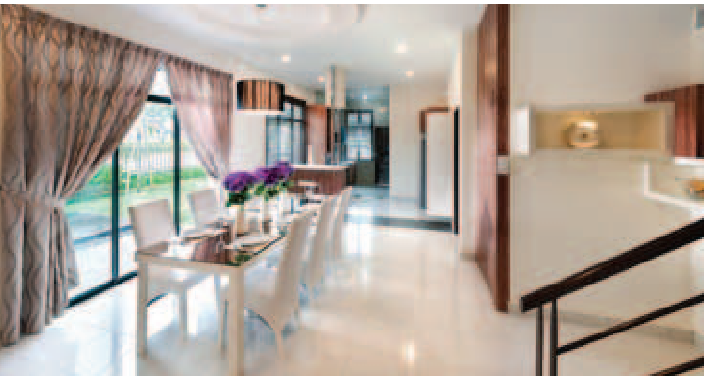


HUAYANG

AFFORDABLE HOMES FOR ALL

ANNUAL REPORT 2012



CONTENTS

CORPORATE INFORMATION

BOARD OF DIRECTORS

Tan Sri Dato' Seri Dr. Ting Chew Peh
Chairman / Independent Non-Executive Director

Ho Wen Yan
Chief Executive Officer / Executive Director

Dato' Tan Bing Hua
Senior Independent Non-Executive Director

Ho Mook Leong
Non-Independent Non-Executive Director

Chew Po Sim
Non-Independent Non-Executive Director

Chew Hoe Soon
Non-Independent Non-Executive Director

Dato' Wan Azahari Bin Yom Ahmad
Independent Non-Executive Director

AUDIT COMMITTEE

Chairman
Tan Sri Dato' Seri Dr. Ting Chew Peh
Independent Non-Executive Director

Members
Dato' Tan Bing Hua
Senior Independent Non-Executive Director

Chew Hoe Soon
Non-Independent Non-Executive Director

REMUNERATION COMMITTEE

Chairman
Dato' Tan Bing Hua
Senior Independent Non-Executive Director

Members
Tan Sri Dato' Seri Dr. Ting Chew Peh
Independent Non-Executive Director

Chew Hoe Soon
Non-Independent Non-Executive Director

NOMINATION COMMITTEE

Chairman
Tan Sri Dato' Seri Dr. Ting Chew Peh
Independent Non-Executive Director

Members
Dato' Tan Bing Hua
Senior Independent Non-Executive Director

Chew Hoe Soon
Non-Independent Non-Executive Director

COMPANY SECRETARIES

Chan Sew Moh (MIA 12605)
Leong Oi Wah (MAICSA 7023802)
Tan Hwai Lun (MIA 24085)

REGISTERED OFFICE

123A, Jalan Raja Permaisuri Bainun
(Jalan Kampar)
30250 Ipoh
Perak Darul Ridzuan
Tel : 05-2543812
Fax : 05-2542625
E-mail : ipoh@huayang.com.my

OFFICES IN MALAYSIA

Head Office
C-21, Jalan Medan Selayang 1
Medan Selayang
68100 Batu Caves
Selangor Darul Ehsan
Tel : 03-61884488
Fax : 03-61884487
E-mail : kl@huayang.com.my
Website : www.huayang.com.my

Ipoh Office
123, Jalan Raja Permaisuri Bainun
(Jalan Kampar)
30250 Ipoh
Perak Darul Ridzuan
Tel : 05-2543812
Fax : 05-2542625
E-mail : ipoh@huayang.com.my

Johor Office
53 & 55, Jalan Besi
Taman Sri Putri
81300 Skudai
Johor Darul Takzim
Tel : 07-5591388
Fax : 07-5560388
E-mail : jb@huayang.com.my

AUDITORS

Ernst & Young (AF 0039)
Chartered Accountants
21 & 23, Jalan Hussein
(1st Floor), 30250 Ipoh
Perak Darul Ridzuan

PRINCIPAL BANKERS

OCBC Bank (Malaysia) Berhad
Public Bank Berhad
Hong Leong Bank Berhad
RHB Bank Berhad

SHARE REGISTRARS

Symphony Share Registrars Sdn Bhd
Level 6, Symphony House
Block D13, Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan
Tel : 03-78418000
Fax : 03-78418008

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad
Listed on : 29th November 2002
Stock name : HuaYang
Stock code : 5062

NOTICE OF
ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Thirty-Third Annual General Meeting of Hua Yang Berhad will be held at the Head Office of the Company at 4th Floor, C-21, Jalan Medan Selayang 1, Medan Selayang, 68100 Batu Caves, Selangor on Thursday, 30 August 2012 at 10.30 a.m. for the following purposes:-

---

AGENDA

As Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 31 March 2012 together with the Reports of the Directors and Auditors thereon.

2. To approve the payment of a first and final dividend of 15% per Ordinary Share of RM1.00 each less 25% income tax in respect of the financial year ended 31 March 2012. **(Resolution 1)**

3. To approve the payment of Directors' fees amounting to RM396,000 for the financial year ended 31 March 2012. **(Resolution 2)**

4. To re-elect the following Directors who are retiring pursuant to Article 93(1) of the Company's Articles of Association:-

   4.1 Dato' Tan Bing Hua **(Resolution 3)**
   4.2 Chew Hoe Soon **(Resolution 4)**

5. To re-appoint Messrs Ernst & Young as Auditors of the Company for the ensuing year and to authorise the Board of Directors to fix their remuneration. **(Resolution 5)**

As Special Business

6. **ORDINARY RESOLUTION NO. 1**
   Authority to issue shares pursuant to Section 132D of the Companies Act, 1965 **(Resolution 6)**

   "THAT pursuant to Section 132D of the Companies Act, 1965 and subject always to the approval of the relevant authorities, the Directors be and are hereby empowered to issue shares in the Company from time to time and upon such terms and conditions and for such purposes as the Directors may deem fit provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the issued share capital of the Company for the time being and that the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the Bursa Malaysia Securities Berhad and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company."

7. **SPECIAL RESOLUTION NO. 1**
Proposed amendment to the Articles of Association **(Resolution 7)**

"THAT Article 81 of the Articles of Association of the Company be amended as follows:-

Existing Article 81
Where a member of the Company is an authorised nominee as defined under the Central Depositories Act, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

New Article 81
Where a member of the Company is an **exempt** authorised nominee, **as defined under the Central Depositories Act which is exempted from compliance with the provisions of subsection 25A(1) of the Central Depositories Act, of which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account")**, there is **no limit to the number of proxies which the exempt authorised nominee may appoint** in respect of each omnibus account it holds."

8. To transact any other ordinary business of which due notice shall have been given.

NOTICE OF FIRST AND FINAL DIVIDEND PAYMENT AND ENTITLEMENT DATE

NOTICE IS HEREBY GIVEN that the First and Final Dividend of 15% per Ordinary Share of RM1.00 each less 25% income tax in respect of the financial year ended 31 March 2012, if approved at the forthcoming Annual General Meeting, will be payable on 18 September 2012 to Depositors registered in the Record of Depositors at the close of business on 7 September 2012.

A Depositor shall qualify for entitlement only in respect of:-

a) Shares transferred into the Depositor’s Securities Account before 4.00 p.m. on 7 September 2012, in respect of ordinary transfers; and

b) Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

BY ORDER OF THE BOARD
CHAN SEW MOH (MIA 12605)
LEONG OI WAH (MAICSA 7023802)
TAN HWAI LUN (MIA 24085)
Company Secretaries

Ipoh
31 July 2012

Notes:

1. Only members whose name appear in the Record of Depositors as at 24 August 2012 will be entitled to attend the Annual General Meeting or appoint a proxy/proxies in his/her stead or in the case of a corporation, a duly authorised representative to attend and to vote in his/her stead.

2. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy/proxies who may but need not be a member/members of the Company to attend and vote in his/her stead and the provision of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.

3. When a member appoints two (2) or more proxies, the appointments shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.

4. The instrument appointing a proxy shall be in writing under the hand of the appointor or his/her attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised.

5. The instrument appointing a proxy must be deposited at the Registered Office of the Company at 123A, Jalan Raja Permaisuri Bainun (Jalan Kampar), 30250 Ipoh, Perak Darul Ridzuan at least forty-eight (48) hours before the time appointed for the Meeting or any adjournment thereof.

Explanatory Note on Special Business:

Resolution 6
The proposed Resolution 6 will give powers to the Directors to issue up to a maximum ten per centum (10%) of the issued share capital of the Company for the time being for such purposes as the Directors would consider in the best interest of the Company. This authority, unless revoked or varied by the Company at a general meeting, will expire at the next Annual General Meeting of the Company.

The general mandate sought for issue of shares is a renewal of the mandate that was approved by the shareholders on 19 August 2011. The Company has utilized the mandate that was approved last year for the Private Placement exercise as announced on 18 July 2012 to raise proceeds for land acquisitions. At the date of printing of the Annual Report 2012 the issue price has yet to be fixed.

The renewal of the general mandate is to provide flexibility to the Company to issue new shares without the need to convene separate general meeting to obtain its shareholders' approval so as to avoid incurring additional cost and time. The purpose of this general mandate is for possible fund raising exercises including but not limited to further placement of shares for purpose of funding current and/or future investment projects, working capital and/or acquisitions.

Resolution 7
The proposed Resolution 7 the amendment to the Articles of Association of the Company are to comply with the amendments made on Chapter 7 of Bursa Malaysia Securities Berhad Main Market Listing Requirements in relation to appointment of multiple proxies.

CHAIRMAN'S STATEMENT

"FY 2012 was a year of positive growth and development for the Group. It was a year where Hua Yang had increasingly gained mileage as a noteable developer in the affordable homes segment. As a brand, Hua Yang slowly but surely gained the confidence of investors and buyers."

TAN SRI DATO' SERI DR. TING CHEW PEH
Chairman

On behalf of the Board of Directors, I am happy to present herewith the Annual Report and Audited Financial Statements of the Group for the financial year ended 31 March 2012 (FY 2012).

ECONOMIC REVIEW

Despite uncertainties in the global economy in 2011 and a general slowdown in economic activity, Malaysia continued to perform strongly, registering positive growth throughout the year. The Malaysian economy, supported by a strong domestic demand, recorded a GDP of 5.1% in 2011.

The property sector proved to be relatively robust. Demand for affordable properties within the price bracket of RM90,000 - RM400,000 remained very strong, supported by demographics of an expanding middle income urban population.

FINANCIAL PERFORMANCE

It was a record breaking year for Hua Yang with strong results in revenue and profits attributed to consistent sales throughout its nationwide projects, with total sales of RM519.55 million.

For the financial year ended FY 2012, the Group posted a revenue of RM306.41 million, an increase of RM117.55 million or 62% higher than the revenue of the preceding year.

These impressive results were attributed to the planned growth in revenue and earnings. Corresponding with the higher revenue, the Group also achieved a higher profit before tax of RM72.5 million, a 112% increase from the preceding year.

The net profit attributable to shareholders stood at RM52.95 million at the end of the financial year and the Group's earnings per share was 36.77 sen, a 111% increase from the preceding year.

DIVIDEND

With the outstanding performance by the Company, The Board of Directors is pleased to recommend a gross first and final dividend of 15 sen per ordinary share for the financial year ended 31 March 2012 subject to the approval of shareholders at the upcoming Thirty-Third Annual General Meeting.

REVIEW OF OPERATIONS

FY 2012 was a year of positive growth and development for the Group. It was a year where Hua Yang had increasingly gained mileage as a notable developer in the affordable homes segment. As a brand, Hua Yang slowly but surely gained the confidence of investors and buyers.

This was well reflected in sales nationwide, with our projects in Johor, Perak, Seremban and Klang Valley recording 1,631 units compared to 1,039 units in the previous financial year.

Klang Valley projects contributed 73% (RM377.62 million) to the total sales, with projects such as Symphony Heights serviced apartments at Selayang bringing in RM11.36 million in sales while the bulk of the sales was generated from One South integrated development (RM365.56 million).

It was obvious that the One South, Seri Kembangan project had positioned Hua Yang on the Klang Valley map. With a GDV of RM920 million, three phases were launched at the 16.7 acres leasehold commercial development.

These included the One South Street Mall and office units (Phase 1) and the Parc@One South and Gardenz@One South serviced apartments (Phase 2 & 3), which received overwhelming response at the time of launch.

Johor was the second biggest contributor with RM88.87 million in sales for FY 2012 as compared to RM67.4 million in 2011. This represented a 17% contribution to the entire group sales performance.

Main income generators included Hua Yang's first township project in Johor, Taman Pulai Indah which has been developed since 2001. Its trademark offering of single story terrace houses, double storey terrace houses and double storey cluster houses have been well received by the local market.

Hua Yang's efforts in building townships have fared well with Bandar Universiti Seri Iskandar, Perak contributing 10% to the group sales. This translates to RM49.92 million.

Senawang Link, an integrated commercial and industrial development in Seremban contributed RM3.14 million in sales for FY 2012.

CORPORATE DEVELOPMENT

To ensure continuous growth, we will continue to expand our land bank. Our current land bank totals 773 acres, worth RM2.3 billion in GDV.

Within Klang Valley, in FY 2012 we acquired 1.55 acres of leasehold land located in the middle of the Desa Pandan Commercial Centre. We also acquired 3.73 acres of leasehold commercial land in Shah Alam. These two parcels of land, when developed, will contribute RM350 million to our future GDV.

In Perak, Hua Yang acquired 21 acres of freehold land within the vicinity of Ipoh.

Down south in the state of Johor, the Group purchased 2.43 acres of freehold residential land with an estimated GDV of RM130 million.

In Seremban, Hua Yang acquired the remaining 40% stake in Sunny Mode Sdn Bhd, thus making it a wholly-owned subsidiary of Hua Yang.

UPCOMING DEVELOPMENTS

As the new financial year commences, we are geared to launch RM815 million worth of projects over the next twelve months. These new launches will encompass both existing projects nationwide, as well as new projects in Klang Valley, Johor and Perak.

Our goal is to achieve a revenue of RM500 million in FY 2014. With 30 years of experience, and our corporate mission geared towards affordable housing, we have full confidence that our affordable products will continue to fare well.

Within the Klang Valley, we will be launching various projects which are centred on building vertical communities, in the form of serviced apartments.

One of these includes the Phase 4 of One South which is the Flexis small office, home office (SOHO) worth RM183 million in GDV. Flexis is our first SOHO project for the entire group, and we have priced it from RM240,000 onwards catering to young professionals and newly married couples seeking a flexible space as a home as well as a place to work.

Other notable projects include the Desa Pandan serviced apartments with retail elements, worth RM175 million in GDV. This strategic development is located opposite the Royal Selangor Golf Club and minutes away from Jalan Tun Razak, Jalan Imbi and Jalan Ampang.

A similar product will be launched in Section 13, Shah Alam, encompassing serviced apartments and retail shops worth RM175 million in GDV. The land is strategically located near the Stadium Shah Alam and Laman Seri Business Centre, which are central locations in the established township.

At our township project in Bandar University Seri Iskandar, Perak, we will be launching 347 units of single and double storey terrace houses and semi-detached houses worth RM82 million in GDV.

Also within the vicinity of Perak, Hua Yang will soon launch the Greenview Residence at Anjung Bercham Megah, Bercham, which consists of 42 units of 3 storey terrace houses worth RM10 million in GDV. This residential project, spread across 2.3 acres of land, will be guarded and gated with 24 hour security surveillance.

In Johor, apart from our existing township development, Taman Pulai Indah, we will launch our second township developments, Taman Pulai Hijauan. This new township is just 1 km away from Taman Pulai Indah with a total GDV of RM380 million spread over a land area of 131 acres.

In the Johor city centre, we will be launching the Polo Park guarded and gated project, worth RM41 million in GDV. This project comprises 28 units of $2^1/_2$ storey semi-detached houses valued at RM 1 million each, targeted at both local as well as Singaporean buyers.

PROSPECTS

With the government projecting economic growth of 5% in 2012, ample liquidity in the market and low interest rates, we expect the property market to remain strong. We are optimistic that the affordable homes segment will continue to grow, as more young working adults and young couples look for their first homes.

Barring unforeseen circumstances, the Group is confident of its good performance in FY2013.

ACKNOWLEDGEMENT

On behalf of the Board, I would like to express my heartfelt gratitude and appreciation to our loyal shareholders, valued customers, financiers, business associates and the relevant government authorities for their continuous support. To the management and staff of the Group, I wish to express my gratitude for their hard work and commitment. My sincere appreciation also goes to my fellow Directors for their wise counsel and invaluable dedication to the Group.

TAN SRI DATO' SERI
DR. TING CHEW PEH
Chairman

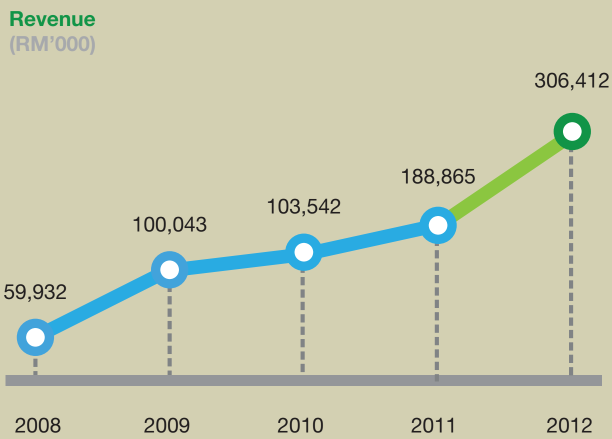
GROUP CORPORATE STRUCTURE

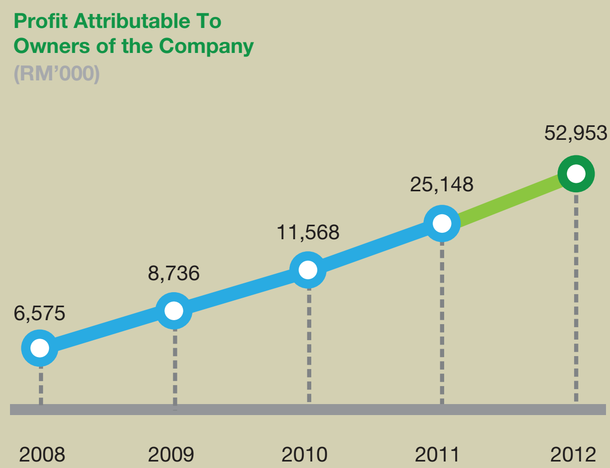
HUAYANG

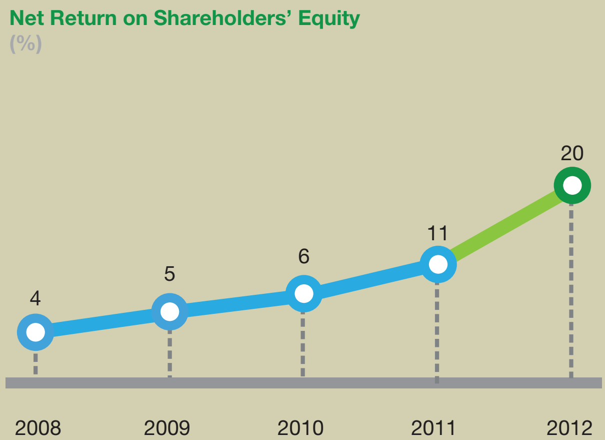
- Agro-Mod Industries Sdn Bhd 100%
- Bison Holdings Sdn Bhd 100%
- Daya Niaga Sdn Bhd 100%
- Grandeur Park Sdn Bhd 100%
- HYB Management Services Sdn Bhd 51%
- Johanjana Corporation Sdn Bhd 63.5%
- 100% Pembinaan Hua Yang Sdn Bhd
- 100% Prisma Pelangi Sdn Bhd
- 100% Prop Park Sdn Bhd
- 100% Sunny Mode Sdn Bhd
- 100% Tinggian Development Sdn Bhd
- 100% Yoon Lian Realty Sdn Bhd

FIVE YEARS
GROUP FINANCIAL HIGHLIGHTS

Financial Year Ended 31 March (Audited)	2012 RM'000	2011 RM'000	2010 RM'000	2009 RM'000	2008 RM'000
Revenue	306,412	188,865	103,542	100,043	59,932
Profit Before Taxation	72,503	34,257	15,775	12,551	8,815
Profit After Taxation	53,435	25,087	11,559	8,705	6,575
Profit Attributable To Owners of the Company	52,953	25,148	11,568	8,736	6,575
Earnings Per Share (Sen)	36.77	17.46	10.71	9.71	7.31
Net Assets	268,257	220,977	197,584	186,443	179,426
Net Return on Shareholders' Equity (%)	20%	11%	6%	5%	4%
Net Assets Per Share (RM)	1.86	2.05	2.20	2.07	1.99
Net Gearing Ratio	0.27	0.30	0.27	0.15	0.05







PROFILE OF DIRECTORS

TAN SRI DATO' SERI DR. TING CHEW PEH

Chairman / Independent Non-Executive Director
- **Chairman of Audit Committee and Nomination Committee**
- **Member of Remuneration Committee**

Aged 69, Malaysian, was appointed to the Board of Hua Yang Berhad ("Hua Yang") on 1 June 2000 and was made the Chairman of the Board. He has a Bachelor of Arts Degree from University of Malaya and a Master of Science Degree from University of London. He also holds a Doctorate in Philosophy, which he obtained from University of Warwick.

YBhg Tan Sri Dato' Seri Dr. Ting started his career as a lecturer in the Faculty of Social Sciences and Humanities at Universiti Kebangsaan Malaysia in 1974 until 1980. He was then appointed as an Associate Professor at the Faculty until 1987.

In 1987, YBhg Tan Sri Dato' Seri Dr. Ting ventured into politics with his election as a Member of Parliament for the Gopeng constituency, which he held until the 2008 general elections. He previously served as a Parliamentary Secretary of the Ministry of Health (1988 – 1989), Deputy Minister in the Prime Minister's Department (1989 – 1990), Minister of Housing and Local Government (1990 – 1999) and Secretary-General of Malaysia Chinese Association (MCA) (1990 – 2005).

He currently sits on the Board of Pan Malaysia Capital Berhad, Johan Holdings Berhad, Puncak Niaga Holdings Berhad, Huaren Education Foundation and also serves as a Director of several private companies.

HO WEN YAN

Chief Executive Officer / Executive Director

Aged 38, Malaysian, was appointed to the Board of Hua Yang on 1 June 2007. He received his architectural training in the United Kingdom at the University of Bath and the Architectural Association. He also holds a Masters of Science (Construction Economics and Management) Degree from University College London.

He began his career in the architectural practice in London with PARAMETA Architects, having also done short technical attachments with Chua Ka Seng & Partners in Singapore during his semester breaks.

He joined Hua Yang on 20 October 2003 as a Project Coordinator at its Johor Branch and within a year was promoted to oversee the Johor Branch operations as the Branch Manager. With improvement seen in the performance of the Johor Branch operations under his leadership, Mr. Ho Wen Yan was appointed as General Manager in April 2006 and subsequently on 1 June 2007 was promoted to the position of Chief Operating Officer and Executive Director. He was later promoted to the position of Chief Executive Officer on 20 August 2010, succeeding Mr. Ho Mook Leong.

