

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

Interim Financial Statements for the financial period ended 31 March 2010

The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENT

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/3/2010 RM' 000	PRECEDING YEAR CORRESPONDING QUARTER 31/3/2009 RM' 000	CURRENT YEAR TO DATE 31/3/2010 RM' 000	PRECEDING YEAR CORRESPONDING YEAR TO DATE 31/3/2009 RM' 000
Revenue	27,213	26,116	103,542	100,043
Cost of Sales	(18,288)	(19,171)	(73,612)	(75,079)
Gross Profit	8,925	6,945	29,930	24,964
Other Income	686	309	1,363	2,084
Selling and Marketing Expenses	(2,438)	(1,044)	(6,724)	(5,159)
Administrative and General Expenses	(2,641)	(2,753)	(8,381)	(8,597)
Operating Profit	4,532	3,457	16,188	13,292
Finance Costs	(153)	(75)	(495)	(741)
Profit Before Taxation	4,379	3,382	15,693	12,551
Income Tax Expenses	(1,177)	(817)	(4,216)	(3,846)
Profit For The Period	3,202	2,565	11,477	8,705
Attributable to:				
Equity holders of the parent	3,288	2,566	11,578	8,736
Minority interest	(86)	(1)	(101)	(31)
	3,202	2,565	11,477	8,705
Earnings Per Share Attributable To Equity Holders Of The Parent (sen)				
Basic, for profit for the period	3.65	2.85	12.86	9.71

The Condensed Consolidated Income Statements should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2009 and the accompanying explanatory notes attached to the interim financial statements.

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CONDENSED CONSOLIDATED BALANCE SHEET

	As at 31/3/2010 (Unaudited) RM' 000	As at 03/31/2009 (Audited) RM' 000
ASSETS		
Non-current assets		
Property, plant and equipment	6,926	6,568
Prepaid land lease payments	1,198	1,211
Land held for property development	148,701	131,161
Investment property	12,181	4,154
Amount due from joint development partner on contract	4,369	4,948
Bank balances	819	120
Goodwill on consolidation	9,074	8,813
Total non-current assets	183,268	156,975
Current assets		
Inventories	7,896	6,638
Property development costs	67,387	38,305
Trade and other receivables	47,958	36,783
Tax recoverable	252	831
Cash and bank balances	3,657	12,130
Total current assets	127,150	94,686
TOTAL ASSETS	310,418	251,662
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	90,000	90,000
Reserves	105,834	95,944
	195,834	185,944
Minority interest	1,712	499
Total equity	197,546	186,443
Non-current liabilities		
Deferred tax	3,497	4,067
Hire purchase creditor	373	561
Long term loans	39,595	37,261
Total non-current liabilities	43,465	41,889
Current Liabilities		
Trade and other payables	51,048	19,749
Short term borrowings	16,833	2,696
Taxation	1,526	885
Total current liabilities	69,407	23,330
Total Liabilities	112,872	65,219
TOTAL EQUITY AND LIABILITIES	310,418	251,662
Net Assets Attributable to Equity Holders of the Parent	197,546	186,443
Net Assets Per Share Attributable to Equity Holders of the Parent (RM)	2.19	2.07

The Condensed Consolidated Balance Sheet should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2009 and the accompanying explanatory notes attached to the interim financial statements.

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	<-----Attributable to Equity Holders of the Company----->						Minority Interest	Total Equity
	<-----Non-distributable----->			Distributable				
	Share Capital	Share Premium	Capital Redemption Reserve	Negative Goodwill	Retained Profits	Total		
	RM' 000	RM' 000	RM' 000	RM' 000	RM' 000	RM' 000	RM' 000	RM' 000
<u>12 months ended 31 March 2009</u>								
Balance as at 1 April 2008								
As previously stated	90,000	6,697	500		84,331	181,528	531	182,059
Prior year adjustment					(2,633)	(2,633)		(2,633)
As restated	90,000	6,697	500	-	81,698	178,895	531	179,426
Profit for the year					8,736	8,736	(31)	8,705
Dividends					(1,688)	(1,688)	-	(1,688)
Balance as at 31 March 2009	90,000	6,697	500	-	88,746	185,943	500	186,443
<u>12 months ended 31 March 2010</u>								
Balance as at 1 April 2009	90,000	6,697	500	-	88,746	185,943	500	186,443
Acquisition of shares in o subsidiary company							1,313	1,313
Profit for the year				490	#REF!	#REF!	#REF!	#REF!
Dividends					(1,687)	(1,687)	-	(1,687)
Balance as at 31 March 2010	90,000	6,697	500	490	#REF!	#REF!	#REF!	#REF!

