

TO BE RELEASED TO BURSA



HUA YANG GROUP OF COMPANIES

INTERIM FINANCIAL RESULTS

FIRST QUARTER ENDED 30 JUNE 2016

Interim Financial Statements for the financial period ended 30 June 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
	30/06/2016 RM' 000	30/06/2015 RM' 000	30/06/2016 RM' 000	30/06/2015 RM' 000
Revenue	127,961	142,574	127,961	142,574
Cost of Sales	(84,529)	(91,052)	(84,529)	(91,052)
Gross Profit	43,432	51,522	43,432	51,522
Other Income	669	797	669	797
Selling and Marketing Expenses	(3,947)	(4,325)	(3,947)	(4,325)
Administrative and General Expenses	(7,490)	(7,565)	(7,490)	(7,565)
Operating Profit	32,664	40,429	32,664	40,429
Finance Costs	(441)	(244)	(441)	(244)
Profit Before Taxation	32,223	40,185	32,223	40,185
Income Tax Expenses	(8,318)	(10,294)	(8,318)	(10,294)
Profit For The Period	23,905	29,891	23,905	29,891
Profit attributable to:				
Owners of the Company	23,905	29,891	23,905	29,891
Non-controlling Interests	-	-	-	-
	23,905	29,891	23,905	29,891
Earnings Per Share Attributable To Owners Of The Company (sen)				
Basic, for profit for the period	9.05	11.32	9.05	11.32

The Condensed Consolidated Income Statements should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2016 and the accompanying explanatory notes attached to the interim financial statements.

Interim Financial Statements for the financial period ended 30 June 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
	30/06/2016 RM' 000	30/06/2015 RM' 000	30/06/2016 RM' 000	30/06/2015 RM' 000
Profit For The Period	23,905	29,891	23,905	29,891
Other Comprehensive Income For The Period, Net Of Income Tax	-	-	-	-
Total Comprehensive Income For The Period, Net Of Income Tax	23,905	29,891	23,905	29,891
Total Comprehensive Income Attributable To :				
Owners of the Company	23,905	29,891	23,905	29,891
Non-controlling Interests	-	-	-	-
	23,905	29,891	23,905	29,891

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

Interest Income	469	648	469	648
Other Income Including Investment Income	200	149	200	149
Interest Expense	441	244	441	244
Depreciation & Amortization	490	332	490	332
Provision For/Write Off of Receivables	20	8	20	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 2016 and the accompanying explanatory notes attached to the interim financial statements.

Interim Financial Statements for the financial period ended 30 June 2016

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	(UNAUDITED) As at 30/06/2016 RM' 000	(UNAUDITED) As at 31/03/2016 RM' 000
ASSETS		
Non-current assets		
Property, plant and equipment	9,135	9,329
Concession assets	10,617	10,899
Land held for property development	397,833	393,886
Investment property	1,814	1,825
Other receivables	7,759	5,559
Fixed deposit with licenced bank	3,595	1,094
Intangible assets	23,355	10,922
Deferred tax assets	9,295	9,768
	<u>463,403</u>	<u>443,282</u>
Current assets		
Inventories	42,784	44,023
Property development costs	260,271	146,243
Trade and other receivables	62,585	92,022
Other current assets	199,767	180,142
Cash and bank balances	36,730	46,882
	<u>602,137</u>	<u>509,312</u>
TOTAL ASSETS	<u>1,065,540</u>	<u>952,594</u>
EQUITY AND LIABILITIES		
Current liabilities		
Trade and other payables	137,555	147,216
Other current liabilities	3,187	3,913
Short term borrowings	78,557	59,615
Taxation	11,566	10,310
	<u>230,865</u>	<u>221,054</u>
Net current assets	<u>371,272</u>	<u>288,258</u>
Non-current liabilities		
Trade and other payables	13,757	14,394
Deferred tax liabilities	16,805	6,391
Long term borrowings	238,583	169,129
	<u>269,145</u>	<u>189,914</u>
TOTAL LIABILITIES	<u>500,010</u>	<u>410,969</u>
Net assets	<u>565,530</u>	<u>541,625</u>
Total equity attributable to owners of the Company		
Share capital	264,000	264,000
Reserves	301,530	277,625
TOTAL EQUITY	<u>565,530</u>	<u>541,625</u>
TOTAL EQUITY AND LIABILITIES	<u>1,065,540</u>	<u>952,594</u>
Net Assets Attributable to Owners of the Company	565,530	541,625
Net Assets Per Share Attributable to Owners of the Company (RM)	2.14	2.05

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2016 and the accompanying explanatory notes attached to the interim financial statements.