HO MOOK LEONG

Non-Independent
Non-Executive Director

Aged 52, Malaysian, was appointed to the Board of Hua Yang on 31 January 2002. He has a Degree in Civil Engineering from Ohio State University, United States of America.

Mr. Ho Mook Leong started his career as a Site Engineer with IOI Properties Berhad in 1984 and subsequently left to join Hua Yang as Project Manager in 1988 to oversee the property development project in Ipoh. From 1991 to 1997, Mr. Ho Mook Leong was on secondment to one of the associated company to manage another mixed property development project in Ipoh. Having acquired extensive experience and expertise in project management and construction related fields over the years, he was made the General Manager of Hua Yang in 1997 to oversee all the development projects of Hua Yang Group.

Mr. Ho Mook Leong left Hua Yang in year 2000 to pursue his own consultancy business. In the preparation for the initial public listing of Hua Yang in 2001/2002, Mr. Ho Mook Leong was invited back to be a Board member of Hua Yang as Executive Director on 2 January 2002. He was promoted to Chief Operating Officer and Chief Executive Officer of Hua Yang on 1 September 2003 and 1 June 2007 respectively. He resigned as Chief Executive Officer of Hua Yang on 19 August 2010 to pursue his own business interest and remains a Non-Executive Director on the Board of Hua Yang.

CHEW PO SIM

Non-Independent
Non-Executive Director

Aged 69, Malaysian, was appointed to the Board of Hua Yang on 27 January 2003. She holds a teaching certificate and on her early retirement from the teaching profession, she ventured into horticulture trading business for more than 20 years.

She is also currently overseeing her investment holding companies, namely Heng Holdings Sdn Bhd and Heng Jaya Sdn Bhd, the substantial shareholders of the Company.

profile of directors

CHEW HOE SOON

Non-Independent Non-Executive Director
- **Member of Audit Committee, Remuneration Committee and Nomination Committee**

Aged 60, Malaysian, was appointed to the Board of Hua Yang on 2 June 2003. He holds a Bachelor of Economics (Accounting) Degree (Honours) and a Diploma in Accounting, both from University Malaya. He is a member of the Malaysian Institute of Accountants (MIA).

Mr Chew Hoe Soon has extensive working experience in the field of finance as well as trading of consumer products, having held the position of Managing Director in a large multinational company for a number of years.

DATO' TAN BING HUA

Senior Independent Non-Executive Director
- **Chairman of Remuneration Committee**
- **Member of Audit Committee and Nomination Committee**

Aged 68, Malaysian, was appointed to the Board of Hua Yang on 16 January 2006. He graduated from University of Malaya with a Bachelor of Arts Degree (Honours) and also has the L.L.B. (Honours) Degree from the University of London.

Dato' Tan Bing Hua started his career in public service in Bank Negara upon his graduation in 1967 where he served for a period of 15 years. He then left Bank Negara to pursue his study of law in London. He was called to the Malaysia Bar in 1987 after obtaining his L.L.B. (Honours) degree from the University of London in 1985 and his admission as a Barrister-at-Law of the Lincoln's Inn, London in 1986. He has been practicing as a lawyer in the firm of Amin-Tan & Co since 1987.

DATO' WAN AZAHARI BIN YOM AHMAD

Independent Non-Executive Director

Aged 49, Malaysian, was appointed to the Board of Hua Yang on 19 August 2010. He holds a certificate in Business Studies.

Dato' Wan Azahari has 20 years of experience in the building and electrical construction industry. He is currently the Group Director to Yom Ahmad Ngah Holdings Sdn Bhd Group of companies.

Family Relationship

None of the Directors have any relationship with each other and major shareholders of Hua Yang except that Ho Wen Yan is the son of Chew Po Sim and the nephew of Ho Mook Leong and Chew Hoe Soon. Chew Po Sim and Chew Hoe Soon are siblings and Chew Po Sim is the sister-in-law of Ho Mook Leong.

Chew Po Sim is the mother of Ho Min Yi, Ho Wen Yan, Ho Wen Han and Ho Wen Fan , the major shareholders of Hua Yang.

Conflict of Interest

None of the Directors have any conflict of interest with the Company.

List of Convictions of Offence

None of the Directors have been convicted for offence within the past 10 years other than traffic offences, if any.

Attendance of the Board

There were six (6) Board meetings held during the financial year ended 31 March 2012 and the attendance of each Director is as follows:-

	Name of Director	Attendance
1.	Tan Sri Dato' Seri Dr. Ting Chew Peh	6/6
2.	Ho Wen Yan	6/6
3.	Dato' Tan Bing Hua	6/6
4.	Ho Mook Leong	6/6
5.	Chew Po Sim	5/6
6.	Chew Hoe Soon	6/6
7.	Dato' Wan Azahari Bin Yom Ahmad	6/6

CORPORATE GOVERNANCE STATEMENT

The Board of Directors ("the Board") of Hua Yang Berhad ("Hua Yang" or "the Company") is committed to ensuring that the highest standards of corporate governance are implemented and maintained throughout the Group as a fundamental part of discharging its responsibilities to protect and enhance shareholders' value. Therefore, the Board supports the principles laid out in the Malaysian Code on Corporate Governance (revised 2007) ("the Code"). These principles and practices supported by existing internal controls processes, are regularly audited and reviewed to ensure transparency, integrity and accountability has been in place for the financial year ended 31 March 2012.

BOARD OF DIRECTORS

Composition of the Board

The Company has seven (7) members on the Board of whom three (3) are Independent Non-Executive Directors (including the Chairman), one (1) Executive Director and three (3) Non-Independent Non-Executive Directors. A brief profile of each Director is presented on page 14 to 16 of this Annual Report.

The Company is led and managed by an experienced Board comprising members with a wide range of experience in relevant fields such as entrepreneurship, economics, legal, accounting, finance, administration, project development, management, marketing and public service. Together, the Directors bring a broad range of skills, experience and knowledge to successfully direct and supervise the Group's business activities.

The Executive Director is generally responsible for making and implementing operational decisions whilst the Non-Executive Directors support the skills and experience of the Executive Director, contributing to the formulation of policy and decision-making through their knowledge and experience of other business sectors.

The Independent Non-Executive Directors, who are independent of management and free from any business relationship which could materially interfere with the exercise of their judgement, play an important role in ensuring that the strategies proposed by the Management are fully deliberated and examined, taking into consideration the long term interests of shareholders, employees, customers and other stakeholders.

The roles of the Chairman and Chief Executive Officer ("CEO") are separate with clear division of responsibilities between them to ensure balance of power and authority. The Chairman's main responsibility is to lead and manage the Board in order to ensure its effectiveness. Together with other Non-Executive Directors, he leads the discussion on the strategies and policies recommended by the Management.

The CEO is responsible in leading the management team, implementation of the policies/decision approved by the Board, and acts as the Group's official spokesperson. The CEO is also responsible for planning the future direction of the Group for the Board's consideration and approval.

Directors' Training

All Directors have attended and successfully completed the Mandatory Accreditation Programme as required by Bursa Malaysia Securities Berhad ("Bursa Securities"). In addition, seminars and conferences organised by Bursa Securities, relevant regulatory bodies and professional bodies on areas pertinent to the Directors are communicated to the Board for their participation. The Board will also identify training needs amongst the Directors and enroll the Directors for training programme, as and when required.

During the financial year, the Directors have attended training programmes, the details of which are set out as follows:

Director	Training Programme	Mode of Training	Duration of Training
Tan Sri Dato' Seri Dr. Ting Chew Peh	1. Corporate Governance Talk – "The Board's Responsibility for Corporate Culture"	Seminar	½ day
	2. Compliance of The Listing Requirement (LR): Expectations on Directors of Listed Companies	Seminar	½ day
	3. Corporate Frauds – Detection and Prevention	Seminar	1 day
Ho Wen Yan	Corporate Frauds – Detection and Prevention	Seminar	1 day
Dato' Tan Bing Hua	Corporate Frauds – Detection and Prevention	Seminar	1 day
Ho Mook Leong	Corporate Frauds – Detection and Prevention	Seminar	1 day
Chew Po Sim	Corporate Frauds – Detection and Prevention	Seminar	1 day
Chew Hoe Soon	Corporate Frauds – Detection and Prevention	Seminar	1 day
Dato' Wan Azahari Bin Yom Ahmad	Corporate Frauds – Detection and Prevention	Seminar	1 day

Senior Independent Non-Executive Director

The Board has appointed Dato' Tan Bing Hua as the Senior Independent Non-Executive Director of the Board to whom concerns may be conveyed. The Senior Independent Non-Executive Director provides a secure and confidential channel to address any concerns conveyed to him directly on matters relating to the Company. Dato' Tan Bing Hua is authorised to seek information as required, from any employee of the Company and all employees are directed to co-operate on any request made by the Senior Independent Non-Executive Director. During the year, there was no issue raised to the Senior Independent Non-Executive Director.

Board Meetings and Supply of Information

Board meetings are held at regular intervals with additional meetings convened when necessary. During the financial year, the Board met six (6) times to review the Group's operations, quarterly and annual financial statements and any other matters that required the Board's approval. Details of each Director's attendance are set out on page 17 of this annual report.

The Company has adopted a policy of sending Board papers to the Directors ahead of the pre-scheduled meetings to ensure that the Directors are given sufficient time to review any matters to be discussed at the meetings later and also to enable the Directors to obtain further information and explanation, whenever necessary.

The Board papers encompass all aspects of the matters to be considered with quantitative and qualitative information thus enabling the Board to make informed decisions. Detailed reports on various issues like operational performance and profitability, human resources, business plans and various financial indicators are made available in advance to members of the Board for information and deliberation wherever applicable.

The Board papers also encompass a summary listing of the changes in the relevant laws and regulations applicable to the Company such as Bursa Securities's Listing Requirements. The Board have the right to access all information within the Company, whether as a full board or in their individual capacity, in furtherance of their duties.

The appointment of the Company Secretary is based on the capability and proficiency determined by the Board. All Directors have access to the advice and services of the Company Secretaries who are responsible for ensuring the proper Board procedures are followed through and that all applicable rules and regulations are complied with. The Company Secretaries attended the Board meetings and recorded the deliberations, in terms of the issues discussed and the conclusion made by the Board in discharging their duties and responsibilities. The Articles of Association of the Company permits the removal of Company Secretary by the Board of Directors. Besides this, the Directors are also empowered to seek external independent professional advice at the Company's expense, to enable them to make well-informed decisions.

Retirement of Directors

In accordance with the Company's Articles of Association, one-third (1/3) or nearest to one-third (1/3) of the Directors shall retire from office and be eligible for re-election at each annual general meeting provided that all Directors shall retire from office once at least in every three (3) years but shall be eligible for re-election. Directors appointed during the year are subject to retirement and re-election by shareholders in the Annual General Meeting immediately after his/her appointment. A retiring Director shall retain office until the close of the meeting at which he retires.

Directors who are over 70 years of age are required to submit themselves for re-appointment annually in accordance with Section 129(2) of the Companies Act,1965.

Board Committees

(i) Audit Committee

The Board is assisted by the Audit Committee, which operates within clearly defined key functions. The composition, terms of reference and activities of the Audit Committee are set out on pages 30 to 32 of this annual report.

(ii) Nomination Committee

The Nomination Committee met one (1) time during the financial year and the activities which had been carried out were as follows:

i. Assessed the effectiveness of the Board as a whole and the contribution of each individual Director;
ii. Reviewed the size, composition and the required mix of skills of the Board; and
iii. Recommended the re-election of retiring Directors to the Board.

The Nomination Committee ensures that all assessments and evaluations carried out are properly documented.

(iii) Remuneration Committee

The Remuneration Committee met two (2) times during the financial year and the activities which had been carried out were as follows:

i. Reviewed and recommended the bonus, increment and benefits of the staff, senior management and Executive Directors to the Board by linking their rewards to corporate and individual performance; and
ii. Reviewed the Directors' fees.

DIRECTORS' REMUNERATION

Other than the Executive Director, all Non-Executive Directors are paid a fixed fee besides receiving meeting allowance for each Board and Committee meeting they attend. Directors' fees are subject to the approval of shareholders. The Chairman of the Board and Board Committee is paid a higher fee compared to other Board members and Board Committee members in recognition of his additional responsibilities.

The Executive Director's remuneration is contractual and reflects the Board's recognition of his skills and experience in the industry, job responsibilities and the Group's performance against financial objectives. The Executive Director does not participate in discussion on his own remuneration. It is the ultimate responsibility of the entire Board to approve the remuneration of the Executive Director. The Executive Director concerned would abstain from discussion and decision on his own remuneration.

The Board as a whole determines the remuneration package of Non-Executive Directors including the Independent Chairman by linking the remuneration to their experience and level of responsibilities undertaken.

The details of the remuneration of the Directors in respect of the financial year ended 31 March 2012 are as follows:

Category of Remuneration	Executive Directors (RM)	Non-Executive Directors (RM)
Salaries	420,000	-
Directors' fees	-	354,000
Audit Committee fees	-	26,000
Remuneration & Nomination Committee fees	-	22,000
Bonuses	463,787	-
Employees' Provident Fund & SOCSO	112,362	-
Allowance	-	35,000
Total	996,149	437,000

The number of Directors whose total remuneration fell within the following bands during the financial year is as follows:

	Number of Directors	
	Executive	Non-Executive
RM50,001 to RM100,000	-	6
RM950,001 to RM1,000,000	1	-

COMMUNICATIONS WITH SHAREHOLDERS AND INVESTORS RELATIONS

An Investor Relations and Shareholders Communication Policy has been adopted by the Board to enable the Company to communicate effectively with its shareholders, potential investors, other stakeholders and public generally. The Group always recognises the importance of informing shareholders of all major developments of the Group on a timely basis.

Apart from the mandatory announcements on the Group's financial results and corporate developments to Bursa Securities, investors and members of the public who wish to contact the Group on any matters can channel their queries through e-mail (kl@huayang.com.my).

The Company's website www.huayang.com.my also provides an avenue for shareholders and members of the public to access information pertaining to the Group.

The Company also disseminate information to the public via press releases which provide up-to-date information on the Group's key corporate initiatives, new product and services launches.

The Board recognises the use of the Annual General Meeting as a principal forum for dialogue and communication with shareholders. Extraordinary General Meetings are held as and when required.

ACCOUNTABILITY AND AUDIT

Financial Reporting

The Directors are required by the Companies Act, 1965 to ensure that financial statements prepared for each financial year give a true and fair view of the state of affairs of the Company and the Group. The Directors are satisfied with the presentation of the financial statements of which has been prepared in accordance with the applicable accounting standards, consistently applied and supported by reasonable and prudent judgments and estimates. The Audit Committee assists the Board by scrutinizing the information to be disclosed, to ensure accuracy and adequacy. The Group's financial statements are presented on pages 33 to 105 of this annual report.

Risk Management Framework and Internal Control

The Board acknowledges its responsibility for the Group's system of internal control and for reviewing its effectiveness regularly by setting up an internal audit function which provides support to Audit Committee in discharging its duties with respect to the adequacy and integrity of the system of internal control within the Group. A Statement on Internal Control is set out on pages 27 to 29 of this annual report.

Relationship with the Auditors

Through the Audit Committee of the Board, the Group has established a transparent and appropriate relationship with the Group's auditors, both internal and external. The external auditors are invited to attend meetings on special matters when necessary.

"CORPORATE SOCIAL RESPONSIBILITY IS THE CONTINUING COMMITMENT BY BUSINESS TO BEHAVE ETHICALLY AND CONTRIBUTE THE ECONOMIC DEVELOPMENT WHILE IMPROVING THE QUALITY OF LIFE OF THE WORKFORCE AND THEIR FAMILIES AS WELL AS THE LOCAL COMMUNITY AND SOCIETY AT LARGE"

(SOURCE : WORLD BUSINESS COUNCIL FOR SUSTAINABLE DEVELOPMENT)

Hua Yang Berhad ("Hua Yang") subscribes to the principles of a socially responsible corporate organization. We identify the socio-economic contributions of our operations that drives our commitment to conduct our business in an ethical and responsible manner to achieve the goals of our Group that aligns with aspirations of society, local community, staff, suppliers and other stakeholders. Hua Yang's corporate social responsibility (CSR) activities are aligned towards our effort to implement the best practices in CSR and our initiatives are based on the three core values encompassing employee welfare, community and environmental protection.

We endeavor to comply with the laws, regulations and rules applicable to our business and to conduct our business in accordance with the established best practices. Environmental, ethical and social responsibility issues and standards are also taken into consideration in every aspect of our business. We aim to be a responsible employer and continuously seek to equip our employees with the necessary tools and skills they need to effectively support the organization. We are also committed to the society, contributing in meaningful ways and aim to make differences in their lives.

HUMAN CAPITAL DEVELOPMENT

We believe that a strong company requires not only skilled but driven, motivated and loyal employees. We give attention to the professional and personal development of our employees as this is important for the growth of the Group and our business. Employees with good knowledge, competent skills and positive attitude are among the cornerstones of Hua Yang's continuous success. Thus we actively create opportunities for our employees to develop and realize their true potential and strength through formal and informal training, whether on the job or outside the job. This includes participation in external trainings organized in various job related areas. In tandem with our objective to create human capital providing service excellence to stakeholders and to be a preferred employer, we are also committed to developing a pool of talent that can be nurtured into the Group's future leaders.

In addition, activities organized such as company trips, team building, staff annual dinner, festive dinners, monthly sport activities etc. are expected to promote better team spirit, social interactions among the staffs and improve the lifestyle of employees.

EDUCATION AND COMMUNITY DEVELOPMENT

Hua Yang believes that everyone should have equal access to quality education and we are commited to creating education improvement around the country. We regularly make financial contributions and donations to various organizations and schools for them to carry out their various education programmes.

We have also continuously engaged in humanitarian and community projects such as blood donation campaigns as part of our CSR activities.

ENVIRONMENT

Hua Yang also commits itself to good environmental practices in its businesses. We recognize that our activities must be carried out responsibly due to the fragile ecosystems in certain areas where we operate.

To support this effort, we carry out recycling campaign for papers, plastics and other materials at HQ's office and encourage our employees move towards paperless such as use of electronic mail and also practice energy saving. Employees are encouraged to be aware of the need to conserve energy and are actively encouraged to recommend alternative methods to achieve such savings.

OUR COMMITMENT

Hua Yang will continue to enhance its commitment towards CSR to ensure all stakeholders will be able to benefit from our existence.

STATEMENT ON
DIRECTORS' RESPONSIBILITIES

The Directors are required by the Companies Act, 1965 to prepare financial statements which have been made out in accordance with the applicable Financial Reporting Standards in Malaysia and to give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year and of the results and cash flows of the Group and the Company for the financial year then ended.

In preparing the financial statements, the Directors have:

- adopted appropriate accounting policies and applied them consistently;
- ensured that applicable Financial Reporting Accounting Standards in Malaysia have been followed; and
- considered the going concern basis used as being appropriate.

The Directors are responsible for ensuring that proper accounting records are kept in compliance with the Companies Act, 1965 and disclose with reasonable accuracy of the financial position of the Group and of the Company.

The Directors are also responsible for taking reasonable steps to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

ADDITIONAL COMPLIANCE INFORMATION

As at 10 July 2012

1. Share Buyback

The Company did not buy back any shares during the financial year.

2. Options, Warrants or Convertible Securities

No options, warrants or convertible securities were issued during the financial year.

3. American Depository Receipt ("ADR") or Global Depository Receipt ("GDR") Programme

The Company did not sponsor any ADR or GDR programme during the financial year.

4. Sanctions and/or Penalties

There were no public sanctions and/or penalties imposed on the Company and/or its subsidiaries, Directors or Management by the relevant regulatory bodies during the financial year.

5. Non-Audit Fees

The Company paid non-audit fees of RM49,000 to the external auditors for the financial year ended 31 March 2012 for reviewing the Statement on Internal Control, confirming the adequacy of reserves for the proposed bonus issues and implementation of new Financial Reporting Standards.

6. Variation in Results

There were no variations of 10% or more between the audited results for the financial year ended 31 March 2012 and the unaudited results for the quarter ended 31 March 2012 of the Group.

7. Profit Guarantee

During the financial year, there was no profit guarantee received by the Company.

8. Material Contracts

Other than those related party transactions disclosed in note 33 to the financial statements, there were no material contracts outside the ordinary course of business, including contract relating to loan entered into by the Company and/or its subsidiaries involving Directors and major shareholders that are still subsisting at the end of the financial year or which were entered into since the end of the previous financial year.

STATEMENT ON INTERNAL CONTROL

Introduction

During the financial year, the Board of Directors ("the Board") of Hua Yang Berhad ("Hua Yang" or "the Company") remains committed towards maintaining high standards of governance, accountability and transparency as well as to govern itself in accordance with the relevant regulations and laws with the objectives of safeguarding shareholders' interest as well as protecting the Company's assets. In line with this, the Board of Directors ("the Board") of Hua Yang is pleased to provide the following statement prepared in accordance with the Statement on Internal Control: Guidance for Directors of Public Listed Companies ("the Guidance"), which outlines the nature and scope of internal control of Hua Yang Group ("the Group") for the financial year ended 31 March 2012.

Board Responsibilities

The Board acknowledges its responsibilities for the Group's system of internal control and for reviewing the adequacy and integrity of these systems. The system of internal control covers, inter alia, financial, operational, management information systems, organisational and compliance controls. In view of the inherent limitations in any system of internal control, such system is designed to manage rather than eliminate the risks that may impede the achievement of Hua Yang's business objectives. Accordingly, it can only provide reasonable but not absolute assurance against material misstatement, loss or fraud.

Risk Management

The Board confirms that there is an ongoing process for identifying, evaluating and managing significant risks faced by Hua Yang Group, and this process has been in place throughout the year and up to the date of approval of this annual report and financial statements. The Board continually reviews the adequacy and effectiveness of the risk management process across the various operating subsidiaries within Hua Yang Group. Periodic reviews were also conducted to determine the existence of new risk and whether the risks previously identified remained relevant.

Whilst the Board maintains ultimate control over risk and control issues, it has delegated to Senior Management the implementation of risk management and internal control systems within an established framework.

Internal Control Mechanism

The Group's internal audit function is outsourced to a professional service firm to provide independent assessments on the adequacy, efficiency and effectiveness of the Group's internal control system. During the financial year ended 31 March 2012, the outsourced internal audit service provider carried out audits in accordance with the internal audit plan approved by the Audit Committee and other areas recommended by Senior Management of Hua Yang Group. The results of the internal audit reviews and the recommendations for improvement were presented to the Audit Committee at its quarterly meetings.

Since the appointment of the outsourced internal audit service provider, periodic internal audit visits have been carried out to monitor compliance with the Group's procedures and to review on the adequacy and effectiveness of the Group's system of internal control. Areas of improvement in internal controls have been identified and the implementation of action plans based on proposed recommendations have subsequently been initiated. During the financial year under review, internal audit visits which were scheduled in the internal audit plan have been conducted accordingly. In addition, follow up visits were also conducted to ensure that corrective actions have been implemented in a timely manner.

