

TO BE RELEASED TO BURSA



HUA YANG GROUP OF COMPANIES

INTERIM FINANCIAL RESULTS

SECOND QUARTER ENDED 30 SEPTEMBER 2016

Interim Financial Statements for the financial period ended 30 September 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
	30/09/2016 RM' 000	30/09/2015 RM' 000	30/09/2016 RM' 000	30/09/2015 RM' 000
Revenue	102,765	150,620	230,726	293,194
Cost of Sales	(67,345)	(100,319)	(151,874)	(191,371)
Gross Profit	35,420	50,301	78,852	101,823
Other Income	348	403	1,017	1,200
Selling and Marketing Expenses	(4,232)	(3,803)	(8,179)	(8,128)
Administrative and General Expenses	(8,306)	(8,579)	(15,796)	(16,144)
Operating Profit	23,230	38,322	55,894	78,751
Finance Costs	(67)	(101)	(508)	(345)
Profit Before Taxation	23,163	38,221	55,386	78,406
Income Tax Expenses	(6,210)	(9,536)	(14,528)	(19,830)
Profit For The Period	16,953	28,685	40,858	58,576
Profit attributable to:				
Owners of the Company	16,953	28,685	40,858	58,576
Non-controlling Interests	-	-	-	-
	16,953	28,685	40,858	58,576
Earnings Per Share Attributable To Owners Of The Company (sen)				
Basic, for profit for the period	6.42	10.87	15.48	22.19

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 September 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
	30/09/2016 RM' 000	30/09/2015 RM' 000	30/09/2016 RM' 000	30/09/2015 RM' 000
Profit For The Period	16,953	28,685	40,858	58,576
Other Comprehensive Income For The Period, Net Of Income Tax	-	-	-	-
Total Comprehensive Income For The Period, Net Of Income Tax	16,953	28,685	40,858	58,576
Total Comprehensive Income Attributable To :				
Owners of the Company	16,953	28,685	40,858	58,576
Non-controlling Interests	-	-	-	-
	16,953	28,685	40,858	58,576

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

Interest Income	260	331	729	979
Other Income Including Investment Income	87	73	287	222
Interest Expense	67	101	508	345
Depreciation & Amortization	232	352	722	684
Provision For/Write Off of Receivables	80	(3)	100	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	128	N/A	128	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 September 2016

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	(UNAUDITED) As at 30/09/2016 RM' 000	(AUDITED) As at 31/03/2016 RM' 000
ASSETS		
Non-current assets		
Property, plant and equipment	8,979	9,329
Concession assets	10,463	10,899
Land held for property development	402,073	393,886
Investment property	1,803	1,825
Other receivables	8,455	5,819
Fixed deposit with licenced bank	3,597	1,094
Intangible assets	23,355	10,922
Deferred tax assets	9,288	9,768
	<u>468,013</u>	<u>443,542</u>
Current assets		
Inventories	40,978	44,023
Property development costs	257,807	146,243
Trade and other receivables	66,302	92,022
Other current assets	155,265	180,142
Cash and bank balances	65,767	46,882
	<u>586,119</u>	<u>509,312</u>
TOTAL ASSETS	<u>1,054,132</u>	<u>952,854</u>
EQUITY AND LIABILITIES		
Current liabilities		
Trade and other payables	127,646	147,217
Other current liabilities	4,718	4,172
Short term borrowings	82,066	59,615
Taxation	12,492	10,310
	<u>226,922</u>	<u>221,314</u>
Net current assets	<u>359,197</u>	<u>287,998</u>
Non-current liabilities		
Trade and other payables	14,018	14,394
Deferred tax liabilities	14,767	6,391
Long term borrowings	215,941	169,129
	<u>244,726</u>	<u>189,914</u>
TOTAL LIABILITIES	<u>471,648</u>	<u>411,228</u>
Net assets	<u>582,484</u>	<u>541,626</u>
Total equity attributable to owners of the Company		
Share capital	264,000	264,000
Reserves	318,484	277,626
TOTAL EQUITY	<u>582,484</u>	<u>541,626</u>
TOTAL EQUITY AND LIABILITIES	<u>1,054,132</u>	<u>952,854</u>
Net Assets Attributable to Owners of the Company	<u>582,484</u>	<u>541,626</u>
Net Assets Per Share Attributable to Owners of the Company (RM)	<u>2.21</u>	<u>2.05</u>