Interim Financial Statements for the financial period ended 30 June 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>3 months ended 30 June 2015</u>			
Balance as at 1 April 2015	264,000	201,871	465,871
Total comprehensive income for the period	-	29,891	29,891
Balance as at 30 June 2015	264,000	231,762	495,762
<u>3 months ended 30 June 2016</u>			
Balance as at 1 April 2016	264,000	277,625	541,625
Total comprehensive income for the period	-	23,905	23,905
Balance as at 30 June 2016	264,000	301,530	565,530

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2016 and the explanatory notes attached to the interim financial statements.

Interim Financial Statements for the financial period ended 30 June 2016

The figures have not been audited.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	3 months ended 30/06/2016 RM' 000	3 months ended 30/06/2015 RM' 000
OPERATING ACTIVITIES		
Profit before taxation	32,223	40,185
Adjustments for :		
Non-cash items	511	340
Non-operating items	(29)	(404)
Operating cash flows before changes in working capital	32,705	40,121
<i>Net change in current assets</i>		
Receivables	7,746	4,420
Inventories	1,239	(514)
Property development costs	(38,414)	8,303
<i>Net change in current liabilities</i>		
Payables	(34,256)	(18,257)
Cash flows (used in) / from operations	(30,979)	34,073
Tax paid	(8,597)	(8,909)
Interest received	469	648
Interest paid	(441)	(244)
Net cash flows (used in) / from operating activities	(39,549)	25,568
INVESTING ACTIVITIES		
Purchase of property, plant and equipment and intangible assets	(5)	(10)
Net cash outflow on acquisition of a subsidiary	(52,532)	-
Land and development expenditure	(3,960)	(6,724)
Net cash flows used in investing activities	(56,497)	(6,734)
FINANCING ACTIVITIES		
Proceeds from borrowings	95,514	36,450
Repayment of borrowings	(12,439)	(30,776)
Fixed deposits	(2,501)	(1)
Repayment to hire purchase / lease creditor	(5)	(91)
Net cash flows from financing activities	80,569	5,582
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(15,476)	24,416
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	43,062	33,586
CASH AND CASH EQUIVALENTS AT END OF PERIOD	27,586	58,002
Cash and cash equivalents comprise of :		
Deposits, bank and cash balances	36,730	62,614
Bank overdrafts	(9,144)	(4,612)
	27,586	58,002

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2016 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 2016. 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 2016.

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 2016 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 2016:

Annual Improvements to FRSs 2012-2014 Cycle	
Amendments to FRS 11	Accounting for Acquisitions of Interests in Joint Operations
Amendments to FRS 116 and FRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to FRS 127	Equity Method in Separate Financial Statements
Amendments to FRS 101	Disclosure Initiatives
Amendments to FRS 10, FRS 12 and FRS 14	Investment Entities: Applying the Consolidation Exception
	Regulatory Deferral Accounts

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
Amendments to FRS 107	Disclosure Initiative	1 January 2017
Amendments to FRS 112	Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
FRS 9	Financial Instruments	1 January 2018
Amendments to FRS 10 and FRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	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 2016 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
26 April 2016	21,250
Total	39,700

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

On 21 April 2016, the Company paid an interim single tier dividend of 5% per share, amounting RM13,200,000 in respect of the financial year ended 31 March 2016.