Other Key Elements of Internal Control

Corporate Disclosure Committee

The Corporate Disclosure Committee ("CDC") which was formed during the financial year ended 31 March 2005 is responsible for ensuring compliance with Corporate Disclosure Policies and Procedures through accurate, clear and complete disclosure of material information in a timely manner in order to keep shareholders and the investing public informed about the Group's operations.

On 22 September 2011, a Corporate Disclosure Guide (CD Guide) was issued by Bursa Malaysia Securities Berhad to assist listed issuers elevate their standards of disclosure. In line with the issuance of the CD Guide, the Board decided to appoint a Corporate Disclosure Manager to adopt the CD Guide in addition to Bursa's Listing Requirements. Subsequent to the appointment of the manager, Mr Tan Hwai Lun, the CDC was dissolved.

Organisation Structure & Authorisation Procedures

The Group maintains a formal line of reporting, that includes the division of responsibilities and delegation of authority. It sets out the roles and responsibilities, appropriate authority limits, review and approval procedures within the various operational segments.

Periodical and/or Annual Budget

The Group has a comprehensive budgeting and forecasting system. The annual business plan and budget are approved by the Board. Budgetary control is in place for every operational facet of the Group. Actual performances are closely monitored against budget so as to identify significant variances arising. On a quarterly basis, significant variances found are highlighted to the Board for the appropriate corrective action.

Scheduled Operational and Management Committee Meetings

Regular Operational and Management Committee Meetings are held to discuss and monitor business and operational performances of the Group. Proceedings of the Operational and Management Committee Meetings are properly minuted.

Periodic Reporting

Quarterly executive summaries are submitted by the Chief Executive Officer to the Board so as to provide a brief overview on financial and operational performance of the Group.

Site Visits

Regular site visits on on-going projects are performed by members of the senior management team and executive directors to ensure that contractual obligations of the Group are met.

Human Resource Policies & Procedures

Comprehensive human resource policies and procedures on recruitment, performance appraisals and promotion are in place to ensure that the Group has a team of employees who are well trained and equipped with the necessary knowledge, skills and abilities to carry out their responsibilities and tasks effectively.

Discretionary Authority Limits

The Board had taken proactive steps to formally define levels of authority through Discretionary Authority Limits. The formalized Discretionary Authority Limits not only set out the limits of authority for various transactions but also ensure that there is a clear and common understanding of these limits.

SUMMARY

In accordance with the assessment of the Group's system of internal control, the Board is of the view that the risks undertaken by the Group were within tolerable level in the context of the business environment the Group operates in. The systems of internal control that existed throughout the year comprising the internal control framework, management processes, monitoring and review process, provided a level of confidence on which the Board is able to rely upon for assurance. During the year under review, nothing has come to the attention of the Board which would result in any material losses, contingencies or uncertainties that would require a separate disclosure in this annual report. Notwithstanding this, the Board will continue to ensure that the Group's system of internal control will continuously evolve in tandem with the current changing and challenging business environment.

AUDIT COMMITTEE
REPORT

The Audit Committee currently comprises of the following members:-

Chairman
Tan Sri Dato' Seri Dr. Ting Chew Peh
(Independent Non-Executive Director)

Members
Dato' Tan Bing Hua
(Senior Independent Non-Executive Director)
Mr Chew Hoe Soon
(Non-Independent Non-Executive Director)

KEY FUNCTIONS OF AUDIT COMMITTEE

The key functions of the Committee should include the following:

- To consider any related party transaction and conflict of interest situation that may arise within the Group including any transaction, procedure or course of conduct that raises questions of management integrity;
- To review the quarterly unaudited financial results announcements, the audited financial statements of the Group before recommending for the Board of Directors approval, focusing on:
  - compliance with accounting standards and regulatory requirements
  - any changes in accounting policies and practices
  - compliance with Stock Exchange and other statutory requirements
  - going concern issues of any activities
  - significant and unusual issues arising from the audit
- To discuss with the external auditors, the evaluation of the system of internal controls;
- To consider and recommend the appointment of the external auditors, their remuneration and any questions of resignation or dismissal;
- To recommend the nomination of a person or persons as external auditors;
- To assist the Board in the review of adequacy and effectiveness of the internal control system;
- To review the risk management policies and practices of the Group to ensure their effectiveness;
- To assist the Board in the preparation of the Audit Committee Report for inclusion in the Annual Report ;
- To discuss with the external auditors, their audit plan and the scope of audit and ensure co-ordination where more than one audit firm is involved;
- To review the assistance given by the employees of the Group to the external auditors;
- To carry out such other responsibilities, functions or assignments as may be directed by the Board of Directors from time to time.
- To review the external auditor's management letter and management's response;

- To do the following, in relation to the internal audit function:-
  - to review the internal audit programme and consider the findings arising from internal audit report or other internal investigations and management's response and to determine appropriate corrective actions required by management;
  - review the adequacy of the scope, functions and resources of the internal audit function, and that it has the necessary authority to carry out its work;
  - review any appraisal or assessment of the performance of members if the internal audit function;
  - approve any appointment or termination of senior staff members of the internal audit function; and
  - take cognizance of resignations of internal audit staff members and provide the resignation staff member an opportunity to submit his reasons for resignation.
- To consider other topics as defined by the Board.

MEETINGS

Five (5) meetings were held during the financial year ended 31 March 2012 and the attendance of the Audit Committee is as follows:

No.	Name of Committee	Attendance
1.	Tan Sri Dato' Seri Dr. Ting Chew Peh	5/5
2.	Dato' Tan Bing Hua	5/5
3.	Mr Chew Hoe Soon	5/5

The External Auditors were invited to present the Audit Plan for the financial year 2012 and their report on the examination of the financial statements. The Audit Committee met with the External Auditors twice during the year without the presence of the Executive Board members. The Chief Financial Officer attends the Audit Committee meeting to present the financial results whilst other Board members only attend upon invitation.

The Chairman of the Audit Committee engages on a continuous basis with senior management of the Company in order to be kept informed of matters affecting the Company.

HIGHLIGHTS OF ACTIVITIES

In accordance with the terms of reference of the Audit Committee, the following activities were undertaken by the Audit Committee during the financial year ended 31 March 2012:

(a) Reviewed the unaudited consolidated quarterly results and audited financial statements of the Company and of the Group before recommending them to the Board for approval and prior to the announcement/submission to Bursa Securities.

(b) Reviewed the audit plan, scope of audit and the results of the external audit with the external auditors.

(c) Reviewed and approved the internal audit plan and internal audit reports and considered the major findings of internal audit review and management's response.

(d) Reviewed the Statement on Internal Control and the Audit Committee Report for inclusion into the Annual Report.

(e) Reviewed the re-appointment of external auditors and the proposed audit fees prior to recommend the same to the Board for approval.

INTERNAL AUDIT FUNCTION

The Group's internal audit function is outsourced to an external consultant who reports to the Audit Committee and to undertake independent, objective, regular and systematic reviews of the risk management, internal controls and corporate governance system of the Group.

Periodic visits and reviews were carried out in accordance with the approved internal audit plan on business processes of various business units. The results of their reviews, recommendations as well as management's response and action plan are brought to the attention of the Audit Committee at scheduled meetings. Follow-up reviews are also conducted in ensuring that the recommendations of the internal auditors have been adopted and implemented by the Management. The total cost incurred for the Group's internal audit function during the financial year was RM60,000.

For the financial year 2012, the main activities of the internal audit function focused on the following :

(i) Assessed the adequacy and effectiveness of Johor branch office's system of internal control and compliance with the Group's policies and procedures over sales & marketing and project closure of relevant project and phases;
(ii) Assessed the adequacy and effectiveness of Ipoh branch office's system internal control and compliance with the Group's policies and procedures over sales & marketing and project tender cycle of relevant project; and
(iii) Assessed the adequacy and effectiveness of HQ's system of internal control and compliance with the Group's policies and procedures over project tender cycle and project management of relevant project.

FINANCIAL STATEMENTS

DIRECTORS' REPORT

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 March 2012.

Principal activities

The principal activities of the Company consist of investment holding, property development and provision of management services.

The principal activities of the subsidiary companies are stated in Note 13 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

Results

	Group RM	Company RM
Profit for the year	53,435,328	53,845,361
Attributable to:		
Owners of the Company	52,953,118	53,845,361
Non-controlling interests	482,210	-
	53,435,328	53,845,361

There were no material transfers to or from reserves or provisions during the financial year.

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

Dividends

The amounts of dividends paid by the Company since 31 March 2011 were as follows:

	RM
In respect of the financial year ended 31 March 2011 as reported in the Directors' Report of that year:	
Final dividend of 7.5% less 25% taxation, on 108,000,000 ordinary shares, approved on 19 August 2011 and paid on 28 September 2011	6,075,000

At the forthcoming Annual General Meeting, a final dividend in respect of the current financial year ended 31 March 2012, of 15% less 25% taxation on 144,000,000 ordinary shares, amounting to a total dividend of RM16,200,000 (11.25 sen net per ordinary share) will be proposed for shareholders' approval.

The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in shareholders' equity as an appropriation of retained earnings in the financial year ending 31 March 2013.

Directors

The names of the directors of the Company in office since the date of the last report and at the date of this report are:

Tan Sri Dato' Seri Dr. Ting Chew Peh
Ho Wen Yan
Dato' Tan Bing Hua
Ho Mook Leong
Chew Po Sim
Chew Hoe Soon
Dato' Wan Azahari Bin Yom Ahmad

Directors' benefits

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors or the fixed salary of a full-time employee of the Company as shown in Note 9 to the financial statements) by reason of a contract made by the Company or a related corporation with any director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest, except as disclosed in Note 33 to the financial statements.

Directors' interests

The following directors who held office at the end of the financial year had, according to the register required to be kept under Section 134 of the Companies Act, 1965, an interest in shares of the Company and its subsidiary companies as stated below:

	← Number of ordinary shares of RM1 each →				
	Balance as at 1.4.2011	**Bonus issue**	**Bought**	**Sold**	**Balance as at 31.3.2012**
Hua Yang Berhad					
Direct interest					
Tan Sri Dato' Seri Dr. Ting Chew Peh	132,000	44,000	-	-	176,000
Ho Wen Yan	528,000	175,999	-	-	703,999
Dato' Tan Bing Hua	1,200	400	-	-	1,600
Ho Mook Leong	1,568,791	526,905	633,925	(1,000,000)	1,729,621
Chew Hoe Soon	115,200	38,400	10,000	-	163,600
Deemed interest					
Tan Sri Dato' Seri Dr. Ting Chew Peh**	113,493	37,831	-	-	151,324
Ho Wen Yan*	34,950,270	11,650,407	-	-	46,600,677
Ho Mook Leong**	636,840	12,280	-	(600,000)	49,120
Chew Po Sim*	34,950,270	11,650,407	-	-	46,600,677
Chew Hoe Soon***	224,400	74,800	14,000	-	313,200

* Ho Wen Yan and Chew Po Sim by virtue of their interest in the Company are also deemed interested in shares of all the Company's subsidiary companies to the extent that the Company has an interest.
** Deemed interested through spouse
*** Deemed interested through spouse and sibling

Dato' Wan Azahari Bin Yom Ahmad in office at the end of the financial year did not have any interest (whether direct or indirect) in shares in the Company or its subsidiary companies.

Issue of shares

During the financial year, the Company increased its issued and paid-up ordinary share capital from RM108,000,000 to RM144,000,000 by way of bonus issue on the basis of one bonus share for every three existing ordinary shares held.

The new ordinary shares issued during the financial year ranked pari passu in all respects with the existing ordinary shares of the Company.

Other statutory information

(a) Before the income statements and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps:

   (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and

   (ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

(b) At the date of this report, the directors are not aware of any circumstances which would render:

   (i) the amount written off for bad debts or the amount of the allowance for doubtful debts in the Group and the Company inadequate to any substantial extent; and

   (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

(c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

(d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

(e) As at the date of this report, there does not exist:

   (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

   (ii) any contingent liability in respect of the Group or of the Company which has arisen since the end of the financial year.

(f) In the opinion of the directors:

   (i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and

   (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

Subsequent events

Details of subsequent events are disclosed in Note 40 to the financial statements.

Auditors

The auditors, Ernst & Young, have expressed their willingness to continue in office.

Signed for and on behalf of the Board in accordance with a resolution of the directors dated 18 July 2012.

Ho Mook Leong

Ho Wen Yan

STATEMENT BY DIRECTORS

Pursuant to Section 169(15) of the Companies Act, 1965

We, Ho Mook Leong and Ho Wen Yan, being two of the directors of Hua Yang Berhad, do hereby state that in the opinion of the directors, the accompanying financial statements set out on pages 40 to 104 are drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2012 and of their financial performance and cash flows for the year then ended.

The information set out in Note 42 on page 105 to the financial statements have been prepared in accordance with the 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.

Signed for and on behalf of the Board in accordance with a resolution of the directors dated 18 July 2012.

Ho Mook Leong

Ho Wen Yan

STATUTORY DECLARATION

Pursuant to Section 169(16) of the Companies Act, 1965

I, Tan Hwai Lun, being the officer primarily responsible for the financial management of Hua Yang Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 40 to 105 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by
the abovenamed Tan Hwai Lun
at Ipoh in the State of Perak Darul Ridzuan
on 18 July 2012

Tan Hwai Lun

Before me,

Padmawathy A/P Murugiah
Pesuruhjaya Sumpah
No.A195
12 Medan Istana,
Bandar Ipoh Raya,
30000 Ipoh, Perak.

INDEPENDENT AUDITORS' REPORT

To the Members of Hua Yang Berhad

Report on the financial statements

We have audited the financial statements of Hua Yang Berhad, which comprise the statements of financial position as at 31 March 2012 of the Group and of the Company, and the income statements, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 40 to 104.

Directors' responsibility for the financial statements

The directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia, and for such internal control as the directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2012 and of their financial performance and cash flows for the year then ended.

To the Members of Hua Yang Berhad

Report on other legal and regulatory requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiary companies have been properly kept in accordance with the provisions of the Act.

(b) We are satisfied that the financial statements of the subsidiary companies that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

(c) The auditors' reports on the financial statements of the subsidiary companies were not subject to any qualification and did not include any comment required to be made under Section 174(3) of the Act.

Other matters

The supplementary information set out in Note 42 on page 105 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad. The directors are responsible for the preparation of the supplementary information 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 ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young	Leong Chooi May
AF: 0039	No. 1231/03/13 (J)
Chartered Accountants	Chartered Accountant

Ipoh, Perak Darul Ridzuan, Malaysia
Date: 18 July 2012

INCOME STATEMENTS

For the Financial Year Ended 31 March 2012

	Note	Group 2012 RM	Group 2011 RM	Company 2012 RM	Company 2011 RM
Revenue	4	306,412,023	188,865,151	72,972,722	29,639,311
Cost of sales	5	(198,517,578)	(133,178,100)	(4,921,301)	(7,157,345)
Gross profit		107,894,445	55,687,051	68,051,421	22,481,966
Other items of income					
Other income	6	1,847,057	1,270,228	4,182,481	1,502,815
Other items of expense					
Administrative and general expenses		(16,871,199)	(11,872,722)	(7,013,784)	(5,083,781)
Selling and marketing expenses		(19,604,798)	(9,764,383)	(30,043)	(35,829)
Finance costs	7	(762,082)	(1,062,727)	(1,037,797)	(1,128,191)
Profit before taxation	8	72,503,423	34,257,447	64,152,278	17,736,980
Income tax expense	10	(19,068,095)	(9,170,005)	(10,306,917)	(4,764,547)
Profit for the year, representing total comprehensive income		53,435,328	25,087,442	53,845,361	12,972,433
Attributable to:					
Owners of the Company		52,953,118	25,148,130	53,845,361	12,972,433
Non-controlling interests		482,210	(60,688)	-	-
		53,435,328	25,087,442	53,845,361	12,972,433
Earnings per share attributable to owners of the Company:					
Basic earnings per share (sen)	11	36.77	17.46		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION

As at 31 March 2012

	Note	Group 2012 RM	Group 2011 RM	Company 2012 RM	Company 2011 RM
Assets					
Non-current assets					
Property, plant and equipment	12	6,638,473	5,446,887	4,104,307	3,873,798
Investment in subsidiary companies	13	-	-	46,096,822	47,166,963
Investment properties	14	1,585,294	2,129,290	1,923,094	1,963,261
Land held for property development	15(a)	205,820,771	147,970,354	22,242,417	23,847,179
Due from joint development partner on contracts	16	-	5,024,079	-	-
Intangible assets	17	22,913,084	23,642,681	-	-
Other receivables	21	3,774,073	1,836,456	23,125,651	37,147,519
Fixed deposits with licensed banks	18	695,062	808,803	-	-
Deferred tax assets	19	1,539,292	1,417,828	-	-
		242,966,049	188,276,378	97,492,291	113,998,720
Current assets					
Inventories	20	4,944,598	4,183,986	2,766,077	3,267,606
Property development costs	15(b)	50,192,169	60,676,320	5,153,153	7,508,246
Trade and other receivables	21	57,470,676	27,114,941	65,920,337	24,925,429
Other current assets	22	65,886,159	70,518,310	8,056	3,800
Cash and bank balances	18	25,161,722	6,258,628	427,844	644,036
		203,655,324	168,752,185	74,275,467	36,349,117
Non-current assets classified as asset held for sale	23	502,389	-	-	-
		204,157,713	168,752,185	74,275,467	36,349,117
Total assets		447,123,762	357,028,563	171,767,758	150,347,837

As at 31 March 2012 (cont'd)

		Group		Company	
	Note	2012 RM	2011 RM	2012 RM	2011 RM
Equity and liabilities					
Current liabilities					
Trade and other payables	24	56,495,172	47,889,253	7,345,412	19,690,390
Other current liabilities	25	1,182,995	2,833,495	-	-
Loans and borrowings	27	6,439,390	19,528,848	42,089	13,753,201
Tax payable		5,800,460	3,666,147	340,482	589,790
		69,918,017	73,917,743	7,727,983	34,033,381
Net current assets		134,239,696	94,834,442	66,547,484	2,315,736
Non-current liabilities					
Trade and other payables	24	14,610,821	4,365,917	-	-
Deferred tax liabilities	19	3,497,476	4,253,546	96,845	98,743
Loans and borrowings	27	90,840,212	53,514,655	64,484	27,834
		108,948,509	62,134,118	161,329	126,577
Total liabilities		178,866,526	136,051,861	7,889,312	34,159,958
Net assets		268,257,236	220,976,702	163,878,446	116,187,879
Equity attributable to owners of the Company					
Share capital	28	144,000,000	108,000,000	144,000,000	108,000,000
Retained earnings	30	122,075,397	111,277,073	19,878,446	8,187,879
		266,075,397	219,277,073	163,878,446	116,187,879
Non-controlling interests		2,181,839	1,699,629	-	-
Total equity		268,257,236	220,976,702	163,878,446	116,187,879
Total equity and liabilities		447,123,762	357,028,563	171,767,758	150,347,837

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the Financial Year Ended 31 March 2012

		Attributable to owners of the Company						
			Non-distributable		Distributable			
	Note	Share capital RM	Share premium (Note 29) RM	Capital redemption reserve RM	Retained earnings RM	Total RM	Non-controlling interests RM	Total equity RM
Group								
Balance at 1 April 2010		90,000,000	6,696,849	500,000	99,045,705	196,242,554	1,760,317	198,002,871
Total comprehensive income		-	-	-	25,148,130	25,148,130	(60,688)	25,087,442
Transactions with owners								
Capitalisation for bonus issue		18,000,000	(6,696,849)	(500,000)	(10,803,151)	-	-	-
Expenses incurred for bonus issue		-	-	-	(88,611)	(88,611)	-	(88,611)
Dividends	31	-	-	-	(2,025,000)	(2,025,000)	-	(2,025,000)
Total transactions with owners		18,000,000	(6,696,849)	(500,000)	(12,916,762)	(2,113,611)	-	(2,113,611)
Balance at 31 March 2011		108,000,000	-	-	111,277,073	219,277,073	1,699,629	220,976,702
Total comprehensive income		-	-	-	52,953,118	52,953,118	482,210	53,435,328
Transactions with owners								
Capitalisation for bonus issue		36,000,000	-	-	(36,000,000)	-	-	-
Expenses incurred for bonus issue		-	-	-	(79,794)	(79,794)	-	(79,794)
Dividends	31	-	-	-	(6,075,000)	(6,075,000)	-	(6,075,000)
Total transactions with owners		36,000,000	-	-	(42,154,794)	(6,154,794)	-	(6,154,794)
Balance at 31 March 2012		144,000,000	-	-	122,075,397	266,075,397	2,181,839	268,257,236

For the Financial Year Ended 31 March 2012 (cont'd)

			← Non-distributable	→	Distributable	
	Note	Share capital	Share premium (Note 29)	Capital redemption reserve	Retained earnings	Total equity
		RM	RM	RM	RM	RM
Company						
Balance at 1 April 2010		90,000,000	6,696,849	500,000	8,132,208	105,329,057
Total comprehensive income		-	-	-	12,972,433	12,972,433
Transactions with owners						
Capitalisation for bonus issue		18,000,000	(6,696,849)	(500,000)	(10,803,151)	-
Expenses incurred for bonus issue		-	-	-	(88,611)	(88,611)
Dividends	31	-	-	-	(2,025,000)	(2,025,000)
Total transactions with owners		18,000,000	(6,696,849)	(500,000)	(12,916,762)	(2,113,611)
Balance at 31 March 2011		108,000,000	-	-	8,187,879	116,187,879
Total comprehensive income		-	-	-	53,845,361	53,845,361
Transactions with owners						
Capitalisation for bonus issue		36,000,000	-	-	(36,000,000)	-
Expenses incurred for bonus issue		-	-	-	(79,794)	(79,794)
Dividends	31	-	-	-	(6,075,000)	(6,075,000)
Total transactions with owners		36,000,000	-	-	(42,154,794)	(6,154,794)
Balance at 31 March 2012		144,000,000	-	-	19,878,446	163,878,446