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 September 2016

The figures have not been audited.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

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

	Share Capital	Retained Earnings	Total Equity
	RM' 000	RM' 000	RM' 000
<u>6 months ended 30 September 2015</u>			
Balance as at 1 April 2015	264,000	201,871	465,871
Total comprehensive income for the period	-	58,576	58,576
Balance as at 30 September 2015	<u>264,000</u>	<u>260,447</u>	<u>524,447</u>
<u>6 months ended 30 September 2016</u>			
Balance as at 1 April 2016	264,000	277,626	541,626
Total comprehensive income for the period	-	40,858	40,858
Balance as at 30 September 2016	<u>264,000</u>	<u>318,484</u>	<u>582,484</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 2016 and the explanatory notes attached to the interim financial statements.

Interim Financial Statements for the financial period ended 30 September 2016

The figures have not been audited.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	6 months ended 30/09/2016 RM' 000	6 months ended 30/09/2015 RM' 000
OPERATING ACTIVITIES		
Profit before taxation	55,386	78,406
Adjustments for :		
Non-cash items	953	689
Non-operating items	(321)	(633)
Operating cash flows before changes in working capital	56,018	78,462
<i>Net change in current assets</i>		
Receivables	48,015	21,587
Inventories	3,045	(9,829)
Property development costs	(35,548)	34,956
<i>Net change in current liabilities</i>		
Payables	(42,632)	(27,668)
Cash flows from operations	28,898	97,508
Tax paid	(15,912)	(16,259)
Interest received	729	979
Interest paid	(408)	(345)
Net cash flows from operating activities	13,307	81,883
INVESTING ACTIVITIES		
Purchase of property, plant and equipment and intangible assets	(46)	(167)
Net cash outflow on acquisition of a subsidiary	(52,532)	-
Land and development expenditure	(8,602)	(21,789)
Net cash flows used in investing activities	(61,180)	(21,956)
FINANCING ACTIVITIES		
Proceeds from borrowings	108,745	54,049
Repayment of borrowings	(48,196)	(77,864)
Fixed deposits	(2,503)	(3)
Repayment to hire purchase / lease creditor	(9)	(95)
Net cash flows from / (used in) financing activities	58,037	(23,913)
NET INCREASE IN CASH AND CASH EQUIVALENTS	10,164	36,014
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	43,062	33,436
CASH AND CASH EQUIVALENTS AT END OF PERIOD	53,226	69,450
Cash and cash equivalents comprise of :		
Deposits, bank and cash balances	65,767	76,134
Bank overdrafts	(12,541)	(6,684)
	53,226	69,450

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
Amendments to FRS 2	Classification and Measurement of Share-based Payment Transactions	1 January 2018
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).

As at current quarter under review, the Company has drawdown the 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

No dividend has been paid during the quarter under review.

8 Segment Information

	Property Development		Other Operation		Adjustments and Eliminations		Per Consolidated Financial Statements	
	30/09/2016 RM' 000	30/09/2015 RM' 000	30/09/2016 RM' 000	30/09/2015 RM' 000	30/09/2016 RM' 000	30/09/2015 RM' 000	30/09/2016 RM' 000	30/09/2015 RM' 000
Revenue:								
External customers	229,556	292,075	1,170	1,119	-	-	230,726	293,194
Inter-segment	3,459	1,370	-	-	(3,459)	(1,370)	-	-
	233,015	293,445	1,170	1,119	(3,459)	(1,370)	230,726	293,194
Results:								
Interest income	4,834	979	-	-	(4,105)	-	729	979
Dividend income	82,500	-	-	-	(82,500)	-	-	-
Depreciation and amortisation	(413)	(375)	(307)	(307)	(2)	(2)	(722)	(684)
Other non-cash income / (expenses)	(3)	-	(100)	(5)	(128)	-	(231)	(5)
Interest expenses	(5,448)	(345)	(195)	-	5,134	-	(508)	(345)
Segment profit / (loss)	55,324	78,049	63	357	-	-	55,386	78,406
Assets:								
Additions to non-current assets	9,703	22,268	-	-	-	-	9,703	22,268
Segment assets	1,421,954	1,227,347	11,909	12,482	(379,730)	(298,493)	1,054,132	941,336
Segment liabilities	803,247	678,626	13,317	13,359	(344,916)	(275,095)	471,648	416,890