8 Segment Information

	Property Development		Other Operation		Adjustments and Eliminations		Per Consolidated Financial Statements	
	30/06/2016 RM' 000	30/06/2015 RM' 000	30/06/2016 RM' 000	30/06/2015 RM' 000	30/06/2016 RM' 000	30/06/2015 RM' 000	30/06/2016 RM' 000	30/06/2015 RM' 000
Revenue:								
External customers	127,380	141,997	581	577	-	-	127,961	142,574
Inter-segment	1,663	663	-	-	(1,663)	(663)	-	-
	129,043	142,660	581	577	(1,663)	(663)	127,961	142,574
Results:								
Interest income	2,453	648	-	-	(1,984)	-	469	648
Dividend income	82,500	-	-	-	(82,500)	-	-	-
Depreciation and amortisation	(335)	(177)	(154)	(154)	(1)	(1)	(490)	(332)
Other non-cash income / (expenses)	-	-	(20)	(8)	-	-	(20)	(8)
Interest expenses	(2,324)	(244)	(101)	-	1,984	-	(441)	(244)
Segment profit / (loss)	32,190	39,988	33	197	-	-	32,223	40,185
Assets:								
Additions to non-current assets	4,025	6,641	-	-	-	-	4,025	6,641
Segment assets	1,439,825	1,217,179	12,063	12,669	(386,348)	(285,616)	1,065,540	944,232
Segment liabilities	837,360	691,975	13,475	13,668	(350,825)	(257,173)	500,010	448,470

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 2016.

PART A - EXPLANATORY NOTES PURSUANT TO FRS 134

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

The Company had on 11 January 2016, 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 the registration of transfer of shares into the Company's name was completed on 7 June 2016 and hence, became a wholly owned subsidiary of the 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 2016.

13 Capital Commitments

There were no outstanding capital commitments for the Group as at 30 June 2016.

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 30/06/2016 RM' 000	Preceding Year Corresponding Quarter 30/06/2015 RM' 000	Current Year to Date 30/06/2016 RM' 000	Preceding Year Corresponding Year to Date 30/06/2015 RM' 000
Malaysian income tax	(9,895)	(10,728)	(9,895)	(10,728)
Deferred tax	1,577	434	1,577	434
	(8,318)	(10,294)	(8,318)	(10,294)
Over/(Under) provision of Malaysian income tax in prior years	-	-	-	-
	(8,318)	(10,294)	(8,318)	(10,294)

15 Corporate Proposals

On 20 July 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 30/06/2016 RM' 000	As at 31/03/2016 RM' 000
Bank Overdrafts	9,144	3,819
Short Term Bank Borrowings	69,414	55,796
Long Term Bank Borrowings	238,583	169,129
	317,141	228,744

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.

		3 months ended 30/06/2016	3 months ended 30/06/2015
(a) Basic earnings per share			
Profit for the period	(RM' 000)	<u>23,905</u>	<u>29,891</u>
Weighted average number of ordinary shares	('000)	<u>264,000</u>	<u>264,000</u>
Basic earnings per share	(sen)	9.05	11.32
(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 RM23.91 million, representing a decrease of RM5.99 million (20%) as compared to the preceding year's corresponding quarter.

Revenue achieved for the quarter under review of RM127.96 million was RM14.61 million (10%) lower than the preceding year corresponding quarter.

Total unbilled sales at the end of the quarter under review stood at RM410.07 million.

The Group's earnings per share for the period ended 30 June 2016 was 9.05 sen.

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

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30/06/2016 RM' 000	Preceding Year Corresponding Quarter 30/06/2015 RM' 000	Current Year to Date 30/06/2016 RM' 000	Preceding Year Corresponding Year to Date 30/06/2015 RM' 000
Revenue				
Property Development	127,380	141,997	127,380	141,997
Other Operation	581	577	581	577
	<u>127,961</u>	<u>142,574</u>	<u>127,961</u>	<u>142,574</u>
Profit before tax				
Property Development	32,190	39,988	32,190	39,988
Other Operation	33	197	33	197
	<u>32,223</u>	<u>40,185</u>	<u>32,223</u>	<u>40,185</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 10% and 20% 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 RM32.22 million was RM5.86 million or 22% higher than the immediate preceding quarter ended 31 March 2016 of RM26.36 million.

22 Current Year Prospects

The outlook for property industry continues to be challenging with tight liquidity and subdued consumer sentiments. Despite the uncertainties, the Board remains 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 20 July 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 30/06/2016 (RM' 000)	As at 31/03/2016 (RM' 000)
Total retained profits of the Company and its subsidiaries:		
- Realised	339,582	305,116
- Unrealised	(7,072)	3,389
	332,510	308,505
Less: Consolidation adjustments	(30,980)	(30,880)
Total group retained profits as per consolidated accounts	301,530	277,625