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

For the Financial Year Ended 31 March 2012

	Group 2012 RM	Group 2011 RM	Company 2012 RM	Company 2011 RM
Operating activities				
Profit before taxation	72,503,423	34,257,447	64,152,278	17,736,980
Adjustments for:				
Amortisation of intangible assets	594,824	356,311	-	-
Bad debts written off	12,156	16,624	-	-
Depreciation of property, plant and equipment	297,649	337,407	222,697	228,339
Depreciation of investment properties	41,607	46,344	40,167	40,167
Deposit written off/(back)	9,438	(7,000)	-	-
Dividend income	-	-	(64,280,000)	(16,700,000)
Gain due to modification on terms of loans and receivable	-	-	(2,690,237)	-
(Gain)/Loss on disposal of property, plant and equipment	(18,504)	155,274	(14,999)	70,781
Impairment loss on investment in subsidiary companies	-	-	1,070,141	997
Impairment loss on property, plant and equipment	58,022	-	-	-
Impairment loss on receivables	214,593	-	18,947	-
Interest income	(1,067,728)	(339,019)	(1,329,268)	(1,094,459)
Interest expenses	762,082	1,062,727	1,037,797	1,128,191
Overprovision of impairment losses in prior years	-	(1,680)	-	(764)
Property, plant and equipment written off	45,929	25,001	987	589
Reversal of impairment loss on receivables	(400)	(3,240)	-	-
Reversal of impairment loss on investment in subsidiary company	-	-	-	(126,464)
Total adjustments	949,668	1,648,749	(65,923,768)	(16,452,623)
Operating cash flows before changes in working capital	73,453,091	35,906,196	(1,771,490)	1,284,357
Changes in working capital				
Receivables	(28,246,832)	(51,129,852)	1,370,778	(794,290)
Inventories	536,384	3,636,999	501,530	3,054,884
Property development costs	34,790,117	30,362,976	4,279,158	3,536,617
Subsidiary companies' accounts	-	-	(39,395,755)	(18,278,694)
Payables	17,342,296	4,197,861	808,083	364,339
Total changes in working capital	24,421,965	(12,932,016)	(32,436,206)	(12,117,144)
Cash flows from/(used in) operations	97,875,056	22,974,180	(34,207,696)	(10,832,787)
Dividend received	-	-	54,022,500	12,525,000
Tax paid	(17,811,315)	(7,455,188)	(300,622)	(367,365)
Interest received	1,067,728	207,117	1,329,268	1,094,459
Interest paid	(5,063,076)	(4,461,638)	(471,889)	(881,688)
Net cash flows from operating activities	76,068,393	11,264,471	20,371,561	1,537,619
Investing activities				
Adjustment on intangible assets	134,773	-	-	-
Land held for property development	(73,920,436)	(20,043,209)	(319,303)	(14,550)
Proceeds from disposal of property, plant and equipment	18,760	359,800	15,000	134,500
Insurance claim received	-	1,635	-	-
Purchase of intangible assets	-	(81,250)	-	-
Purchase of property, plant and equipment	(1,508,442)	(3,039,903)	(369,194)	(225,846)
Net cash flows used in investing activities	(75,275,345)	(22,802,927)	(673,497)	(105,896)

For the Financial Year Ended 31 March 2012 (cont'd)

	Group		Company	
	2012	**2011**	**2012**	**2011**
	RM	**RM**	**RM**	**RM**
Financing activities				
Drawdown of term loans	44,100,000	30,100,000	-	-
Repayment of term loans	(17,069,674)	(10,254,147)	-	-
Drawdown of bridging loan	32,553,000	7,500,000	-	-
Repayment of bridging loan	(20,182,798)	(13,491,356)	-	-
Drawdown of revolving loans	-	5,000,000	-	5,000,000
Repayment of revolving loans	(11,502,000)	(459,000)	(11,502,000)	(459,000)
Repayment of hire purchase	(61,327)	(440,341)	(32,976)	(163,810)
Uplift of fixed deposits pledged	113,741	10,646	-	-
Bonus issue expenses	(79,794)	(88,611)	(79,794)	(88,611)
Dividend paid	(6,075,000)	(2,025,000)	(6,075,000)	(2,025,000)
Net cash flows from/(used in) financing activities	21,796,148	15,852,191	(17,689,770)	2,263,579
Net increase in cash and cash equivalents	22,589,196	4,313,735	2,008,294	3,695,302
Cash and cash equivalents as at 1 April	2,572,526	(1,741,209)	(1,580,450)	(5,275,752)
Cash and cash equivalents as at 31 March (Note 18)	25,161,722	2,572,526	427,844	(1,580,450)

During the financial year, the Group and the Company acquired property, plant and equipment by:				
Cash	1,508,442	3,039,903	369,194	225,846
Hire purchase arrangement	85,000	-	85,000	-
	1,593,442	3,039,903	454,194	225,846

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

1. Corporate information

Hua Yang Berhad is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The principal activities of the Company consist of investment holding, property development and provision of management services. The principal activities of the subsidiary companies are stated in Note 13.

The registered office of the Company is located at 123A, Jalan Raja Permaisuri Bainun (Jalan Kampar), 30250 Ipoh, Perak Darul Ridzuan whilst the principal place of business is located at C-21, Jalan Medan Selayang 1, Medan Selayang, 68100 Batu Caves, Selangor Darul Ehsan.

2. Summary of significant accounting policies

2.1 Basis of preparation

The financial statements of the Group and the Company have been prepared in accordance with Financial Reporting Standards ("FRS") and the Companies Act, 1965 in Malaysia. At the beginning of the current financial year, the Group and the Company adopted new and revised FRS which are mandatory for financial periods beginning on or after 1 January 2011 as described fully in Note 2.2.

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Ringgit Malaysia ("RM").

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except as follows:

On 1 April 2011, the Group and the Company adopted the following new and amended FRS and IC Interpretations mandatory for annual financial periods beginning on or after the dates stated below :

Description	**Effective for annual periods beginning on or after**
FRS 1: *First-time Adoption of Financial Reporting Standards*	1 July 2010
Amendments to FRS 2: *Share-based Payment*	1 July 2010
FRS 3: *Business Combinations*	1 July 2010
Amendments to FRS 5: *Non-current Assets Held for Sale and Discontinued Operations*	1 July 2010
Amendments to FRS 127: *Consolidated and Separate Financial Statements*	1 July 2010
Amendments to FRS 138: *Intangible Assets*	1 July 2010
Amendments to IC Interpretation 9: *Reassessment of Embedded Derivatives*	1 July 2010
IC Interpretation 12: *Service Concession Arrangements*	1 July 2010
IC Interpretation 16: *Hedges of a Net Investment in a Foreign Operation*	1 July 2010
IC Interpretation 17: *Distributions of Non-cash Assets to Owners*	1 July 2010
IC Interpretation 18: *Transfers of Assets from Customers*	1 January 2011
Amendments to FRS 7: *Improving Disclosures about Financial Instruments*	1 January 2011
Amendments to FRS 1: *Limited Exemptions for First-time Adopters*	1 January 2011
Amendments to FRS 1: *Additional Exemptions for First-time Adopters*	1 January 2011
IC Interpretation 4: *Determining Whether an Arrangement contains a Lease*	1 January 2011
Improvements to FRS issued in 2010	1 January 2011
TR*i-3 Guidance on Disclosure of Translation to IFRSs*	1 January 2011

2. Summary of significant accounting policies (cont'd)

2.2 Changes in accounting policies (cont'd)

Adoption of the above standards and interpretations did not have any effect on the financial performance or position of the Group and the Company except as discussed below :

Revised FRS 3 *Business Combinations and Amendments to FRS 127 Consolidated and Separate Financial Statements*

The revised standards are effective for annual periods beginning on or after 1 July 2010. The revised FRS 3 introduces a number of changes in accounting for business combinations occurring after 1 July 2010. These changes impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and future reported results.

The revised FRS 3 continues to apply the acquisition method to business combinations but with some significant changes. All payments to purchase a business are recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently remeasured through the statement of comprehensive income. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs are expensed.

The amendments to FRS 127 require that a change in the ownership interest of a subsidiary company (without loss of control) is accounted for as an equity transaction. Therefore, such transactions will no longer give rise to goodwill, nor will they give rise to a gain or loss. Furthermore, the amended standard changes the accounting for losses incurred by the subsidiary company as well as the loss of control of a subsidiary company.

IC Interpretation 12: *Service Concession Arrangements*

This IC applies to service concession operators and explains how to account for the obligations undertaken and rights received in service concession arrangements. The transitional provision exempts the disclosure of the possible impact to the financial statements upon the initial application of the IC.

In accordance with the respective transitional provisions, the Group is exempted from disclosing the possible impact to the financial statements upon the initial application.

Amendments to FRS 7: *Improving Disclosures about Financial Instruments*

The amended standard requires enhanced disclosure about fair value measurement and liquidity risk. Fair value measurements related to items recorded at fair value are to be disclosed by source of inputs using a three level fair value hierarchy (Level 1, Level 2 and Level 3), by class, for all financial instruments recognised at fair value.

A reconciliation between the beginning and ending balance for Level 3 fair value measurements is required. Any significant transfers between levels of the fair value hierarchy and the reasons for those transfers need to be disclosed. The amendments also clarify the requirements for liquidity risk disclosures with respect to derivative transactions and assets used for liquidity management. The fair value measurement disclosures are presented in Note 38. The liquidity risk disclosures are not significantly impacted by the amendments and are presented in Note 37(b).

2. Summary of significant accounting policies (cont'd)

2.3 Standards issued but not yet effective

The Group and the Company has not adopted the following standards and interpretations that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
IC Interpretation 19: *Extinguishing Financial Liabilities with Equity Instruments*	1 July 2011
Amendments to IC Interpretation 14: *Prepayments of Minimum Funding Requirement*	1 July 2011
Amendments to FRS 1: *Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters*	1 January 2012
Amendments to FRS 7: *Transfers of Financial Assets*	1 January 2012
Amendments to FRS 112: *Deferred Tax: Recovery of Underlying Assets*	1 January 2012
FRS 124: *Related Party Disclosures*	1 January 2012
Amendments to FRS 101: *Presentation of Items of Other Comprehensive Income*	1 July 2012
FRS 10: *Consolidated Financial Statements*	1 January 2013
FRS 11: *Joint Arrangements*	1 January 2013
FRS 12: *Disclosure of Interests in Other Entities*	1 January 2013
FRS 13: *Fair Value Measurement*	1 January 2013
FRS 119: *Employee Benefits*	1 January 2013
FRS 127: *Separate Financial Statements*	1 January 2013
FRS 128: *Investment in Associate and Joint Ventures*	1 January 2013
IC Interpretation 20: *Stripping Costs in the Production Phase of a Surface Mine*	1 January 2013
Amendments to FRS 7: *Disclosures - Offsetting Financial Assets and Financial Liabilities*	1 January 2013
Amendments to FRS 132: *Offsetting Financial Assets and Financial Liabilities*	1 January 2014
FRS 9: *Financial Instruments*	1 January 2015

The directors expect that the adoption of the standards and interpretations above will have no material impact on the financial statements in the period of initial application, except as disclosed below:

Amendments to FRS 7: *Transfers of Financial Assets*

The amendments require additional disclosure about financial assets that have been transferred but not derecognised to enable the user of the Group's financial statements to understand the relationship with those assets that have not been derecognised and their associated liabilities. In addition, the amendments requires disclosures about continuing involvement in derecognised assets to enable the user to evaluate the nature of, and risks associated with, the entity's continuing involvement in those derecognised assets. The amendment affects disclosure only and has no impact on the Group's financial position or performance.

Amendments to FRS 112: *Deferred Tax: Recovery of Underlying Assets*

The amendments clarified the determination of deferred tax on investment property measured at fair value. The amendment introduces a rebuttable presumption that deferred tax on investment property measured using the fair value model in FRS 140 should be determined on the basis that its carrying amount will be recovered through sale. Furthermore, it introduces the requirement that deferred tax on non-depreciable assets that are measured using the revaluation model in FRS 116 to be always measured on a sale basis of that asset.

Amendments to FRS 101: *Presentation of Items of Other Comprehensive Income*

The amendments to FRS 101 change the grouping of items presented in Other Comprehensive Income. Items that could be reclassified (or "recycled") to profit or loss at a future point in time (for example, upon derecognition or settlement) would be presented separately from items that will never be reclassified. The amendment affects presentation only and has no impact on the Group's financial position or performance.

2. Summary of significant accounting policies (cont'd)

2.3 Standards issued but not yet effective (cont'd)

FRS 10: *Consolidated Financial Statements*

FRS 10 replaces the portion of FRS 127 Consolidated and Separate Financial Statements that addresses the accounting for consolidated financial statements. FRS 10 establishes a single control model that applies to all entities including special purpose entities. The changes introduced by FRS 10 will require management to exercise significant judgement to determine which entities are controlled, and therefore, are required to be consolidated by a parent, compared with the requirements that were in FRS 127.

FRS 12: *Disclosures of Interests in Other Entities*

FRS 12 includes all disclosure requirements for interests in subsidiary companies, joint arrangements, associated companies and structured entities. A number of new disclosures are required. This standard affects disclosures only and has no impact on the Group's financial position or performance.

FRS 13: *Fair Value Measurement*

FRS 13 establishes a single source of guidance under FRS for all fair value measurements. FRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under FRS when fair value is required or permitted. The Group is currently assessing the impact of adoption of FRS 13.

FRS 127: *Separate Financial Statements*

As a consequence of the new FRS 10 and FRS 12, FRS 127 is limited to accounting for subsidiary companies, jointly controlled entities and associated companies in separate financial statements.

Amendments to FRS 7: *Disclosures - Offsetting Financial Assets and Financial Liabilities*

The amendments required additional information to be disclosed to enable users of financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position. The amendment affects disclosure only and has no impact on the Group's financial position or performance.

Amendments to FRS 132: *Offsetting Financial Assets and Financial Liabilities*

The amendments to FRS 132 clarified that a legally enforceable right to set off is a right of set off that must not be contingent on a future event; and must be legally enforceable in the normal course of business, the event of default and the event of insolvency or bankruptcy of the entity and all of the counterparties. The amendments further clarified that an entity will meet the net settlement criterion as provided in FRS 132 if the entity can settle amounts in a manner that the outcome is, in effect, equivalent to net settlement.

FRS 9: *Financial Instruments*

FRS 9 reflects the first phase of work on the replacement of FRS 139 and applies to classification and measurement of financial assets and financial liabilities as defined in FRS 139. The adoption of this first phase of FRS 9 will have an effect on the classification and measurement of the Group's financial assets but will potentially have no impact on classification and measurement of financial liabilities. The Group is in the process of making an assessment of the impact of adoption of FRS 9.

2. Summary of significant accounting policies (cont'd)

2.3 Standards issued but not yet effective (cont'd)

Malaysian Financial Reporting Standards

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (MFRS) Framework.

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture (MFRS 141) and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venturer (herein called 'Transitioning Entities'). Adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2014.

The Group and the Company fall within the scope definition of Transitioning Entities and have opted to defer adoption of the new MFRS Framework. Accordingly, the Group and the Company will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 March 2015. In presenting its first MFRS financial statements, the Group and the Company will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained earnings.

At the date of these financial statements, the Group and the Company have not completed their assessment of the financial effects of the differences between Financial Reporting Standards and accounting standards under the MFRS Framework. Accordingly, the financial performance and financial position as disclosed in these financial statements for the year ended 31 March 2012 could be different if prepared under the MFRS Framework.

The Group and the Company expect to be in a position to fully comply with the requirements of the MFRS Framework for the financial year ending 31 March 2015.

2.4 Subsidiary companies and basis of consolidation

(a) Subsidiary companies

A subsidiary company is an entity over which the Group has the power to govern the financial and operating policies so as to obtain benefits from its activities.

In the Company's separate financial statements, investments in subsidiary companies are accounted for at cost less accumulated impairment losses.

(b) Basis of consolidation

<u>Business combinations before 1 July 2010</u>

The consolidated financial statements comprise the financial statements of the Company and its subsidiary companies as at the reporting date. The financial statements of the subsidiary companies used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

2. Summary of significant accounting policies (cont'd)

2.4 Subsidiary companies and basis of consolidation (cont'd)

(b) Basis of consolidation (cont'd)

Business combinations before 1 July 2010 (cont'd)

Acquisitions of subsidiary companies are accounted for by applying the purchase method. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Adjustments to those fair values relating to previously held interests are treated as a revaluation and recognised in other comprehensive income. The cost of a business combination is measured as the aggregate of the fair values, at the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued, plus any costs directly attributable to the business combination.

Any excess of the cost of business combination over the Group's share in the net fair value of the acquired subsidiary company's identifiable assets, liabilities and contingent liabilities is recorded as goodwill on the statement of financial position. The accounting policy for goodwill is set out in Note 2.8(a). Any excess of the Group's share in the net fair value of the acquired subsidiary company's identifiable assets, liabilities and contingent liabilities over the cost of business combination is recognised as income in profit or loss on the date of acquisition. When the Group acquires a business, embedded derivatives separated from the host contract by the acquiree are reassessed on acquisition unless the business combination results in a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required under the contract.

Subsidiary companies are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Business combinations from 1 July 2010

The consolidated financial statements comprise the financial statements of the Company and its subsidiary companies as at the reporting date. The financial statements of the subsidiary companies used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Acquisitions of subsidiary companies are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

In business combinations achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any) is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree net identifiable assets.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill in the statement of financial position. The accounting policy for goodwill is set out in Note 2.8(a). In instances where the latter amount exceeds the former, the excess is recognised as a gain on bargain purchase in profit or loss on the acquisition date.

Subsidiary companies are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

2. Summary of significant accounting policies (cont'd)

2.5 Transactions with non-controlling interests

Non-controlling interest represents the equity in subsidiary companies not attributable, directly or indirectly, to owners of the Company, and is presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to owners of the Company.

Changes in the Company owners' ownership interest in a subsidiary company that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary company. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the parent.

2.6 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Subsequent to recognition, plant and equipment and furniture and fixtures are measured at cost less accumulated depreciation and accumulated impairment losses. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Freehold land has an unlimited useful life and therefore is not depreciated.

Leasehold land is depreciated over its remaining lease period of 95 years as at date of acquisition.

Depreciation is computed on a straight-line basis over the estimated useful lives of the other assets, at the following rates:

	%
Buildings	2
Machinery, cabin, signboards and electrical installation	10 - 20
Furniture, fittings, office equipment and renovation	10 - 20
Motor vehicles	20

Assets under construction included in plant and equipment are not depreciated as these assets are not yet available for use.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in profit or loss in the year the asset is derecognised.

2. Summary of significant accounting policies (cont'd)

2.7 Investment properties

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is provided for on a straight line basis over the estimated useful life.

A property interest under an operating lease is classified and accounted for as an investment property on a property-by-property basis when the Group holds it to earn rentals or for capital appreciation or both. Any such property interest under an operating lease classified as an investment property is carried at cost.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property is recognised in profit or loss in the year of retirement or disposal.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. For a transfer from owner-occupied property to investment property, the property is accounted for in accordance with the accounting policy for property, plant and equipment set out in Note 2.6 up to the date of change in use.

Freehold land is not amortised. Leasehold land was amortised over its remaining lease period of 66 years. The principal annual rates used for building is 2% per annum.

2.8 Intangible assets

a) Goodwill

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired is allocated, from the acquisition date, to each of the Group's cash-generating units that are expected to benefit from the synergies of the combination.

The cash-generating unit to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired, by comparing the carrying amount of the cash-generating unit, including the allocated goodwill, with the recoverable amount of the cash-generating unit. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in the profit or loss. Impairment losses recognised for goodwill are not reversed in subsequent periods.

Where goodwill forms part of a cash-generating unit and part of the operation within that cash-generating unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair values of the operations disposed of and the portion of the cash-generating unit retained.

b) Concession assets

Concession assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. The useful lives of concession assets are assessed to be finite. Concession assets with finite lives are amortised on a straight-line basis over the estimated economic useful lives and assessed for impairment whenever there is an indication that the concession assets may be impaired.

The concession assets are amortised over their concession periods of between 20 and 30 years.

The amortisation period and the amortisation method for concession assets with a finite useful life are reviewed at least at each reporting date.

2. Summary of significant accounting policies (cont'd)

2.9 Non-current assets held for sale

Non-current assets are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell if their carrying amount is to be recovered principally through a sale transaction rather than through continuing use.

2.10 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units ("CGU")).

In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

2.11 Financial assets

Financial assets are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

The Group and the Company determine the classification of their financial assets at initial recognition, and the categories include financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets.

a) Financial assets at fair value through profit or loss

Financial assets are classified as financial assets at fair value through profit or loss if they are held for trading or are designated as such upon initial recognition. Financial assets held for trading are derivatives (including separated embedded derivatives) or financial assets acquired principally for the purpose of selling in the near term.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss do not include exchange differences, interest and dividend income. Exchange differences, interest and dividend income on financial assets at fair value through profit or loss are recognised separately in profit or loss as part of other losses or other income.

2. Summary of significant accounting policies (cont'd)

2.11 Financial assets (cont'd)

a) Financial assets at fair value through profit or loss (cont'd)

Financial assets at fair value through profit or loss could be presented as current or non-current. Financial assets that is held primarily for trading purposes are presented as current whereas financial assets that is not held primarily for trading purposes are presented as current or non-current based on the settlement date.

b) Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Loans and receivables are classified as current assets, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current.

c) Held-to-maturity investments

Financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold the investment to maturity.

Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the held-to-maturity investments are derecognised or impaired, and through the amortisation process.

Held-to-maturity investments are classified as non-current assets, except for those having maturity within 12 months after the reporting date which are classified as current.

d) Available-for-sale financial assets

Available-for-sale financial assets are financial assets that are designated as available for sale or are not classified in any of the three preceding categories.

After initial recognition, available-for-sale financial assets are measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised. Interest income calculated using the effective interest method is recognised in profit or loss. Dividends on an available-for-sale equity instrument are recognised in profit or loss when the Group's and the Company's right to receive payment is established.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

Available-for-sale financial assets are classified as non-current assets unless they are expected to be realised within 12 months after the reporting date.

2. Summary of significant accounting policies (cont'd)

2.11 Financial assets (cont'd)

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Group and the Company commit to purchase or sell the asset.

2.12 Impairment of financial assets

The Group and the Company assess at each reporting date whether there is any objective evidence that a financial asset is impaired.

Trade and other receivables and other financial assets carried at amortised cost

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics. Objective evidence of impairment for a portfolio of receivables could include the Group's and the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables.

If any such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable becomes uncollectible, it is written off against the allowance account.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

2.13 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits, and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Group's and the Company's cash management.

2.14 Construction contracts

Where the outcome of a construction contract can be reliably estimated, contract revenue and contract costs are recognised as revenue and expenses respectively by using the stage of completion method. The stage of completion is measured by reference to the proportion of contract costs incurred for work performed to date to the estimated total contract costs.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that are likely to be recoverable. Contract costs are recognised as expense in the period in which they are incurred.

2. Summary of significant accounting policies (cont'd)

2.14 Construction contracts (cont'd)

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Contract revenue comprises the initial amount of revenue agreed in the contract and variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and they are capable of being reliably measured.

When the total of costs incurred on construction contracts plus recognised profits (less recognised losses) exceeds progress billings, the balance is classified as amount due from customers on contracts. When progress billings exceed costs incurred plus, recognised profits (less recognised losses), the balance is classified as amount due to customers on contracts.

2.15 Land held for property development and property development costs

a) Land held for property development

Land held for property development consists of land where no development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle. Such land is classified within non-current assets and is stated at cost less any accumulated impairment losses.

Land held for property development is reclassified as property development costs at the point when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

b) Property development costs

Property development costs comprise all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities.

When the financial outcome of a development activity can be reliably estimated, property development revenue and expenses are recognised in profit or loss by using the stage of completion method. The stage of completion is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

Where the financial outcome of a development activity cannot be reliably estimated, property development revenue is recognised only to the extent of property development costs incurred that is probable will be recoverable, and property development costs on properties sold are recognised as an expense in the period in which they are incurred.