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

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 September 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 30/09/2016 RM' 000	Preceding Year Corresponding Quarter 30/09/2015 RM' 000	Current Year to Date 30/09/2016 RM' 000	Preceding Year Corresponding Year to Date 30/09/2015 RM' 000
Malaysian income tax	(8,240)	(11,041)	(18,135)	(21,769)
Deferred tax	2,030	1,505	3,607	1,939
	<u>(6,210)</u>	<u>(9,536)</u>	<u>(14,528)</u>	<u>(19,830)</u>
Over/(Under) provision of Malaysian income tax in prior years	-	-	-	-
	<u>(6,210)</u>	<u>(9,536)</u>	<u>(14,528)</u>	<u>(19,830)</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 ("Proposed Bonus Issue"). The shareholders of HYB approved the Proposed Bonus Issue on 24 August 2016.

The entitlement date for the above exercise was on 12 October 2016 and the Bonus Share will be listed and quoted on the Main Market of Bursa Malaysia Securities Berhad on 13 October 2016.

16 Borrowings - Secured

	As at 30/09/2016 RM' 000	As at 31/03/2016 RM' 000
Bank Overdrafts	12,541	3,819
Short Term Bank Borrowings	69,525	55,796
Long Term Bank Borrowings	<u>215,941</u>	<u>169,129</u>
	<u>298,008</u>	<u>228,744</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.

		6 months ended 30/09/2016	6 months ended 30/09/2015
(a) Basic earnings per share			
Profit for the period	(RM' 000)	<u>40,858</u>	<u>58,576</u>
Weighted average number of ordinary shares	('000)	<u>264,000</u>	<u>264,000</u>
Basic earnings per share	(sen)	15.48	22.19
(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 RM16.95 million, representing a decrease of RM11.73 million (41%) as compared to the preceding year's corresponding quarter.

Revenue achieved for the quarter under review of RM102.77 million was RM47.86 million (32%) lower than the preceding year corresponding quarter.

Total unbilled sales at the end of the quarter under review stood at RM311.15 million.

The Group's earnings per share for the period ended 30 September 2016 was 15.48 sen.

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

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30/09/2016 RM' 000	Preceding Year Corresponding Quarter 30/09/2015 RM' 000	Current Year to Date 30/09/2016 RM' 000	Preceding Year Corresponding Year to Date 30/09/2015 RM' 000
Revenue				
Property Development	102,176	150,078	229,556	292,075
Other Operation	589	542	1,170	1,119
	<u>102,765</u>	<u>150,620</u>	<u>230,726</u>	<u>293,194</u>
Profit before tax				
Property Development	23,133	38,061	55,323	78,049
Other Operation	30	160	63	357
	<u>23,163</u>	<u>38,221</u>	<u>55,386</u>	<u>78,406</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 32% and 39% 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 RM23.16 million was RM9.06 million or 28% lower than the immediate preceding quarter ended 30 June 2016 of RM32.22 million.

22 Current Year Prospects

The outlook for property industry remains challenging with tightened liquidity and subdued consumer sentiments. Despite the uncertainties, 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 21 October 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 30/09/2016 (RM' 000)	As at 31/03/2016 (RM' 000)
Total retained profits of the Company and its subsidiaries:		
- Realised	354,627	305,117
- Unrealised	(5,041)	3,389
	349,586	308,506
Less: Consolidation adjustments	(31,102)	(30,880)
Total group retained profits as per consolidated accounts	318,484	277,626