/2015 RM' 000	31/03/2016 RM' 000	31/03/2015 RM' 000
Revenue:								
External customers	573,460	581,345	2,280	2,231	-	-	575,740	583,576
Inter-segment	6,850	2,993	-	-	(6,850)	(2,993)	-	-
	580,310	584,338	2,280	2,231	(6,850)	(2,993)	575,740	583,576
Results:								
Interest income	7,844	1,567	-	-	(6,342)	-	1,502	1,567
Dividend income	27,100	40,000	-	-	(27,100)	(40,000)	-	-
Depreciation and amortisation	(770)	(663)	(614)	(614)	(3)	(3)	(1,387)	(1,280)
Other non-cash income / (expenses)	(495)	(4,012)	(482)	11	187	100	(790)	(3,901)
Interest expenses	(6,563)	(1,483)	(425)	(9)	6,342	-	(646)	(1,492)
Segment profit / (loss)	145,028	152,691	(258)	760	-	-	144,770	153,451
Assets:								
Additions to non-current assets	71,349	98,049	-	-	-	-	71,349	98,049
Segment assets	1,236,372	1,203,319	12,026	12,860	(296,421)	(287,791)	951,976	928,388
Segment liabilities	657,043	691,646	13,476	14,006	(260,216)	(243,135)	410,303	462,517

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.

PART A - EXPLANATORY NOTES PURSUANT TO FRS 134

10 Material Events Subsequent to the End of the Reporting Period

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 (GVRSB") for a total cash consideration of RM52,900,000.00.

The SSA was completed on 28 April 2016 and GVRSB will be a wholly-owned subsidiary of the Company upon the registration of the transfer of shares into the Company's name.

Save for the above, there were no material events subsequent to the statement of financial position date up to 18 May 2016, being the latest practicable date from the date of issuance of this Interim Financial Report.

11 Changes in the Composition of the Group

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. Save for the above, 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 March 2016
- Approved and contracted for

RM' 000

21,250

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 31/03/2016 RM' 000	Preceding Year Corresponding Quarter 31/03/2015 RM' 000	Current Year to Date 31/03/2016 RM' 000	Preceding Year Corresponding Year to Date 31/03/2015 RM' 000
Malaysian income tax	(6,815)	(12,838)	(40,349)	(44,359)
Deferred tax	1,842	44	4,890	1,293
	<u>(4,973)</u>	<u>(12,794)</u>	<u>(35,459)</u>	<u>(43,066)</u>
Over/(Under) provision of Malaysian income tax in prior years	-	-	811	182
	<u>(4,973)</u>	<u>(12,794)</u>	<u>(34,648)</u>	<u>(42,884)</u>

15 Corporate Proposals

On 18 May 2016, the Board approved the proposal to undertake a bonus issue of 88,000,000 new ordinary shares of RM1 each in HYB on the basis of one (1) bonus share for every three (3) existing HYB shares held on an entitlement date to be determined and announced later.

16 Borrowings - Secured

	As at 31/03/2016 RM' 000	As at 31/03/2015 RM' 000
Bank Overdrafts	3,818	7,362
Short Term Bank Borrowings	55,230	71,230
Long Term Bank Borrowings	169,927	192,081
	<u>228,976</u>	<u>270,673</u>

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 dividend has been declared for the quarter under review.

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.

		12 months ended 31/03/2016	12 months ended 31/03/2015
(a) Basic earnings per share			
Profit for the period	(RM' 000)	<u>110,122</u>	<u>110,567</u>
Weighted average number of ordinary shares	('000)	<u>264,000</u>	<u>264,000</u>
Basic earnings per share	(sen)	41.71	41.88
(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 RM21.39 million, representing a decrease of RM8.32 million (28%) as compared to the preceding year's corresponding quarter.

Revenue achieved for the quarter under review of RM127.57 million was RM24.54 million (16%) lower than the preceding year corresponding quarter.

Total unbilled sales at the end of the quarter under review stood at RM463.38 million.

The Group's earnings per share for the period ended 31 March 2016 was 41.71 sen.

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

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31/03/2016 RM' 000	Preceding Year Corresponding Quarter 31/03/2015 RM' 000	Current Year to Date 31/03/2016 RM' 000	Preceding Year Corresponding Year to Date 31/03/2015 RM' 000
Revenue				
Property Development	126,947	151,560	573,460	581,345
Other Operation	624	555	2,280	2,231
	<u>127,571</u>	<u>152,115</u>	<u>575,740</u>	<u>583,576</u>
Profit before tax				
Property Development	27,163	37,971	145,028	152,691
Other Operation	(800)	4,530	(258)	760
	<u>26,363</u>	<u>42,501</u>	<u>144,770</u>	<u>153,451</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 16% and 28% respectively as compared to the previous financial year corresponding quarter due to lower sales achieved and slower construction progress.

(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 RM26.36 million was RM13.64 million or 34% lower than the immediate preceding quarter ended 31 December 2015 of RM40.00 million.

22 Current Year Prospects

The Board is satisfied with the financial performance achieved for the year ended 31 March 2016.

The outlook for property industry continues to be challenging with subdued consumer sentiments. Hence, the Board remains cautious but positive on the Group's prospects for the financial year ending 31 March 2017.

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 18 May 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 31/03/2016 (RM' 000)	As at 31/03/2015 (RM' 000)
Total retained profits of the Company and its subsidiaries:		
- Realised	305,164	228,597
- Unrealised	3,389	1,798
	308,553	230,395
Less: Consolidation adjustments	(30,880)	(28,524)
Total group retained profits as per consolidated accounts	277,673	201,871