Any expected loss on a development project, including costs to be incurred over the defects liability period, is recognised as an expense immediately.

Property development costs not recognised as an expense are recognised as an asset, which is measured at the lower of cost and net realisable value.

The excess of revenue recognised in profit or loss over billings to purchasers is classified as accrued billings within trade receivables and the excess of billings to purchasers over revenue recognised in profit or loss is classified as progress billings within trade payables.

2. Summary of significant accounting policies (cont'd)

2.16 Inventories

Inventories are stated at the lower of cost and net realisable value.

The cost of unsold properties comprises cost associated with the acquisition of land, direct costs and appropriate proportions of common costs.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

2.17 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.18 Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities, within the scope of FRS 139, are recognised in the statement of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

a) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities held for trading include derivatives entered into by the Group and the Company that do not meet the hedge accounting criteria. Derivative liabilities are initially measured at fair value and subsequently stated at fair value, with any resultant gains or losses recognised in profit or loss. Net gains or losses on derivatives include exchange differences.

The Group and the Company have not designated any financial liabilities as at fair value through profit or loss.

b) Other financial liabilities

The Group's and the Company's other financial liabilities include trade payables, other payables and loans and borrowings.

Trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Loans and borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

2. Summary of significant accounting policies (cont'd)

2.18 Financial liabilities (cont'd)

b) Other financial liabilities (cont'd)

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2.19 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

2.20 Employee benefits

a) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

b) Defined contribution plans

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. The Group makes contributions to the Employee Provident Fund in Malaysia, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

2.21 Leases

a) As lessee

Finance leases, which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments.

Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Leased assets are depreciated over the estimated useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life and the lease term.

2. Summary of significant accounting policies (cont'd)

2.21 Leases (cont'd)

a) As lessee (cont'd)

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

b) As lessor

Leases where the Group retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. The accounting policy for rental income is set out in Note 2.22(d).

2.22 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received and receivable.

a) Sale of properties

Revenue from sale of properties is accounted for by the stage of completion method as described in Note 2.15(b).

b) Sale of land held for property development and completed property units

Revenue is recognised when the risks and rewards associated with ownership has transferred to the purchaser with no further substantial contractual acts to complete.

c) Proceeds from contract works

Revenue from construction contracts is accounted for by the stage of completion method as described in Note 2.14.

d) Rental income

Rental income is recognised on a straight-line basis over the term of the lease. The aggregate cost of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

e) Interest income

Interest income is recognised on an accrual basis using the effective interest method.

f) Management fees

Management fees are recognised when services are rendered.

g) Dividend income

Dividend income is recognised when the Group's right to receive payment is established.

h) Revenue from renovation works

Revenue from renovation works is recognised over the period where such service is performed.

2. Summary of significant accounting policies (cont'd)

2.23 Income taxes

a) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2. Summary of significant accounting policies (cont'd)

2.24 Share capital and share issuance expenses

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

2.25 Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group.

Contingent liabilities and assets are not recognised in the statements of financial position of the Group.

2.26 Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 36, including the factors used to identify the reportable segments and the measurement basis of segment information.

3. Significant accounting judgements and estimates

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

3.1 Judgements made in applying accounting policies

There were no critical judgements made by management in the process of applying the accounting policies of the Group and of the Company on the amounts recognised in the financial statements.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

a) Impairment of goodwill and concession assets

The Group determines whether goodwill and concession assets are impaired at least on an annual basis. These require an estimation of the value-in-use of the CGU to which goodwill and concession assets are allocated. Estimating a value-in-use amount requires management to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows. Further details are disclosed in Note 17.

b) Property development

The Group recognises property development revenue and expenses in profit or loss by using the stage of completion method. The stage of completion is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

3. Significant accounting judgements and estimates (cont'd)

3.2 Key sources of estimation uncertainty (cont'd)

b) Property development (cont'd)

Significant judgement is required in determining the stage of completion, the extent of the property development costs incurred, the estimated total property development revenue and costs, as well as the recoverability of the property development costs. In making the judgement, the Group evaluates based on past experience and by relying on the work of specialists.

The carrying amounts of assets and liabilities of the Group arising from property development activities are disclosed in Note 15.

It is impractical to ascertain the sensitivity analysis for the estimated total property development revenue or cost against the actual Group revenue and cost of sales due to material price fluctuation.

c) Construction contracts

The Group recognises contract revenue and expenses in profit or loss by using the stage of completion method. The stage of completion is determined by the proportion that contract costs incurred for work performed to date bear to the estimated total contracted costs.

Significant judgement is required in determining the stage of completion, the extent of the contract costs incurred, the estimated total contract revenue and costs, as well as the recoverability of the construction projects. In making the judgement, the Group evaluates based on past experience and by relying on the work of specialists.

It is impractical to ascertain the sensitivity analysis for the estimated total contract revenue or cost against the actual Group revenue and cost of sales due to material price fluctuation.

d) Deferred tax assets

Deferred tax assets are recognised for all unutilised tax losses and unabsorbed capital allowances to the extent that it is probable that taxable profit will be available against which the losses and capital allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing of future taxable profits together with future tax planning strategies. The total carrying value of recognised losses and capital allowances as at 31 March 2012 was RM5,835,688 (2011 - RM4,982,664).

4. Revenue

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Sales of properties	298,430,009	175,010,369	6,604,764	7,314,483
Sales of inventories of completed property units	1,082,185	5,930,093	941,571	4,130,093
Sale of land held for property development	3,227,796	-	-	-
Proceeds from contract works	1,922,876	6,215,939	-	-
Dividend income	-	-	64,280,000	16,700,000
Management fees	-	-	1,146,387	1,494,735
Rental income	1,749,157	1,708,750	-	-
	306,412,023	188,865,151	72,972,722	29,639,311

5. Cost of sales

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Property development costs (Note 15(b))	194,815,955	123,779,962	4,279,158	3,536,617
Cost of construction contracts	1,116,293	5,207,203	-	-
Cost of inventories of completed property units sold (Note 20)	607,289	4,552,337	642,143	3,620,728
Cost of land held for property development sold	1,257,944	-	-	-
Under/(Over) provision of development expenditure on projects completed in prior years	720,097	(361,402)	-	-
	198,517,578	133,178,100	4,921,301	7,157,345

6. Other income

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Contract wages	40,500	162,000	-	-
Deposit forfeited	72,384	-	-	-
Deposit written back	-	7,000	-	-
Liquidated damages recovered from contractor	160,224	15,000	-	-
Gain due to modification on terms of loans and receivables	-	-	2,690,237	-
Gain on disposal of property, plant and equipment	18,504	-	14,999	-
Over provision of impairment loss in prior years	-	1,680	-	764
Reversal of impairment loss on investment in subsidiary company	-	-	-	126,464
Reversal of impairment loss on receivables	400	3,240	-	-
Interest income	1,067,728	207,117	1,329,268	1,094,459
Rental income	347,363	581,954	97,500	230,154
Sundry income	139,954	160,335	50,477	50,974
Interest income on loans and receivables	-	131,902	-	-
	1,847,057	1,270,228	4,182,481	1,502,815

7. Finance costs

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Interest expense on:				
- bank overdrafts	118,782	514,680	39,439	346,283
- bridging loans	262,431	136,323	-	-
- revolving loans	428,909	529,078	149,954	529,078
- term loans	4,246,433	3,262,588	278,955	-
- hire purchase	6,521	18,969	3,541	6,327
- loans and receivables	207,870	-	565,908	246,503
	5,270,946	4,461,638	1,037,797	1,128,191
Less: Amount capitalised in land held for property development and property development costs (Note 15)	(4,508,864)	(3,398,911)	-	-
Total finance costs	762,082	1,062,727	1,037,797	1,128,191

8. Profit before taxation

(a) The following items have been included in arriving at profit before taxation:

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Amortisation of intangible assets	594,824	356,311	-	-
Auditors' remuneration				
- Statutory audit				
- Current year	138,000	105,200	45,000	40,000
- Under provision in prior year	18,100	11,700	-	-
- Housing Development Accounts audit	17,000	14,650	-	-
- Other non-audit services*	5,000	5,000	5,000	5,000
Bad debts written off	12,156	16,624	-	-
Deposit written off	9,438	-	-	-
Depreciation of property, plant and equipment	297,649	337,407	222,697	228,339
Depreciation of investment properties	41,607	46,344	40,167	40,167
Employee benefits expenses (Note 8(b))	8,374,047	5,471,562	3,326,699	2,826,414
Non-executive directors' remuneration (Note 9)	437,000	275,000	431,000	275,000
Impairment loss on property, plant and equipment	58,022	-	-	-
Impairment loss on investment in subsidiary companies	-	-	1,070,141	997
Lease rental	180,000	121,000	-	-
Loss on disposal of property, plant and equipment	-	155,274	-	70,781
Property, plant and equipment written off	45,929	25,001	987	589
Impairment loss on receivables	214,593	-	18,947	-
Rental of office equipment	82,425	57,663	48,462	34,907
Rental of premises	79,800	157,000	-	9,000

* Auditors' remuneration amounting to RM20,000 (2011 - RM10,000) for the bonus issue has been included in expenses incurred for bonus issue recognised in retained earnings.

(b) Employees' benefits expenses

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Salaries, allowances and bonus	7,325,781	4,652,686	2,946,003	2,332,835
Gratuity	40,000	200,000	-	200,000
EPF	960,748	580,035	368,013	277,822
SOCSO	47,518	38,841	12,683	15,757
	8,374,047	5,471,562	3,326,699	2,826,414

Included in employees' benefits expenses of the Group and the Company are executive directors' remuneration, excluding benefits-in-kind, amounting to RM996,149 (2011 - RM871,750) and RM996,149 (2011 - RM871,750) respectively.

9. Directors' remuneration

The details of remuneration receivable by directors of the Company during the year are as follows:

Directors of the Company	Group 2012 RM	Group 2011 RM	Company 2012 RM	Company 2011 RM
Executive:				
Salaries and other emoluments	420,000	405,188	420,000	405,188
EPF	111,742	71,934	111,742	71,934
Gratuity	-	200,000	-	200,000
Bonus	463,787	193,750	463,787	193,750
SOCSO	620	878	620	878
Total executive directors' remuneration (excluding benefits-in-kind) (Note 8)	996,149	871,750	996,149	871,750
Estimated money value of benefits-in-kind	19,045	22,425	19,045	22,425
Total executive directors' remuneration (including benefits-in-kind)	1,015,194	894,175	1,015,194	894,175
Non-executive:				
Fees	402,000	243,000	396,000	243,000
Other emoluments	35,000	32,000	35,000	32,000
	437,000	275,000	431,000	275,000
Estimated money value of benefits-in-kind	151,125	39,089	151,125	39,089
Total non-executive directors' remuneration	588,125	314,089	582,125	314,089
Total directors' remuneration	1,603,319	1,208,264	1,597,319	1,208,264

The number of directors of the Company whose total remuneration during the financial year fell within the following bands is analysed below:

	Number of directors 2012	Number of directors 2011
Executive directors:		
RM300,001 - RM350,000	-	1
RM500,001 - RM550,000	-	1
RM1,000,001 - RM1,050,000	1	-
Non-executive directors:		
Below RM50,000	-	2
RM50,001 - RM100,000	5	3
RM200,001 - RM250,000	1	-

10. Income tax expense

	Group 2012 RM	Group 2011 RM	Company 2012 RM	Company 2011 RM
Current income tax				
- Malaysian income tax	19,892,702	9,861,179	10,294,446	4,759,240
- Under/(Over) provision in prior year	52,927	(14,125)	14,369	(20,846)
	19,945,629	9,847,054	10,308,815	4,738,394

10. Income tax expense (cont'd)

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Deferred income tax (Note 19)				
- Relating to origination and reversal of temporary differences	(844,719)	(690,303)	(10,290)	5,796
- (Over)/Under provision in prior year	(32,815)	13,254	8,392	20,357
	(877,534)	(677,049)	(1,898)	26,153
	19,068,095	9,170,005	10,306,917	4,764,547

Current income tax is calculated at the statutory tax rate of 25% of the assessable profit for the year.

A reconciliation of income tax expense applicable to profit before taxation at the statutory income tax rates to income tax expense at the effective income tax rates of the Group and of the Company is as follows:

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Profit before taxation	72,503,423	34,257,447	64,152,278	17,736,980
Taxation at Malaysian statutory tax rate of 25%	18,125,856	8,564,361	16,038,070	4,434,245
Income not subject to tax	(682,481)	(125,512)	(6,347,312)	(31,835)
Expenses not deductible for tax purposes	1,604,608	732,486	593,398	362,626
Utilisation of unutilised tax losses not recognised	-	(459)	-	-
Under/(Over) provision in prior year				
- current tax	52,927	(14,125)	14,369	(20,846)
- deferred tax	(32,815)	13,254	8,392	20,357
Income tax expense	19,068,095	9,170,005	10,306,917	4,764,547

Deferred tax assets have not been recognised in respect of the following item:

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Unutilised tax losses	37,477	33,414	-	-
Deferred tax benefit at 25%	9,370	8,354	-	-

Deferred tax assets have not been recognised in respect of this item as it may not be probable that future taxable profits will be available against which the asset can be utilised.

11. Earnings per share

The basic earnings per share for the year has been calculated based on the consolidated profit for the year, net of tax, attributable to owners of the Company of RM52,953,117 (2011 - RM25,148,130) and on the total number of ordinary shares in issue during the year of 144,000,000 (2011 - 144,000,000).

The Group has no potential ordinary shares in issue as at 31 March 2012 and 31 March 2011. Accordingly, diluted earnings per share is equal to basic earnings per share.

12. Property, plant and equipment

Group	Freehold land RM	Long term leasehold land RM	Buildings RM	Machinery, cabin, signboards and electrical installation RM	Furniture, fittings, office equipment and renovation RM	Motor vehicles RM	Capital work-in-progress RM	Total RM
Cost								
As at 1 April 2010	452,830	1,255,787	2,044,746	41,724	2,431,845	1,538,626	2,414,650	10,180,208
Additions	-	-	-	-	246,897	-	2,793,006	3,039,903
Disposals	-	-	-	(20,800)	(5,938)	(916,406)	-	(943,144)
Write-off	-	-	-	-	(92,797)	-	-	(92,797)
Transfer to concession assets (Note 17)	-	-	-	-	-	-	(4,838,172)	(4,838,172)
As at 31 March 2011	452,830	1,255,787	2,044,746	20,924	2,580,007	622,220	369,484	7,345,998
Additions	330,000	-	378,432	-	789,160	95,850	-	1,593,442
Disposals	-	-	-	-	(37,071)	(77,323)	-	(114,394)
Write-off	-	-	-	(3)	(255,866)	-	(11,450)	(267,319)
As at 31 March 2012	782,830	1,255,787	2,423,178	20,921	3,076,230	640,747	358,034	8,557,727
Accumulated depreciation and impairment loss								
As at 1 April 2010	-	57,644	247,324	22,392	1,134,543	594,034	-	2,055,937
Charge during the year	-	13,197	41,545	2,647	199,859	80,159	-	337,407
Disposals	-	-	-	(17,756)	(5,155)	(403,526)	-	(426,437)
Write-off	-	-	-	-	(67,796)	-	-	(67,796)
As at 31 March 2011	-	70,841	288,869	7,283	1,261,451	270,667	-	1,899,111
Charge during the year	-	13,197	44,068	1,556	211,169	27,659	-	297,649
Disposals	-	-	-	-	(36,817)	(77,321)	-	(114,138)
Write-off	-	-	-	-	(221,390)	-	-	(221,390)
Impairment loss	-	-	-	-	-	-	58,022	58,022
As at 31 March 2012	-	84,038	332,937	8,839	1,214,413	221,005	58,022	1,919,254
Net carrying amount								
At 31 March 2011	452,830	1,184,946	1,755,877	13,641	1,318,556	351,553	369,484	5,446,887
At 31 March 2012	782,830	1,171,749	2,090,241	12,082	1,861,817	419,742	300,012	6,638,473

12. Property, plant and equipment (cont'd)

Company	Long term leasehold land RM	Buildings RM	Furniture, fittings, office equipment and renovation RM	Motor vehicles RM	Total RM
Cost					
As at 1 April 2010	1,000,000	1,912,268	1,639,582	757,077	5,308,927
Additions	-	-	225,846	-	225,846
Disposals	-	-	-	(401,631)	(401,631)
Write-off	-	-	(4,530)	-	(4,530)
As at 31 March 2011	1,000,000	1,912,268	1,860,898	355,446	5,128,612
Additions	-	-	358,343	95,851	454,194
Disposals	-	-	-	(73,068)	(73,068)
Write-off	-	-	(14,800)	-	(14,800)
As at 31 March 2012	1,000,000	1,912,268	2,204,441	378,229	5,494,938
Accumulated depreciation					
As at 1 April 2010	52,083	191,226	636,330	347,127	1,226,766
Charge during the year	10,417	38,245	142,870	36,807	228,339
Disposals	-	-	-	(196,350)	(196,350)
Write-off	-	-	(3,941)	-	(3,941)
As at 31 March 2011	62,500	229,471	775,259	187,584	1,254,814
Charge during the year	10,417	38,245	156,073	17,962	222,697
Disposals	-	-	-	(73,067)	(73,067)
Write-off	-	-	(13,813)	-	(13,813)
As at 31 March 2012	72,917	267,716	917,519	132,479	1,390,631
Net carrying amount					
At 31 March 2011	937,500	1,682,797	1,085,639	167,862	3,873,798
At 31 March 2012	927,083	1,644,552	1,286,922	245,750	4,104,307

Group and Company

(a) Motor vehicles of the Group and of the Company with an aggregate carrying amount of RM285,517 (2011 - RM213,696) and RM179,528 (2011 - RM98,009) respectively are acquired under hire purchase arrangement.

(b) Leasehold land and buildings of the Company with a carrying amount of RM2,571,634 (RM2,620,296) were charged as securities for banking facilities granted to a subsidiary company. The Company is in the progress of discharging the leasehold land and buildings.

12. Property, plant and equipment (cont'd)

Group and Company (cont'd)

(c) A subsidiary company has entered into "build, operate and transfer" ("BOT") agreements in financial years ended 31 March 2005 and 2006 respectively. Under these agreements, the subsidiary company has the right to collect rental income using the respective properties over the period of 20 or 30 years' concession terms. However, upon expiration of the concession terms, the assets held under BOT will be transferred to the local authorities, unless extensions are granted to the subsidiary company by the local authorities.

In the event that the local authorities intend to re-develop, privatise or sell the property upon expiration of the concession terms, the subsidiary company has the first right of refusal to participate.

Construction in progress of BOT properties are recorded in property, plant and equipment account until they have been completed. Upon completion, the cost of these properties will be reclassified to concession assets.

13. Investment in subsidiary companies

	Company	
	2012 RM	**2011 RM**
Unquoted shares		
At cost	47,903,701	47,903,701
Accumulated impairment losses		
As at 1 April	736,738	862,205
Impairment loss for the year	1,070,141	997
Reversal of impairment loss	-	(126,464)
As at 31 March	1,806,879	736,738
Carrying amount		
As at 31 March	46,096,822	47,166,963

The details of the subsidiary companies, all of which are incorporated in Malaysia, are as follows:

Name of company	Equity interest held (%) 2012	Equity interest held (%) 2011	Principal activities
Yoon Lian Realty Sendirian Berhad	100	100	Property development, acting as construction contractor, investment holding and provision of management services
Daya Niaga Sdn Bhd	100	100	Property development
Grandeur Park Sdn Bhd	100	100	Property development
Prisma Pelangi Sdn Bhd	100	100	Property development
Agro-Mod Industries Sdn Bhd	100	100	Property development and provision of secretarial services

13. Investment in subsidiary companies (cont'd)

Name of company	Equity interest held (%) 2012	2011	Principal activities
Bison Holdings Sdn Bhd	100	100	Property holding
Tinggian Development Sendirian Berhad	100	100	Provision of management services
Pembinaan Hua Yang Sdn Bhd	100	100	Building contractor
Prop Park Sdn Bhd (formerly known as Prop Park Sendirian Berhad)	100	100	Property development
HYB Management Services Sdn Bhd	51	51	Provision of recreation management services
Johanjana Corporation Sdn Bhd	63.5	63.5	Operation of commercial properties under the "build, operate and transfer" agreements with local authorities
Sunny Mode Sdn Bhd	60	60	Property development

14. Investment properties

	Group 2012 RM	2011 RM	Company 2012 RM	2011 RM
Cost				
As at 1 April	2,450,054	2,450,054	2,243,864	2,243,864
Reclassified to asset held for sale (Note 23)	(606,681)	-	-	-
As at 31 March	1,843,373	2,450,054	2,243,864	2,243,864
Accumulated depreciation				
As at 1 April	320,764	274,420	280,603	240,436
Charge during the year	41,607	46,344	40,167	40,167
Reclassified to asset held for sale (Note 23)	(104,292)	-	-	-
As at 31 March	258,079	320,764	320,770	280,603
Net carrying amount	1,585,294	2,129,290	1,923,094	1,963,261
Fair value of investment properties	5,180,000	6,830,000	5,180,000	4,630,000

14. Investment properties (cont'd)

The following carrying amount of investment properties are held under lease terms:

	Group 2012 RM	Group 2011 RM	Company 2012 RM	Company 2011 RM
Leasehold land	-	319,924	-	-
Buildings	1,585,294	1,809,366	1,585,294	1,622,165
	1,585,294	2,129,290	1,585,294	1,622,165

As at 31 March 2011, the leasehold land had an unexpired lease period of 67 years.

Freehold land and buildings of the Company with a carrying amount of RM337,795 (2011 - RM341,095) are held in trust by a subsidiary company.

The following are recognised in profit or loss in respect of investment properties:

	Group 2012 RM	Group 2011 RM	Company 2012 RM	Company 2011 RM
Rental income	46,095	41,181	68,595	59,181
Direct operating expenses:				
- income generating investment properties	3,720	3,101	3,720	3,101
- non-income generating investment properties	-	2,084	-	-

15. Land held for property development and property development costs

(a) Land held for property development

Group	Freehold land RM	Long term leasehold land RM	Development expenditure RM	Total RM
As at 31 March 2012				
Cost				
As at 1 April 2011	61,927,697	39,565,107	48,025,476	149,518,280
Additions	11,019,303	45,000,000	28,425,638	84,444,941
Transfer to profit or loss	-	(412,440)	(845,504)	(1,257,944)
Transfer to property development costs (Note 15(b))	(4,833,631)	(7,934,884)	(12,568,065)	(25,336,580)
As at 31 March 2012	68,113,369	76,217,783	63,037,545	207,368,697
Accumulated impairment losses				
As at 1 April 2011 and 31 March 2012	-	-	1,547,926	1,547,926
Carrying amount as at 31 March 2012	68,113,369	76,217,783	61,489,619	205,820,771

15. Land held for property development and property development costs (cont'd)

(a) Land held for property development (cont'd)

Group	Freehold land RM	Long term leasehold land RM	Development expenditure RM	Total RM
As at 31 March 2011				
Cost				
As at 1 April 2010	58,283,868	46,353,666	44,385,905	149,023,439
Additions	7,084,450	2,388,049	13,515,766	22,988,265
Transfer to property development costs (Note 15(b))	(3,440,621)	(9,176,608)	(9,876,195)	(22,493,424)
As at 31 March 2011	61,927,697	39,565,107	48,025,476	149,518,280
Accumulated impairment losses				
As at 1 April 2010 and 31 March 2011	-	-	1,547,926	1,547,926
Carrying amount as at 31 March 2011	61,927,697	39,565,107	46,477,550	147,970,354

Company	Freehold land RM	Long term leasehold land RM	Development expenditure RM	Total RM
As at 31 March 2012				
Cost				
As at 1 April 2011	8,214,902	4,300,000	12,880,203	25,395,105
Additions	319,303	-	-	319,303
Transfer to property development costs (Note 15(b))	(1,809,925)	-	(114,140)	(1,924,065)
As at 31 March 2012	6,724,280	4,300,000	12,766,063	23,790,343
Accumulated impairment losses				
As at 1 April 2011 and 31 March 2012	-	-	1,547,926	1,547,926
Carrying amount as at 31 March 2012	6,724,280	4,300,000	11,218,137	22,242,417
As at 31 March 2011				
Cost				
As at 1 April 2010	8,987,497	4,300,000	12,914,376	26,201,873
Additions	-	-	14,550	14,550
Transfer to property development costs (Note 15(b))	(772,595)	-	(48,723)	(821,318)
As at 31 March 2011	8,214,902	4,300,000	12,880,203	25,395,105
Accumulated impairment losses				
As at 1 April 2010 and 31 March 2011	-	-	1,547,926	1,547,926
Carrying amount as at 31 March 2011	8,214,902	4,300,000	11,332,277	23,847,179

15. Land held for property development and property development costs (cont'd)

(a) Land held for property development (cont'd)

Additions during the year include the following expenditure:

	Group 2012 RM	Group 2011 RM
Interest expenses	4,242,482	2,945,056

Group

Certain freehold and leasehold land and development expenditure belonging to subsidiary companies with carrying amount of RM147,183,729 (2011 - RM92,158,727) are charged as securities for banking facilities granted to the Company and certain subsidiary companies. A subsidiary company is in the process of discharging the freehold land and development expenditure with carrying amount of RM433,970 which was pledged as security for a banking facility granted to the Company.

Certain of the Company's freehold and leasehold land with an aggregate carrying amount of RM9,768,666 (2011 - RM9,768,666) are pledged as security for banking facilities granted to the Company.

Certain freehold land belonging to a subsidiary company with carrying amount of RM681,337 (2011 - RM681,337) are held in trust by the Company.

The Group's and the Company's leasehold land have unexpired lease periods of more than 50 years and are classified as long term leasehold land.

(b) Property development costs

Group	Freehold land RM	Leasehold land RM	Development expenditure RM	Total RM
As at 31 March 2012				
Cumulative property development costs				
As at 1 April 2011	17,030,494	23,559,097	121,081,086	161,670,677
Costs incurred during the year	-	-	160,292,220	160,292,220
Transfer from land held for property development (Note 15(a))	4,833,631	7,934,884	12,568,065	25,336,580
Reversal of completed projects	(5,654,569)	(2,337,927)	(143,844,754)	(151,837,250)
Unsold units transferred to inventories	(34,643)	(15,892)	(1,246,461)	(1,296,996)
As at 31 March 2012	16,174,913	29,140,162	148,850,156	194,165,231
Cumulative costs recognised in profit or loss				
As at 1 April 2011	(6,589,231)	(4,256,563)	(90,148,563)	(100,994,357)
Reclassifications	-	(8,424)	8,424	-
Recognised during the year (Note 5)	(7,413,088)	(7,573,027)	(179,829,840)	(194,815,955)
Reversal of completed projects	5,654,569	2,337,927	143,844,754	151,837,250
As at 31 March 2012	(8,347,750)	(9,500,087)	(126,125,225)	(143,973,062)
Property development costs as at 31 March 2012	7,827,163	19,640,075	22,724,931	50,192,169

15. Land held for property development and property development costs (cont'd)

(b) Property development costs (cont'd)

Group	Freehold land RM	Leasehold land RM	Development expenditure RM	Total RM
As at 31 March 2011				
Cumulative property development costs				
As at 1 April 2010	15,611,171	15,215,864	56,402,572	87,229,607
Costs incurred during the year	-	-	93,770,264	93,770,264
Transfer from land held for property development (Note 15(a))	3,440,621	9,176,608	9,876,195	22,493,424
Reversal of completed projects	(2,021,298)	(814,974)	(38,504,165)	(41,340,437)
Unsold units transferred to inventories	-	(18,401)	(463,780)	(482,181)
As at 31 March 2011	17,030,494	23,559,097	121,081,086	161,670,677
Cumulative costs recognised in profit or loss				
As at 1 April 2010	(2,819,753)	(1,350,922)	(14,384,157)	(18,554,832)
Recognised during the year (Note 5)	(5,790,776)	(3,720,615)	(114,268,571)	(123,779,962)
Reversal of completed projects	2,021,298	814,974	38,504,165	41,340,437
As at 31 March 2011	(6,589,231)	(4,256,563)	(90,148,563)	(100,994,357)
Property development costs as at 31 March 2011	10,441,263	19,302,534	30,932,523	60,676,320

Company	Freehold land RM	Leasehold land RM	Development expenditure RM	Total RM
As at 31 March 2012				
Cumulative property development costs				
As at 1 April 2011	8,925,363	-	562,865	9,488,228
Transfer from land held for property development (Note 15(a))	1,809,925	-	114,140	1,924,065
Reversal of completed projects	(4,329,815)	-	(273,053)	(4,602,868)
As at 31 March 2012	6,405,473	-	403,952	6,809,425
Cumulative costs recognised in profit or loss				
As at 1 April 2011	(1,862,523)	-	(117,459)	(1,979,982)
Recognised during the year (Note 5)	(4,025,308)	-	(253,850)	(4,279,158)
Reversal of completed projects	4,329,815	-	273,053	4,602,868
As at 31 March 2012	(1,558,016)	-	(98,256)	(1,656,272)
Property development costs as at 31 March 2012	4,847,457	-	305,696	5,153,153

15. Land held for property development and property development costs (cont'd)

(b) Property development costs (cont'd)

Company	Freehold land RM	Leasehold land RM	Development expenditure RM	Total RM
As at 31 March 2011				
Cumulative property development costs				
As at 1 April 2010	10,154,578	-	640,383	10,794,961
Transfer from land held for property development (Note 15(a))	772,595	-	48,723	821,318
Reversal of completed projects	(2,001,810)	-	(126,241)	(2,128,051)
As at 31 March 2011	8,925,363	-	562,865	9,488,228
Cumulative costs recognised in profit or loss				
As at 1 April 2010	(538,114)	-	(33,302)	(571,416)
Recognised during the year (Note 5)	(3,326,219)	-	(210,398)	(3,536,617)
Reversal of completed projects	2,001,810	-	126,241	2,128,051
As at 31 March 2011	(1,862,523)	-	(117,459)	(1,979,982)
Property development costs as at 31 March 2011	7,062,840	-	445,406	7,508,246

Group

Certain freehold and leasehold land and development expenditure of the Group with aggregate carrying amount of RM28,923,985 (2011 - RM40,563,975) are charged as securities for banking facilities granted to the Company and its subsidiary companies.

In addition, a piece of freehold land of a subsidiary company of RM399,335 (2011 - RM943,351) is charged as security for overdraft banking facility granted to the Company. There is no contingent liability arising therefrom as the Company's overdraft is RMNil (2011 - RM126,974) as at reporting date.

The Group is in the process of discharging the freehold land and development expenditure with carrying amount of RM399,335 which is pledged as security for the banking facility granted to the Company.

	Group 2012 RM	Group 2011 RM
Additions during the year include the following expenditure:		
Interest expense	266,382	453,855

The Group's and the Company's leasehold land have unexpired lease periods of more than 50 years and are classified as long term leasehold land.

16. Due from joint development partner on contracts

	Group 2012 RM	Group 2011 RM
Construction contract cost incurred todate	19,281,674	19,254,558
Attributable profits	3,017,828	2,211,245
	22,299,502	21,465,803
Progress billings received and receivable	(22,299,502)	(16,441,724)
	-	5,024,079

17. Intangible assets

Group	Goodwill on consolidation RM	Concession assets RM	Total RM
As at 31 March 2012			
Cost			
As at 1 April 2011	9,167,040	15,175,920	24,342,960
Adjustment	-	(134,773)	(134,773)
As at 31 March 2012	9,167,040	15,041,147	24,208,187
Accumulated amortisation and impairment losses			
As at 1 April 2011	(92,928)	(607,351)	(700,279)
Charge during the year	-	(594,824)	(594,824)
As at 31 March 2012	(92,928)	(1,202,175)	(1,295,103)
Carrying amount			
As at 31 March 2012	9,074,112	13,838,972	22,913,084
As at 31 March 2011			
Cost			
As at 1 April 2010	9,167,040	10,256,498	19,423,538
Additions	-	81,250	81,250
Transfer from property, plant and equipment (Note 12)	-	4,838,172	4,838,172
As at 31 March 2011	9,167,040	15,175,920	24,342,960
Accumulated amortisation and impairment losses			
As at 1 April 2010	(92,928)	(251,040)	(343,968)
Charge during the year	-	(356,311)	(356,311)
As at 31 March 2011	(92,928)	(607,351)	(700,279)
Carrying amount			
As at 31 March 2011	9,074,112	14,568,569	23,642,681

17. Intangible assets (cont'd)

Goodwill on consolidation

(a) Impairment tests for goodwill

Allocation of goodwill

Goodwill has been allocated to the Group's CGUs identified according to business segment as follows:

	2012 RM	2011 RM
As at 31 March		
Goodwill - business segment		
Property development	4,640,367	4,640,367
Concession assets	4,433,745	4,433,745
	9,074,112	9,074,112

(b) Key assumptions used in value-in-use calculations

Property development

In prior year, the subsidiary company was mainly involved in Joint Venture ("JV") projects. As such, the recoverable amount of the CGU was determined based on the subsidiary company's entitlement of 50% of the budgeted gross profits arising from the JV projects and the subsequent commencement of each phase covering a one to two-year period. The basis used to determine the value assigned to the budgeted gross profit for each phase was based on the estimated contract revenue less contract costs, the stage of completion of the JV projects, the type and mix of development, historical and projected market demand and anticipated cost increase.

During the year, the subsidiary company terminated its JV projects. The subsidiary company expects to commence property development on its own in the following financial year. As such, the recoverable amount of the CGU is determined based on value-in-use calculations using cash flow projections based on financial budgets approved by management covering a five-year period. The key assumptions used for value-in-use calculations are based on current year's performance and the following criteria set by the management:

	2012	2011
Discount rate	5.4%	-
Budgetted gross margin	18 - 22%	-

The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

(i) Discount rate

The discount rate used is based on the weighted average borrowing interest rate of the Group.

(ii) Budgeted gross margin

The basis used to determine the value assigned to the budgeted gross margin is the average gross margin achieved by the Group in related projects in the year immediately before the budgeted year. This is increased over the budget period for anticipated efficiency improvements.

17. Intangible assets (cont'd)

Goodwill on consolidation (cont'd)

(b) Key assumptions used in value-in-use calculations (cont'd)

Concession assets

The recoverable amount of the CGU is determined based on value-in-use calculations using cash flow projections based on financial budgets approved by management covering the concession period. The key assumptions used for value-in-use calculations are based on current year's performance and the following criteria set by the management:

	2012	2011
Rental rates	RM4.01 - 4.43/sq.ft	RM3.52 - 5.26/sq.ft
Tenancy take-up rate	95% - 100%	95% - 100%
Growth rate (every 2 to 3 years)	5% - 10%	5% - 10%
Discount rate	8.6%	8%

The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

(i) Rental rates

The rental rates used reflect the average rental rates of the surrounding completed commercial properties.

(ii) Tenancy take-up rate

The tenancy take-up rate used reflect the management's best estimate after considering the take up rate of the surrounding completed properties.

(iii) Growth rate

The weighted average growth rate used is consistent with historical average growth rate of the subsidiary.

(iv) Discount rate

The discount rate used is based on the weighted average borrowing interest rate of the subsidiary.

The details of the carrying amount of concession assets, representing the right to collect rental income over the concession periods from assets held under "build, operate and transfer" agreements are disclosed in Note 12(c).

The subsidiary company has the right to use the buildings to generate rental income within the concession periods.

(c) Sensitivity to changes in assumptions

With regard to the assessment of value-in-use of each of the business segments, management believes that no reasonable possible change in any of the above key assumptions would cause the carrying values of the segments to materially exceed their recoverable amounts.

18. Cash and cash equivalents

	Group 2012 RM	Group 2011 RM	Company 2012 RM	Company 2011 RM
Current				
Short term funds	110,184	53,020	110,184	-
Cash in hand and at bank	8,910,759	4,355,918	317,660	644,036
Housing Development Accounts	16,140,779	1,849,690	-	-
Cash and bank balances	25,161,722	6,258,628	427,844	644,036
Bank overdrafts (Note 27)	-	(3,686,102)	-	(2,224,486)
Cash and cash equivalents	25,161,722	2,572,526	427,844	(1,580,450)
Non-current				
Fixed deposits pledged with licensed banks	695,062	808,803	-	-

As at 31 March 2011, the fixed deposits amounting to RM120,000 which were held in trust by Sanjung Sempurna Sdn Bhd (joint development partner) were pledged to a financial institution for securing bank guarantees for the issuance of developer's license for a subsidiary company's joint development projects. The weighted average effective interest rate of the fixed deposits which are on a fixed rate basis was 3.24% per annum and the maturities of the fixed deposits range from 30 to 365 days.

As at 31 March 2012, the non-current fixed deposit amounting to RM695,062 (2011 - RM688,803) is pledged to a financial institution to secure credit facility for a subsidiary company for a tenure of 9 years. The weighted average effective interest rate which is on a fixed rate basis is 0.91% (2011 - 0.84%) per annum.

The short term funds represent investments in fixed income trust funds which can be redeemed within a period of less than 30 days with tax exempt interest rate ranging from 2.31% to 3.02% (2011 - 2.46%) per annum.

The Housing Development Accounts ("HDA") are held pursuant to Section 7A of the Housing Development (Control and Licensing) Act, 1966 and therefore restricted from use for other operations.

19. Deferred tax (assets)/liabilities

	Group 2012 RM	Group 2011 RM	Company 2012 RM	Company 2011 RM
As at 1 April	2,835,718	3,512,767	98,743	72,590
Recognised in profit or loss (Note 10)	(877,534)	(677,049)	(1,898)	26,153
As at 31 March	1,958,184	2,835,718	96,845	98,743
Presented after appropriate offsetting as follows:				
Deferred tax liabilities	3,497,476	4,253,546	96,845	98,743
Deferred tax assets	(1,539,292)	(1,417,828)	-	-
	1,958,184	2,835,718	96,845	98,743

The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows:

Deferred tax liabilities of the Group

	Land held for property development and property development costs RM	Property, plant and equipment RM	Others RM	Total RM
As at 1 April 2010	3,967,454	158,303	273,248	4,399,005
Recognised in profit or loss	(756,571)	23,811	587,301	(145,459)
As at 31 March 2011	3,210,883	182,114	860,549	4,253,546
Recognised in profit or loss	(824,853)	(7,414)	76,197	(756,070)
As at 31 March 2012	2,386,030	174,700	936,746	3,497,476

Deferred tax assets of the Group

	Unrealised profits on inter-company transactions RM	Unutilised business losses RM	Unabsorbed capital allowances RM	Total RM
As at 1 April 2010	(274,414)	(487,136)	(124,688)	(886,238)
Recognised in profit or loss	102,252	45,448	(679,290)	(531,590)
As at 31 March 2011	(172,162)	(441,688)	(803,978)	(1,417,828)
Recognised in profit or loss	91,792	11,878	(225,134)	(121,464)
As at 31 March 2012	(80,370)	(429,810)	(1,029,112)	(1,539,292)

19. Deferred tax (assets)/liabilities (cont'd)

Deferred tax liabilities of the Company

	Property, plant and equipment	
	2012	**2011**
	RM	**RM**
As at 1 April	98,743	72,590
Recognised in profit or loss	(1,898)	26,153
As at 31 March	96,845	98,743

20. Inventories

	Group		Company	
	2012	**2011**	**2012**	**2011**
	RM	**RM**	**RM**	**RM**
At cost				
Completed commercial units	3,618,021	3,720,659	2,766,077	3,032,879
Completed residential units	1,326,577	463,327	-	234,727
	4,944,598	4,183,986	2,766,077	3,267,606

During the year, the amount of inventories recognised as an expense in cost of sales of the Group and the Company was RM607,289 and RM642,143 (2011 - RM4,552,337 and RM3,620,728) respectively (Note 5).

21. Trade and other receivables

	Group		Company	
	2012	**2011**	**2012**	**2011**
	RM	**RM**	**RM**	**RM**
Current				
Trade receivables				
Third parties	56,557,915	25,864,282	59,818	1,384,971
Less: Allowance for impairment	(246,873)	(64,492)	(18,947)	-
Trade receivables, net	56,311,042	25,799,790	40,871	1,384,971
Other receivables				
Other receivables	479,756	842,693	380,321	433,424
Refundable deposits	679,878	472,458	75,664	72,492
Amount owing by subsidiary companies	-	-	65,423,481	23,034,542
	1,159,634	1,315,151	65,879,466	23,540,458
	57,470,676	27,114,941	65,920,337	24,925,429

21. Trade and other receivables (cont'd)

	Group 2012 RM	Group 2011 RM	Company 2012 RM	Company 2011 RM
Non-current				
Other receivables				
Other receivables	2,348,890	-	-	-
Refundable deposits	1,442,771	1,836,456	134,650	134,600
Amount owing by subsidiary companies	-	-	22,991,001	37,012,919
	3,791,661	1,836,456	23,125,651	37,147,519
Less: Allowance for impairment	(17,588)	-	-	-
	3,774,073	1,836,456	23,125,651	37,147,519
Total trade and other receivables	61,244,749	28,951,397	89,045,988	62,072,948
Add: Cash and bank balances	25,161,722	6,258,628	427,844	644,036
Deposits with licensed banks (non-current)	695,062	808,803	-	-
Total loans and receivables	87,101,533	36,018,828	89,473,832	62,716,984

Group and Company

(a) Trade receivables

The trade receivables are non-interest bearing and are generally on 7 to 21 days (2011 - 7 to 30 days) terms. Other credit terms are assessed and approved on a case-by-case basis. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management.

As at previous reporting date, concentration of credit risk exists in a subsidiary company to the extent of trade receivables owing by Sanjung Sempurna Sdn Bhd (joint development partner), which represented 22% of the total trade receivables of the Group.

Other than as disclosed above, the Group and the Company have no significant concentration of credit risk that may arise from exposures to a single debtor or to groups of debtors.

They are recognised at their original invoice amounts which represent their fair values on initial recognition.

<u>Ageing analysis of trade receivables</u>

The ageing analysis of the Group's and the Company's trade receivables is as follows:

	Group 2012 RM	Group 2011 RM
Neither past due nor impaired	29,601,522	12,770,756
1 to 30 days past due not impaired	12,660,412	7,418,479
31 to 60 days past due not impaired	113,517	105,050
61 to 90 days past due not impaired	6,180,516	2,551,807
91 to 120 days past due not impaired	7,195,555	663,507
121 to 335 days past due not impaired	480,389	1,938,354
336 to 700 days past due not impaired	-	4,029
More than 700 days past due not impaired	-	306,771
	26,630,389	12,987,997
Impaired	326,004	105,529
	56,557,915	25,864,282

21. Trade and other receivables (cont'd)

(a) Trade receivables (cont'd)

	Company 2012 RM	Company 2011 RM
Neither past due nor impaired	-	-
1 to 30 days past due not impaired	-	1,078,200
31 to 60 days past due not impaired	-	-
61 to 90 days past due not impaired	-	-
91 to 120 days past due not impaired	-	-
121 to 335 days past due not impaired	-	-
336 to 700 days past due not impaired	-	-
More than 700 days past due not impaired	-	306,771
	-	1,384,971
Impaired	59,818	-
	59,818	1,384,971

Receivables that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group. None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Receivables that are past due but not impaired

The Group and the Company have trade receivables amounting to RM26,630,389 (2011- RM12,987,997) and RMNil (2011 - RM1,384,971) respectively that are past due at the reporting date but not impaired. The directors are of the opinion that these debts should be realised in full without material losses in the ordinary course of business. These trade receivables that are past due but not impaired are unsecured in nature.

Receivables that are impaired

The Group's and the Company's trade receivables that are impaired at the reporting date and the movement of the allowance accounts used to record the impairment are as follows:

	Group Individually impaired		Company Individually impaired	
	2012 RM	2011 RM	2012 RM	2011 RM
Trade receivables				
- nominal amounts	326,004	105,529	59,818	-
Less: Allowance for impairment	(246,873)	(64,492)	(18,947)	-
	79,131	41,037	40,871	-

21. Trade and other receivables (cont'd)

(a) Trade receivables (cont'd)

Movement in allowance accounts:

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
At 1 April	64,492	75,354	-	-
Charge for the year	197,005	-	18,947	-
Written off	(14,224)	(7,622)	-	-
Reversal of impairment losses	(400)	(3,240)	-	-
At 31 March	246,873	64,492	18,947	-

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that are in financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

(b) Amount owing by subsidiary companies

	Company	
	2012 RM	2011 RM
Non-current		
Interest bearing	15,908,938	14,296,717
Non-interest bearing	7,082,063	22,716,202
	22,991,001	37,012,919
Current		
Non-interest bearing	65,423,481	23,034,542
	88,414,482	60,047,461

The interest bearing amount owing by subsidiary companies are unsecured, without fixed terms of repayment and bears interest at a weighted average effective interest rate of 8.55% (2011 - 8.27%) per annum. The current portion of non-interest bearing amounts are unsecured and repayable on demand. The non-current portion of non-interest bearing amounts are unsecured and without fixed terms of repayment.

During the year, an amount owing by a subsidiary company of RM27,914,264 has been reclassified to current as the amount shall be repaid on demand. The difference between the fair value and the carrying amount being recognised in prior year as interest expense from the subsidiary company has been derecognised.

There is also an amount owing by a subsidiary company of RM7,082,063 has been reclassified as non-current in the current financial year as the amount has no fixed terms of repayment. The difference between the fair value and the carrying amount has been recognised as interest expense in profit or loss.

21. Trade and other receivables (cont'd)

(c) Other receivables

The Group has no significant concentration of credit risk that may arise from exposure to a single debtor or to groups of debtors except for a subsidiary company which concentration exists to the extent of other receivables owing by Sanjung Sempurna Sdn Bhd (previous joint development partner of a subsidiary company), which represents 83% (2011 - Nil) of total other receivables of the Group as at reporting date.

The amount owing is non-interest bearing, unsecured and without fixed terms of repayment.

22. Other current assets

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Prepaid operating expenses	54,056	23,670	8,056	3,800
Accrued billings in respect of property development costs	65,832,103	70,494,640	-	-
	65,886,159	70,518,310	8,056	3,800

23. Non-current asset classified as asset held for sale

On 19 March 2012, a subsidiary company has entered into a conditional Sale and Purchase Agreement for the proposed disposal of a double storey bungalow located in Mukim Ulu Klang, Daerah Gombak, Selangor for a total cash consideration of RM1,900,000. As at 31 March 2012, the proposed disposal has not been completed and is expected to be completed within the next 12 months after the reporting date. The net book value of the landed property was classified as asset held for sale as follows:

	Cost RM	Accumulated depreciation RM	Net book value RM
Asset held for sale:			
Investment property (Note 14)	606,681	(104,292)	502,389
Fair value less cost to sell of asset held for sale			1,862,000

24. Trade and other payables

	Group 2012 RM	Group 2011 RM	Company 2012 RM	Company 2011 RM
Current				
Trade payables				
Third parties	41,316,648	39,075,606	-	-
Other payables				
Other payables	185,567	311,726	87,295	62,031
Refundable deposits	431,283	1,473,008	2,148	58,368
Accrued operating expenses	14,561,674	7,028,913	1,971,051	1,132,012
	15,178,524	8,813,647	2,060,494	1,252,411
Amount owing to subsidiary companies	-	-	5,284,918	18,437,979
	56,495,172	47,889,253	7,345,412	19,690,390
Non-current				
Trade payables				
Third parties	14,363,395	4,106,805	-	-
Other payables				
Deposits	247,426	259,112	-	-
	14,610,821	4,365,917	-	-
Total trade and other payables	71,105,993	52,255,170	7,345,412	19,690,390
Loans and borrowings	97,279,602	73,043,503	106,573	13,781,035
Total financial liabilities carried at amortised cost	168,385,595	125,298,673	7,451,985	33,471,425

(a) Trade payables

These amounts are non-interest bearing. Trade payables are normally settled on 30 to 60 days (2011 - 30 to 60 days) terms.

(b) Other payables

These amounts are non-interest bearing. Other payables are normally settled on an average term of two months.

(c) Amounts owing to subsidiary companies

The amounts owing are non-interest bearing, unsecured and repayable on demand.

25. Other current liabilities

	Group 2012 RM	Group 2011 RM	Company 2012 RM	Company 2011 RM
Progress billings in respect of property development cost	1,182,995	2,833,495	-	-

26. Hire purchase payables

	Group 2012 RM	Group 2011 RM	Company 2012 RM	Company 2011 RM
Future minimum hire purchase payments:				
Not later than 1 year	78,989	59,844	47,677	28,512
Later than 1 year and not later than 2 years	27,006	59,777	19,212	28,465
Later than 2 years and not later than 5 years	49,579	7,794	49,579	-
Total future minimum hire purchase payments	155,574	127,415	116,468	56,977
Finance charges	(11,394)	(6,908)	(9,895)	(2,428)
Present value of hire purchase facilities	144,180	120,507	106,573	54,549
Analysis of present value of hire purchase liabilities:				
Not later than 1 year	72,042	55,066	42,089	26,715
Later than 1 year and not later than 2 years	23,347	57,787	15,693	27,834
Later than 2 years and not later than 5 years	48,791	7,654	48,791	-
	144,180	120,507	106,573	54,549
Amount due within 12 months (Note 27)	(72,042)	(55,066)	(42,089)	(26,715)
Amount due after 12 months (Note 27)	72,138	65,441	64,484	27,834

The interest rates of hire purchase, which are fixed at agreement dates, range between 2.25% to 3.70% (2011 - 2.25% to 3.70%) per annum. The hire purchase agreements are on a fixed payment basis.

27. Loans and borrowings

	Maturity	Group 2012 RM	Group 2011 RM	Company 2012 RM	Company 2011 RM
Current					
Secured:					
Hire purchases (Note 26)	2013	72,042	55,066	42,089	26,715
Bank overdrafts		-	3,686,102	-	2,224,486
Term loans:					
- loans at cost of fund + 1.75%	2013	4,285,680	4,285,680	-	-
- loan at BLR + 0.0%	2013	1,465,000	-	-	-
- loan at BLR - 1.35%	2013	200,000	-	-	-
- loan at effective cost of fund + 2%	2013	416,668	-	-	-
Revolving loans:					
- loan at BLR + 0%		-	6,502,000	-	6,502,000
- loan at effective cost of fund + 2%		-	5,000,000	-	5,000,000
		6,439,390	19,528,848	42,089	13,753,201

27. Loans and borrowings (cont'd)

	Maturity	Group 2012 RM	Group 2011 RM	Company 2012 RM	Company 2011 RM
Non-current					
Secured:					
Hire purchases (Note 26)	2014 - 2017	72,138	65,441	64,484	27,834
Term loans:					
- loan at BLR + 0.75%		-	447,234	-	-
- loan at cost of fund +1.75%	2014 - 2017	4,449,060	21,071,500	-	-
- loan at BLR + 0.0%	2014 - 2020	23,135,000	24,600,000	-	-
- loan at BLR - 1.35%	2014 - 2019	5,300,000	5,500,000	-	-
- loan at effective cost of fund + 2%	2014 - 2019	7,083,332	-	-	-
- loan at BLR - 1.70%	2014 - 2018	25,600,000	-	-	-
- loan at BLR - 1.75%	2014 - 2019	11,000,000	-	-	-
Bridging loans:					
- loan at BLR + 0.75%		-	1,830,480	-	-
- loan at cost of fund + 1.75%	2014 - 2018	14,200,682	-	-	-
		90,840,212	53,514,655	64,484	27,834
Total loans and borrowings		97,279,602	73,043,503	106,573	13,781,035

The remaining maturities of the loans and borrowings as at 31 March 2012 are as follows:

	Group 2012 RM	Group 2011 RM	Company 2012 RM	Company 2011 RM
On demand or within 1 year	6,439,390	19,528,848	42,089	13,753,201
More than 1 year and less than 2 years	14,059,081	10,498,941	15,693	27,834
More than 2 years and less than 5 years	57,531,509	25,769,830	48,791	-
5 years or more	19,249,622	17,245,884	-	-
	97,279,602	73,043,503	106,573	13,781,035

Group

Bank overdrafts

The overdraft facilities extended to subsidiary companies were secured by the following:

(i) First legal charge over certain lands under land held for property development belonging to subsidiary companies; and

(ii) Corporate guarantee by the Company

The bank overdraft facilities bore interest at rates which were on floating rate basis ranging between 6.30% - 6.85% (2011 - 5.80% to 8.05%) per annum.

27. Loans and borrowings (cont'd)

Term loan at cost of fund + 1.75%, term loan at BLR - 1.70%, term loan at BLR - 1.75% and bridging loans at cost of fund + 1.75%

The term loans and bridging loans are secured by the following:

(i) Facility agreement for the sum of RM30.0 million, RM25.6 million and RM11.0 million;

(ii) First party legal charge stamped nominally over 2 pieces of leasehold property development land held by a subsidiary company;

(iii) Debenture creating fixed and floating charge over the assets, both present and future whatsoever and wheresoever situated; and

(iv) Corporate guarantee by the Company.

Term loan at BLR + 0.75% + Bridging loan at BLR + 0.75%

The term loan and bridging loan were secured by:

(i) Second legal charge over a parcel of leasehold land held for property development by a subsidiary company;

(ii) Specific debenture over the 29 completed units of joint venture properties held by the Company;

(iii) Specific debenture over the project on the land charged as security; and

(iv) Corporate guarantee by the Company.

The term loan and bridging loan were fully settled during the financial year.

Term loans at cost of fund + 1.75%, term loan at BLR - 1.70%, term loan at BLR - 1.75% and bridging loan at cost of fund + 1.75%

The term loans are repayable by the following:

(i) 83 instalments of RM357,140 each, commencing in March 2010, and one final instalment of RM357,380 in February 2017;

(ii) 47 instalments of RM534,000 each, commencing in October 2013, and one final instalment of RM502,000 in September 2017; and

(iii) 59 instalments of RM183,334 each, commencing in November 2013, and one final instalment of RM183,294 in October 2018.

The bridging loans are repayable by the following:

(i) 24 instalments of RM1,250,000 each, commencing in October 2014;

(ii) 23 instalments of RM1,458,333 each, commencing in March 2015, and one final instalment of RM1,458,341 in February 2017; and

(iii) 23 instalments of RM1,458,333 each, commencing on May 2015, and one final instalment of RM1,458,341 in April 2017.

27. Loans and borrowings (cont'd)

Term loan at BLR + 0%

(i) First legal charge over 2 parcels of freehold land held for property development of the a subsidiary company;

(ii) Specific debenture incorporating fixed and floating charge for all monies owing or payable under facility over all present and future assets of a subsidiary company pertaining to the development of the project to be undertaken by the subsidiary company; and

(iii) Corporate guarantee by the Company.

The term loan is repayable by 83 instalments of RM293,000 commencing 1 November 2012 and 1 final instalment of RM281,000 on 1 October 2019.

Term loan at BLR - 1.35%

The term loan is secured by:

(i) Facility agreement for the sum of RM5.5 million;

(ii) First legal charge over a piece of freehold land held for property development of a subsidiary company;

(iii) Specific debenture incorporating fixed and floating charge for all monies owing or payable under facility over all present and future assets of a subsidiary company pertaining to the development of the project to be undertaken by the subsidiary company; and

(iv) Corporate guarantee by the Company.

The term loan is repayable as follows:

	RM
Repayable by 65 monthly instalments of	
- RM50,000 commencing 1 December 2012	300,000
- RM60,000 commencing 1 June 2013	720,000
- RM80,000 commencing 1 June 2014	960,000
- RM90,000 commencing 1 June 2015	1,080,000
- RM100,000 commencing 1 June 2016	2,300,000
Repayable by a final instalment of RM140,000 due on 1 May 2018	140,000
	5,500,000

Term loan at effective cost of fund + 2.00%

The term loan is secured by:

(i) First legal charge over 2 parcels of freehold land held for property development of a subsidiary company; and

(ii) Corporate guarantee by the Company.

The term loan of RM7,500,000 is repayable by 71 instalments of RM104,167 commencing 1 December 2012 and 1 final instalment of RM104,143 on 1 November 2018.

27. Loans and borrowings (cont'd)

The weighted average floating interest rates per annum as at the reporting date for borrowings were as follows:

	Group	
	2012 %	2011 %
Revolving loans	5.39 - 6.60	5.83
Term loans	4.85 - 6.60	4.80 - 7.00
Bridging loans	5.08	7.05

Company

Bank overdrafts

The Company's overdraft facilities were secured by a third party legal charge over certain land held for development and development properties belonging to certain of its subsidiary companies.

The bank overdrafts bore interest at a rate which was on floating rate basis ranging between 6.30% - 6.85% (2011 - 5.80% to 8.05%) per annum.

Revolving loan at BLR + 0%

The revolving loan facilities were secured by legal charges over certain vacant agricultural land of the Company and certain freehold land held for development of a subsidiary company. The Company did not utilise the facilities during the year.

Revolving loan at effective cost of fund + 2%

The revolving loan facilities were secured by a third party first legal charge over a piece of vacant agricultural land held by the Company. The Company did not utilise the facilities during the year.

Revolving loan at cost of fund + 1.75%

The revolving loan facilities were secured by a negative pledge. The Company did not utilise the facilities during the year.

28. Share capital

	Group and Company			
	Number of ordinary shares of RM1 each		Amount	
	2012	2011	2012 RM	2011 RM
Authorised	500,000,000	500,000,000	500,000,000	500,000,000
Issued and fully paid				
As at 1 April	108,000,000	90,000,000	108,000,000	90,000,000
Bonus issue	36,000,000	18,000,000	36,000,000	18,000,000
As at 31 March	144,000,000	108,000,000	144,000,000	108,000,000

During the financial year, the Company increased its issued and paid-up ordinary share capital from RM108,000,000 to RM144,000,000 by way of bonus issue on the basis of one bonus share for every three existing ordinary shares held.

There is no movement in the authorised share capital during the year.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

29. Share premium

	Group and Company 2012 RM	2011 RM
As at 1 April	-	6,696,849
Capitalisation for bonus issue	-	(6,696,849)
As at 31 March	-	-

The share premium arose from a public issue of 12,871,000 new shares in conjunction with the listing of the Company's shares on the Main Market of Bursa Malaysia Securities Berhad at a premium of RM0.75 per share, net of listing expenses.

30. Retained earnings

Prior to the year of assessment 2008, Malaysian companies adopted the full imputation system. In accordance with the Finance Act, 2007 which was gazetted on 28 December 2007, companies shall not be entitled to deduct tax on dividend paid, credited or distributed to its shareholders, and such dividends will be exempted from tax in the hands of the shareholders ("single tier system"). However, there is a transitional period of six years, expiring on 31 December 2013, to allow companies to pay franked dividends to their shareholders under limited circumstances. Companies also have an irrevocable option to disregard the 108 balance and opt to pay dividends under the single tier system. The change in the tax legislation also provides for the 108 balance to be locked-in as at 31 December 2007 in accordance with Section 39 of the Finance Act, 2007.

The Company did not elect for the irrevocable option to disregard the 108 balance. Accordingly, during the transitional period, the Company may utilise the credit in the 108 balance as at 31 March 2012 and 2011 to distribute cash dividend payments to ordinary shareholdings as defined under the Finance Act, 2007.

As at 31 March 2012, the Company has a tax exempt account balance available for distribution of tax exempt dividends of RM227,737 (2011- RM227,737), subject to the agreement of the Inland Revenue Board.

As at 31 March 2012, the Company has sufficient credit in the 108 balance to pay franked dividends out of its entire retained earnings.

31. Dividends

	Group and Company 2012 RM	2011 RM
Recognised during the financial year:		
Final dividend of 7.5% less 25% tax for 2011 - 5.63 sen per share	6,075,000	-
Final dividend of 3% less 25% tax for 2010 - 2.25 sen per share	-	2,025,000
	6,075,000	2,025,000
Proposed for approval at AGM, not recognised as at 31 March:		
Final dividend of 15% less 25% tax for 2012 - 11.25 sen per share	16,200,000	-
Final dividend of 7.5% less 25% tax for 2011 - 5.63 sen per share	-	6,075,000

At the forthcoming Annual General Meeting, a final dividend in respect of the current financial year ended 31 March 2012, of 15% less 25% taxation on 144,000,000 ordinary shares, amounting to a total dividend of RM16,200,000 (11.25 sen net per ordinary share) will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in shareholders' equity as an appropriation of retained earnings in the next financial year ending 31 March 2013.

32. Operating lease arrangements

(a) The Group as lessee

The Group has entered into non-cancellable operating lease agreements for the use of land and building. These leases have a life of 20 to 30 years with renewal option included in the contracts. The contracts include fixed rentals for 20 to 30 years. There are no restrictions placed upon the Group by entering into these leases.

The future aggregate minimum lease payments under the operating lease contracted for as at the reporting date but not recognised as liabilities are as follows:

	Group	
	2012	**2011**
	RM	**RM**
Not later than 1 year	180,000	180,000
Later than 1 year and not later than 5 years	720,000	720,000
Later than 5 years	2,883,000	3,063,000
	3,783,000	3,963,000

The Group has also entered into cancellable operating lease agreements for the use of office equipment and building. The Group is required to give not less than 7 days to 1 month of notice for the termination of these agreements.

The lease payment recognised in profit or loss during the financial year is disclosed in Note 8(a).

(b) The Group as lessor

The Group has entered into non-cancellable operating lease agreements on its concession assets. These leases have remaining non-cancellable lease terms of between 1 and 3 years.

The future minimum lease payments receivable under the operating leases contracted for as at the reporting date but not recognised as receivables, are as follows:

	Group	
	2012	**2011**
	RM	**RM**
Not later than 1 year	1,624,020	1,399,750
Later than 1 year and not later than 5 years	399,630	1,004,150
	2,023,650	2,403,900

The Group has also entered into cancellable operating lease agreements on certain completed residential properties held as inventories and land held for property development. The lessees are required to give a range of 1 to 3 months notice for the termination of these agreements.

Rental income from concession assets recognised in profit or loss during the financial year is disclosed in Note 4.

33. Significant related party disclosures

(a) Significant related party transactions

	With subsidiary companies								
Company	**Grandeur Park Sdn Bhd RM**	**Agro-Mod Industries Sdn Bhd RM**	**Yoon Lian Realty Sendirian Berhad RM**	**Prisma Pelangi Sdn Bhd RM**	**Daya Niaga Sdn Bhd RM**	**Sunny Mode Sdn Bhd RM**	**Prop Park Sdn Bhd RM**	**Johanjana Corporation Sdn Bhd RM**	**Total RM**
2012									
Management fees received and receivable	156,000	144,000	72,000	-	180,000	156,000	252,000	186,387	1,146,387
Rental received and receivable	-	12,000	12,000	-	-	-	-	-	24,000
Dividend received and receivable	8,775,000	25,312,500	-	8,775,000	11,160,000	-	-	-	54,022,500
Landowner entitlement received and receivable	6,604,764	-	-	-	-	-	-	-	6,604,764
Interest receivable	-	-	-	-	-	-	-	1,312,220	1,312,220
Landowner entitlement paid	-	-	-	-	140,614	-	-	-	140,614
2011									
Management fees received and receivable	186,000	168,000	108,000	-	435,000	78,000	342,000	177,735	1,494,735
Rental received and receivable	-	12,000	12,000	-	-	-	-	-	24,000
Dividend received and receivable	5,625,000	6,000,000	-	900,000	-	-	-	-	12,525,000
Landowner entitlement received and receivable	7,314,483	-	-	-	-	-	-	-	7,314,483
Interest receivable	-	-	-	-	-	-	-	1,082,930	1,082,930
Landowner entitlement paid	-	-	-	-	301,619	-	-	-	301,619
Sales of properties to:									
- Directors	-	-	-	-	-	-	2,864,000	-	2,864,000

Information regarding outstanding balance arising from related party transactions as at 31 March 2012 are disclosed in the notes to the financial statements.

33. Significant related party disclosures (cont'd)

(b) Compensation of key management personnel

The remuneration of the executive directors, being the key management personnel of the Group and the Company during the year are as follows:

	Group		Company	
	2012	**2011**	**2012**	**2011**
	RM	**RM**	**RM**	**RM**
Short-term employee benefits (Note 9)	996,149	871,750	996,149	871,750
Benefits-in-kind (Note 9)	19,045	22,425	19,045	22,425

34. Commitments

	Group	
	2012	**2011**
	RM	**RM**
Approved and contracted for		
- Land held for property development	4,713,183	9,630,000
- Construction cost in progress	-	486,900
- Property, plant and equipment	1,255,500	-
	5,968,683	10,116,900
Approved but not contracted for		
- Acquisition of land held for property development	-	986,000
- Property, plant and equipment	800,000	-
	6,768,683	11,102,900

35. Contingent liabilities

	Company	
	2012	**2011**
	RM	**RM**
Secured:		
Inventories pledged and corporate guarantees given to banks for credit facilities granted to certain subsidiary companies	-	2,409,711
Unsecured:		
- Corporate guarantee given to a bank for credit facilities granted to certain subsidiary companies	97,858,538	56,786,797
- Bank guarantee facilities utilised by certain subsidiary companies	3,550,798	2,403,288
	101,409,336	59,190,085

36. Segment information

For management purposes, the Group is organised into business units based on two reportable operating segments as follows:

I. The property development segment

The property development segment is in the business of constructing and developing residential and commercial properties. This reportable segment has been formed by aggregating the property construction/development operating segment and the investment properties operating segment, which are regarded by management to exhibit similar economic characteristics.

II. Rental from concession assets segment

Rental from concession assets segment is the business of collection of rental over the concession periods from assets held under "build, operate and transfer" agreements.

Except as indicated above, no operating segment has been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respects as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements. Group financing (including finance costs) and income taxes are managed on a group basis and are not allocated to operating segments.

36. Segment information (cont'd)

	Property development 2012 RM	Property development 2011 RM	Rental concession 2012 RM	Rental concession 2011 RM	Adjustments and eliminations 2012 RM	Adjustments and eliminations 2011 RM	Notes	Per consolidated financial statements 2012 RM	Per consolidated financial statements 2011 RM
Revenue:									
External customers	304,662,866	187,156,401	1,749,157	1,708,750	-	-		306,412,023	188,865,151
Inter-segment	10,643,890	9,184,127	-	-	(10,643,890)	(9,184,127)	A	-	-
	315,306,756	196,340,528	1,749,157	1,708,750	(10,643,890)	(9,184,127)		306,412,023	188,865,151
Results:									
Interest income	5,706,353	1,789,309	-	-	(4,638,625)	(1,450,290)		1,067,728	339,019
Dividend income	64,280,000	12,525,000	-	-	(64,280,000)	(12,525,000)		-	-
Depreciation and amortisation	(336,400)	(380,895)	(594,900)	(356,387)	(2,780)	(2,780)		(934,080)	(740,062)
Other non-cash income/ (expenses)	(1,133,345)	(68,435)	(258,030)	-	1,070,141	(123,164)	B	(321,234)	(191,599)
Interest expenses	(4,059,579)	(998,598)	(1,341,128)	(1,147,059)	4,638,625	1,082,930		(762,082)	(1,062,727)
Segment profit/(loss)	75,408,365	35,967,253	(1,592,722)	(626,876)	(1,312,220)	(1,082,930)	C	72,503,423	34,257,447
Assets:									
Additions to non-current assets	86,038,383	23,235,162	-	2,874,256	-	-	D	86,038,383	26,109,418
Segment assets	582,356,278	454,796,814	16,373,656	16,316,511	(151,606,172)	(114,084,762)	E	447,123,762	357,028,563
Segment liabilities	282,375,542	204,496,093	18,556,651	17,231,159	(122,065,667)	(85,675,391)	F	178,866,526	136,051,861

36. Segment information (cont'd)

Notes Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements

A Inter-segment revenues are eliminated on consolidation.

B Other material non-cash expenses consist of the following items as presented in the respective notes to the financial statements:

	2012 RM	2011 RM
Bad debts written off	12,156	16,244
Deposits written off	9,438	-
(Gain)/Loss on disposal of property, plant and equipment	(18,504)	155,274
Property, plant and equipment written off	45,929	25,001
Impairment loss on property, plant and equipment	58,022	-
Reversal of impairment loss on receivables	(400)	(3,240)
Overprovision of impairment losses in prior years	-	(1,680)
Impairment loss on receivables	214,593	-
	321,234	191,599

C The following items are deducted from segment profit to arrive at "Profit before tax" presented in the consolidated income statement:

	2012 RM	2011 RM
Finance costs	762,082	1,062,727

D Additions to non-current assets consist of:

	2012 RM	2011 RM
Property, plant and equipment	1,593,442	3,039,903
Intangible assets	-	81,250
Land held for property development	84,444,941	22,988,265
	86,038,383	26,109,418

E The following items are added to/(deducted from) segment assets to arrive at total assets reported in the consolidated statement of financial position:

	2012 RM	2011 RM
Deferred tax assets	1,539,292	1,417,828
Inter-segment assets	(153,145,464)	(115,502,590)
	(151,606,172)	(114,084,762)

36. Segment information (cont'd)

F The following items are added to/(deducted from) segment liabilities to arrive at total liabilities reported in the consolidated statement of financial position:

	2012 RM	2011 RM
Deferred tax liabilities	3,497,476	4,253,546
Income tax payable	5,800,460	3,666,147
Inter-segment liabilities	(131,363,603)	(93,595,084)
	(122,065,667)	(85,675,391)

37. Financial risk management objectives and policies

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risk include credit risk, liquidity risk and interest rate risk.

The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the Chief Financial Officer. The audit committee provides independent oversight to the effectiveness of the risk management process.

The following provides details regarding the Group's and the Company's exposure to the above-mentioned financial risk and the objectives, policies and processes for the management of these risks.

(a) Credit risk

Credit risks, or the risk of counterparties defaulting, is controlled by the application of credit approvals, limits and monitoring procedures. Credit risks are minimised and monitored via strictly limiting the Group's and the Company's associations to business partners with high creditworthiness. Trade receivables are monitored on an ongoing basis via Group and Company management reporting procedures.

The Group does not have any significant exposure to any individual customer or counterparty nor does it have a major concentration of credit risk related to any financial instruments, except as disclosed in Note 21.

(b) Liquidity risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The Group and the Company manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that refinancing, repayment and funding needs are met. As part of its overall liquidity management, the Group and the Company maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements. In addition, the Group and the Company strives to maintain available banking facilities at a reasonable level to its overall debt position. As far as possible, the Group and the Company raises committed funding from financial institutions and balances its portfolio with some short term funding so as to achieve overall cost effectiveness.

37. Financial risk management objectives and policies (cont'd)

(b) Liquidity risk (cont'd)

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations.

	2012 RM			
	On demand or within one year	One to five years	Over five years	Total
Group				
Financial liabilities				
Trade and other payables	56,495,172	14,610,821	-	71,105,993
Loans and borrowings	6,439,390	71,590,590	19,249,622	97,279,602
	62,934,562	86,201,411	19,249,622	168,385,595
Company				
Financial liabilities				
Trade and other payables	7,345,412	-	-	7,345,412
Loans and borrowings	42,089	64,484	-	106,573
	7,387,501	64,484	-	7,451,985

	2011 RM			
	On demand or within one year	One to five years	Over five years	Total
Group				
Financial liabilities				
Trade and other payables	47,889,253	4,365,917	-	52,255,170
Loans and borrowings	19,528,848	36,268,771	17,245,884	73,043,503
	67,418,101	40,634,688	17,245,884	125,298,673
Company				
Financial liabilities				
Trade and other payables	19,690,390	-	-	19,690,390
Loans and borrowings	13,753,201	27,834	-	13,781,035
	33,443,591	27,834	-	33,471,425

(c) Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. As the Group and the Company has no significant interest-bearing financial assets, the Group's and the Company's income and operating cash flows are substantially independent of changes in market interest rates.

37. Financial risk management objectives and policies (cont'd)

(c) Interest rate risk (cont'd)

The Group's and the Company's primary interest rate risk relates to interest-bearing debt. Borrowings at floating rates exposes the Group and the Company to cash flow interest rate risk.

The Group and the Company manages its interest rate exposure by maintaining a prudent floating rate borrowings. This strategy allows it to capitalise on cheaper funding in a low interest rate environment and achieve a certain level of protection against rate hikes.

Sensitivity analysis for interest rate risk

At the reporting date, if interest rates had been 25 basis points lower/higher, with all other variables held constant, the impact is immaterial to the Group's and the Company's profit net of tax.

38. Fair value of financial instruments

Determination of fair value

Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value:

	Note
Trade and other receivables (current)	21
Trade and other payables (current)	24
Loans and borrowings	27

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either due to their short term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

The carrying amounts of the current portion of hire purchase are reasonable approximations of fair values due to the insignificant impact of discounting.

The methods and assumptions used by management to determine fair values of financial instruments other than those whose carrying amounts reasonably approximate their fair values are as follows:

Retention sum

The fair value of the retention sum included in non-current trade payable is estimated by discounting expected future cash flows at weighted average borrowing interest rates of the Group.

39. Capital management

The primary objective of the Group's and the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group and the Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 March 2012 and 31 March 2011.

39. Capital management (cont'd)

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debts. The Group includes within net debt, loans and borrowings, trade and other payables, less cash and bank balances. Capital includes equity attributable to the equity holders of the Group less the fair value adjustment reserve.

The gearing equity ratios as at 31 March 2012 and 2011 were as follows:

		Group		Company	
	Note	2012 RM	2011 RM	2012 RM	2011 RM
Loan and borrowings	27	97,279,602	73,043,503	106,573	13,781,035
Trade and other payables	24	71,105,993	52,255,170	7,345,412	19,690,390
Less:					
Cash and bank balances	18	25,161,722	6,258,628	427,844	644,036
Deposits with licensed banks (non-current)	18	695,062	808,803	-	-
Net debts		142,528,811	118,231,242	7,024,141	32,827,389
Equity attributable to owners of the Company		266,075,397	219,277,073	163,878,446	116,187,879
Capital and net debts		408,604,208	337,508,315	170,902,587	149,015,268
Gearing ratio		35%	35%	4%	22%

40. Subsequent events

Group

On 6 April 2012, a subsidiary company entered into a Sale and Purchase Agreement for the purchase of 156 lots of freehold titles for a total consideration of RM15,200,000.

Company

a) On 17 April 2012, the Company completed the acquisition of the remaining issued and paid-up share capital of Sunny Mode Sdn Bhd ("SMSB") comprising of 1,315,555 ordinary shares of RM1 each for a cash consideration of RM3,000,000, resulting in SMSB becoming a wholly-owned subsidiary company.

b) On 2 May 2012, the Company entered into a Sale and Purchase Agreement with a subsidiary company to dispose a piece of land for a total consideration of RM5,300,000.

c) On 18 July 2012, the Board approved the proposal to undertake a private placement of up to 10% of the issued and paid up share capital in Hua Yang Berhad ("HYB") to investors to be identified at a later date and a bonus issue of up to 39,600,000 new ordinary shares of RM1 each in HYB on the basis of one bonus share for every four existing HYB shares held on an entitlement date to be determined and announced later.

41. Authorisation of financial statements for issue

The financial statements for the year ended 31 March 2012 were authorised for issue in accordance with a resolution of the directors on 18 July 2012.

42. Supplementary information - breakdown of retained profits into realised and unrealised

The breakdown of the retained profits of the Group and of the Company as at 31 March 2012 and 31 March 2011 into realised and unrealised profits is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 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.

	Group		Company	
	2012 RM	**2011 RM**	**2012 RM**	**2011 RM**
Total retained profits of the Company and its subsidiary companies				
- Realised	140,736,865	131,488,931	20,541,198	10,976,860
- Unrealised	878,822	(2,284,907)	(662,752)	(2,788,981)
	141,615,687	129,204,024	19,878,446	8,187,879
Less: Consolidation adjustments	(19,540,290)	(17,926,951)	-	-
Total Group retained profits as per audited financial statements	122,075,397	111,277,073	19,878,446	8,187,879

LIST OF GROUP'S PROPERTIES

As at 31 March 2012

Description and Existing Use	Location	Tenure	Land Area	Age of Building	Net Book Value (RM' 000)	Year of Acquisition	Registered / Beneficial Owner
4 ½ storey shop office for office use.	123, Jalan Raja Permaisuri Bainun (Jalan Kampar), 30250 Ipoh, Perak	Freehold	0.04 acres	31 years	338	1993	Yoon Lian Realty Sdn Bhd / Hua Yang Berhad
1 unit of 3-Storey Shop Office and 1 unit of 8-Storey Shop Office; for office use	C-21 & C-22 Blk C, Jln Medan Selayang 1, Medan Selayang, 68100 Batu Caves, Selangor	Leasehold 99 years, expiring on 10 April 2101	20,516 sq. ft.	7 years	2,572	2005	Hua Yang Berhad
Car park bays, Medan Selayang	Jalan Medan Selayang 1, Medan Selayang, 68100 Batu Caves, Selangor	Leasehold 99 years, expiring on 10 April 2101	44,020 sq. ft.	7 years	1,585	2005	Hua Yang Berhad
Homestead agriculture lot, currently vacant	PT No. 1898 Mukim of Teras, Daerah Raub, Pahang	Freehold	1.44 acres	N/A	185	1996	Bison Holdings Sdn Bhd
Double-storey split-leveled detached house	PT 1877 Mukim Ulu Kelang, Daerah Gombak, Negeri Selangor, also known as No. 6, Jalan 5, Taman Tun Abdul Razak, 68000 Ampang, Selangor	Leasehold 99 years, expiring on 17 June 2078	8,751 sq. ft.	34 years	502	1995	Bison Holdings Sdn Bhd

Description and Existing Use	Location	Tenure	Land Area	Remaining Land for Development	Net Book Value (RM' 000)	Year of Acquisition	Year of Commencement of Development	Registered / Beneficial Owner
Development land for mixed development	H.S.(D) 244541 Lot PTD No.71928 and H.S.(D) 244542 Lot PTD No.71929 Mukim Pulai, Daerah Johor Bahru, Johor Darul Takzim	Freehold	230 acres	38 acres	15,299	1994	2001	Grandeur Park Sdn Bhd
Development land for mixed development	H.S.(D) 244543 Lot PTD No.71930 Mukim Pulai, Daerah Johor Bahru, Johor Darul Takzim	Freehold	141 acres	5 acres	1,705	1993	2001	Prisma Pelangi Sdn Bhd
Development land for residential development	H.S.(D) 244540 Lot PTD No.71927 Mukim Pulai, Daerah Johor Bahru, Johor Darul Takzim	Freehold	106 acres	6 acres	7,335	2001	2006	Hua Yang Berhad
Development land for residential development	H.S.(D) 261477 PTD No.119789 Mukim Plentong, Daerah Johor Bahru, Johor Darul Takzim	Freehold	5 acres	5 acres	7,790	2008	2011	Grandeur Park Sdn Bhd
Development land for mixed development	Geran 231624 Lot 5024 Mukim Senai, Daerah Kulaijaya and Geran 95306 Lot 2742 Mukim Pulai, Daerah Johor Bahru, Johor Darul Takzim	Freehold	134 acres	134 acres	44,743	2009	2011	Grandeur Park Sdn Bhd
Development Land for mixed development	H.S.(D) 444052 PTB 21981, H.S.(D) 444053 PTB 21982, Geran 137134 Lot 1430 and Geran 88410 Lot 1429 Bandar and Daerah of Johor Bahru	Freehold	2.43 acres	2.43 acres	11,459	2011	2012	Grandeur Park Sdn Bhd
Development land for mixed development	H.S.(D) 101012, No.PT 34809 Mukim Petaling, Selangor Darul Ehsan	Leasehold (Expiring 19 October 2094)	16.7 acres	7 acres	53,088	2007	2010	Prop Park Sdn Bhd
Development Land for mixed development	H.S.(D) 50295 No. PT 1851 Mukim Ampang Daerah Kuala Lumpur	Leasehold (Expiring 6 July 2085)	1.55 acres	1.55 acres	33,864	2011	2012	Prop Park Sdn Bhd
Development Land for mixed development	Lot No. 1068 Title No. PN 12319 Seksyen 13, Bandar Shah Alam, District of Petaling, Selangor Darul Ehsan	Leasehold (Expiring 30 December 2101)	3.73 acres	3.73 acres	13,816	2011	2012	Prop Park Sdn Bhd

list of
group's properties

as at 31 March 2012

Description and Existing Use	Location	Tenure	Land Area	Remaining Land for Development	Net Book Value (RM' 000)	Year of Acquisition	Year of Commence-ment of Development	Registered / Beneficial Owner
Development land for residential development	PN 12473 Lot No.64430 (formerly known as H.S.(D) 40534 PT No.474) Daerah Gombak, Selangor Darul Ehsan	Leasehold (Expiring 10 April 2101)	3 acres	Nil	704	1989	2008	Daya Niaga Sdn Bhd
Homestead agriculture lot and development land for residential development	Lot No. 8848-8854, 8856, 8862-8863, 8865, 8872-8874, 8876, 8878, 8879, 8885, 8892, 8902-8922, 9694, 9697-9710 Mukim Seremban, Daerah Seremban, Negeri Sembilan Darul Khusus	Freehold	46 acres	46 acres	17,196	1995	N/A	Hua Yang Berhad
Development land for mixed development	Lot 12670 (PT 1347) Mukim Bota, Daerah Tengah, Perak Darul Ridzuan	Leasehold (Expiring April 2103)	739 acres	461 acres	23,467	1991	2001	Agro-Mod Industries Sdn Bhd
Development land for commercial development	Lot 11329 (PT 2062-PT 2409, PT 2699-PT 2713 & PT 2715) Mukim Bota, Daerah Tengah, Perak Darul Ridzuan	Leasehold (Expiring April 2096)	38 acres	10 acres	5,180	1996	2001	Agro-Mod Industries Sdn Bhd
Development land for residential development	H.S.(D) 19415 PT 114953 Mukim Hulu Kinta, Daerah Kinta, Perak Darul Ridzuan	Freehold	4 acres	4 acres	1,464	1994	2012	Yoon Lian Realty Sdn Bhd
Development land for commercial development	Lot No. 19125, H.S.(D) 26630 Pekan Sungai Gadut, Seremban, Negeri Sembilan	Leasehold (Expiring June 2107)	28 acres	25 acres	11,161	2010	2010	Sunny Mode Sdn Bhd

ANALYSIS OF SHAREHOLDINGS

As at 29 June 2012

SHARE CAPITAL

Authorised share capital	:	RM500 million
Issued and fully paid-up capital	:	RM144,000,000
Class of shares	:	Ordinary shares of RM1.00 each
Voting rights	:	One vote per ordinary share

ORDINARY SHARE DISTRIBUTION SCHEDULE AS AT 29 JUNE 2012

Size of Holdings	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Issued capital
1 - 99	112	4.84	4,957	-
100 - 1,000	130	5.61	85,831	0.06
1,001 - 10,000	1,440	62.20	6,187,981	4.30
10,001 - 100,000	531	22.94	14,886,921	10.34
100,001 - 7,199,999*	99	4.28	67,756,608	47.05
7,200,000 and above**	3	0.13	55,077,702	38.25
Total	2,315	100.00	144,000,000	100.00

Remark:
* Less than 5% of issued shares
** 5% and above of issued shares

DIRECTORS' SHAREHOLDINGS AS AT 29 JUNE 2012

Name of Directors	Direct Interest	%	Deemed Interest	%
1. Tan Sri Dato' Seri Dr. Ting Chew Peh	176,000	0.12	151,324 (2)	0.10
2. Ho Wen Yan	703,999	0.49	46,600,677 (1)	32.36
3. Dato' Tan Bing Hua	1,600	-	-	-
4. Ho Mook Leong	1,603,621	1.11	49,120 (2)	0.03
5. Chew Po Sim	-	-	46,600,677 (1)	32.36
6. Chew Hoe Soon	163,600	0.11	313,200 (2)	0.22
7. Dato' Wan Azahari Bin Yom Ahmad	-	-	-	-

Notes:
(1) Deemed interest by virtue of her /his substantial shareholdings in Heng Holdings Sdn Bhd and Heng Jaya Sdn Bhd
(2) Deemed interest by virtue of the shareholdings of his spouse and children

SUBSTANTIAL SHAREHOLDERS AS AT 29 JUNE 2012

Name	Direct Interest	%	Deemed Interest	%
1. Heng Holdings Sdn Bhd	44,141,364	30.65	2,459,313 (1)	1.71
2. Heng Jaya Sdn Bhd	2,459,313	1.71	44,141,364 (1)	30.65
3. Chew Po Sim	-	-	46,600,677 (2)	32.36
4. Ho Min Yi	-	-	46,600,677 (2)	32.36
5. Ho Wen Yan	703,999	0.49	46,600,677 (2)	32.36
6. Ho Wen Han	-	-	46,600,677 (2)	32.36
7. Ho Wen Fan	-	-	46,600,677 (2)	32.36
8. Cham Poh Meng (Zhan Baoming)	20,518,004	14.24	-	-

Notes:
(1) Deemed interest by virtue of common substantial shareholders of Heng Holdings Sdn Bhd and Heng Jaya Sdn Bhd
(2) Deemed interest by virtue of his/her substantial shareholdings in Heng Holdings Sdn Bhd and Heng Jaya Sdn Bhd

analysis of shareholdings

as at 29 June 2012

LIST OF 30 LARGEST SHAREHOLDERS AS AT 29 JUNE 2012

No.	Name of shareholders	No. of Shares	%
1.	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Heng Holdings Sdn Berhad (KLC)	27,200,000	18.89
2.	Heng Holdings Sdn Berhad	16,941,364	11.76
3.	OSK Nominees (Asing) Sdn Bhd Pledged Securities Account for Cham Poh Meng (Zhan Baoming)	10,936,338	7.59
4.	OSK Nominees (Asing) Sdn Bhd Cham Poh Meng (Zhan Baoming)	6,915,000	4.80
5.	Ho Khon Yok	5,077,550	3.53
6.	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ong Siew Eng @ Ong Chai	4,895,066	3.40
7.	Ng Keat Siew	3,165,268	2.20
8.	CIMSEC Nominees (Asing) Sdn Bhd CIMB Bank for Cham Poh Meng (Zhan Baoming)	2,666,666	1.85
9.	Heng Jaya Sdn Berhad	2,459,313	1.71
10.	Ho Mook Sing	2,366,741	1.64
11.	Patricia Theresa Eileen Chong	2,156,676	1.50
12.	Tan Liam Ching	1,754,100	1.22
13.	Azizi Bin Yom Ahmad	1,747,954	1.21
14.	Kenanga Nominees (Asing) Sdn Bhd UOB Kay Hian Pte Ltd for Kwan Wai Keong	1,592,220	1.11
15.	Ho Mook Leong	1,390,388	0.97
16.	Tjong Tjhoen Mit @ Chong Choen Mit	1,320,000	0.92
17.	Hoo Ah Kar @ Ho Khoon Tai	1,213,110	0.84
18.	Maybest Enterprise Sdn Bhd	1,188,000	0.83
19.	AMSEC Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Goh Swee Boh @ Goh Cheng Kin	1,173,333	0.81
20.	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd For MAAKL Progress Fund	1,031,666	0.72
21.	CIMSEC Nominees (Asing) Sdn Bhd Bank of Singapore Ltd For Teo Kian Huat	1,000,000	0.69
22.	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Fong Siling (CEB)	1,000,000	0.69
23.	Citigroup Nominees (Tempatan) Sdn Bhd ING Insurance Berhad (Unitlink-AE)	935,966	0.65
24.	Lee Ah Har @ Lee Kong Yip	867,564	0.60
25.	Citigroup Nominees (Tempatan) Sdn Bhd ING Insurance Berhad (Unitlink-AB)	862,800	0.60
26.	Loo Hooi Eng	843,600	0.59
27.	Citigroup Nominees (Tempatan) Sdn Bhd ING Insurance Berhad (Dana Suria Ekt)	838,200	0.58
28.	Ho Chon Yin	809,850	0.56
29.	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Goh Swee Boh @ Goh Cheng Kin	800,000	0.56
30.	Tan Ah Loy @ Tan May Ling	800,000	0.56

PROXY FORM

HUAYANG

HUA YANG BERHAD
Company No. 44094-M
(Incorporated in Malaysia)

*I/We ……………………………….........................…….of ………………………….......................………………… being a member of

HUA YANG BERHAD hereby appoint Mr/Ms ………………………...…………………..of

………………….................….…..…....……or failing whom ………...……………………….......……..……..of

……………………………...................................……………….or failing whom the Chairman of the meeting as *my/*our proxies to vote for*me/*us and on *my/*our behalf at the Thirty-Third Annual General Meeting of the Company to be held at the Head Office of the Company at 4th Floor, C-21, Jalan Medan Selayang 1, Medan Selayang, 68100 Batu Caves, Selangor on Thursday, 30 August 2012 at 10.30 a.m. and at any adjournment thereof.

*My/*Our proxy(ies) is / are to vote as indicated below:-

	Resolutions	For	Against
Resolution 1	To approve the payment of a first and final dividend of 15% per Ordinary Share of RM1.00 each less 25% income tax		
Resolution 2	To approve the payment of Directors' fees of RM396,000		
Resolution 3	To re-elect Dato' Tan Bing Hua as Director		
Resolution 4	To re-elect Chew Hoe Soon as Director		
Resolution 5	To re-appoint Messrs Ernst & Young as the Auditors of the Company for the ensuing year		
Resolution 6	To approve the authority to issue shares pursuant to Section 132D of the Companies Act, 1965		
Resolution 7	Proposed amendment to the Articles of Association		

[Please indicate with (X) how you wish your vote to be casted. If no specific direction as to voting is given, the proxy will vote or abstain at his discretion].

Dated this ……….day of ………………….2012

NUMBER OF SHARES HELD

………………………………………………
[Signature(s) / Common Seal of Shareholder(s)]
[*Delete if not applicable]

NOTES:

1. Only members whose name appear in the Record of Depositors as at 24 August 2012 will be entitled to attend the Annual General Meeting or appoint a proxy/proxies in his/her stead or in the case of a corporation, a duly authorised representative to attend and to vote in his/her stead.
2. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy/proxies who may but need not be a member/members of the Company to attend and vote in his/her stead and the provision of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
3. When a member appoints two (2) or more proxies, the appointments shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.
4. The instrument appointing a proxy shall be in writing under the hand of the appointor or his/her attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised.
5. The instrument appointing a proxy must be deposited at the Registered Office of the Company at 123A, Jalan Raja Permaisuri Bainun (Jalan Kampar), 30250 Ipoh, Perak Darul Ridzuan at least forty-eight (48) hours before the time appointed for the Meeting or any adjournment thereof.

Fold this flap for sealing

2nd fold here

Affix
Stamp
here

HUA YANG BERHAD
(44094-M)
123A, Jalan Raja Permaisuri Bainun
(Jalan Kampar), 30250 Ipoh,
Perak Darul Ridzuan.

1st fold here

HUA YANG BERHAD (44094-M)

HEAD OFFICE
C-21, Jalan Medan Selayang 1,
Medan Selayang, 68100 Batu Caves,
Selangor Darul Ehsan, Malaysia.

TEL : 03 6188 4488
FAX : 03 6188 4487
E-MAIL : kl@huayang.com.my

IPOH OFFICE

123, Jalan Raja Permaisuri Bainun (Jalan Kampar)
30250 Ipoh,
Perak Darul Ridzuan, Malaysia.

TEL : 05 2543 812
FAX : 05 2542 625
E-MAIL : ipoh@huayang.com.my

JOHOR OFFICE

53 & 55, Jalan Besi,
Taman Sri Putri,
81300 Skudai,
Johor Darul Takzim, Malaysia.

TEL : 07 5591 388
FAX : 07 5560 388
E-MAIL : jb@huayang.com.my