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2009 and the explanatory notes attached to the interim financial statements.

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CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	12 months ended 31/3/2010 (Unaudited) RM' 000	12 months ended 31/3/2009 (Audited) RM' 000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	15,693	12,551
Adjustments for :		
Non-cash items	85	(164)
Non-operating items	339	339
Operating profit before working capital changes	16,117	12,726
Net change in current assets	(41,353)	(767)
Net change in current liabilities	27,239	(1,700)
Net cash from operating activities	2,003	10,259
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(9,214)	(1,416)
Acquisition of subsidiary	(1,740)	-
Proceeds from disposal of property, plant and equipment	188	1,641
Land and development expenditure	(13,670)	(28,552)
Net cash used in investing activities	(24,436)	(28,327)
CASH FLOWS FROM FINANCING ACTIVITIES		
Bank borrowings (net)	11,063	31,394
Fixed deposit	(635)	4
Dividend paid	(1,688)	(1,687)
Payment of hire purchase	(179)	(195)
Net cash used in financing activities	8,561	29,516
NET INCREASE IN CASH AND CASH EQUIVALENTS	(13,872)	11,448
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	12,130	682
CASH AND CASH EQUIVALENTS AT END OF PERIOD	(1,742)	12,130
Cash and cash equivalents comprise of :-		
Cash and bank balances	3,657	12,130
Bank overdrafts	(5,399)	-
	(1,742)	12,130

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2009 and the accompanying notes attached to the interim financial statements.

PART A - EXPLANATORY NOTES PURSUANT TO FRS 134

1 Basis of Preparation

The interim financial statements have been prepared in accordance with Financial Reporting Standards ("FRS") 134, Interim Financial Reporting and paragraph 9.22 of the Bursa Malaysia Securities Berhad Listing Requirements.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 March 2009. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 March 2009.

2 Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the year ended 31 March 2009 was not qualified.

3 Seasonal or Cyclical Factors

The business operations of the Group were not affected by any seasonal or cyclical factors.

4 Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the financial period under review.

5 Changes in Estimates

There were no changes in estimates of amounts reported in prior financial years that have a material effect in the current quarter.

6 Debt and Equity Securities

There have been no issue and repayment of debts and equity, repurchases, share cancellation or new issuance during the quarter under review and financial year-to-date.

7 Dividends Paid

No dividend has been paid during the quarter under review.

8 Segment Revenue and Results

The Group's main operation is property development. Other operations of the Group mainly comprise of investment holdings and provision of management and secretarial services to the subsidiary companies, neither which are of sufficient size to be reported as a segment. The Group's operations are carried out in Malaysia.

9 Valuation of Property, Plant and Equipment

The valuation of property, plant and equipment have been brought forward, without any amendments from the previous annual audited financial statements for the year ended 31 March 2009.

10 Material Events Subsequent to the End of the Reporting Period

There were no material events subsequent to end of current quarter except for the full settlement of balance purchase consideration of RM24.6 million for the purchase of land as mentioned under note 13 below.

11 Changes in the Composition of the Group

During the quarter under review, the Group acquired 60% equity in Sunny Mode Sdn Bhd.

12 Changes in Contingent Liabilities and Contingent Assets

There were no changes in contingent liabilities or contingent assets since the last annual balance sheet as at 31 March 2009.

13 Capital Commitments

The two conditional Sale and Purchase Agreements entered between the wholly-owned subsidiary company with Messrs. Ho Soo Ching and Ho Tyng Choon, the Executor of the Estate of Ho Kee Nyap (deceased) and Ho Kee Nyap Sdn Bhd for the acquisition of land measuring approximately 140.87 acres for a total consideration of RM35,149,000 rendered unconditional in the previous quarter. The differential sum has been paid during the quarter and the balance of purchase consideration shall be settled by way of loan granted by OCBC Bank (M) Bhd.

Approved and contracted for

RM '000

24,600

**PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA
MALAYSIA SECURITIES BERHAD**

14 Income Tax Expenses

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year to Date	Preceding Year Corresponding Year to Date
	31/3/2010 RM' 000	31/3/2009 RM' 000	31/3/2010 RM' 000	31/3/2009 RM' 000
Malaysian income tax	(1,440)	(1,249)	(4,793)	(4,275)
Deferred tax	262	433	569	818
	<u>(1,178)</u>	<u>(816)</u>	<u>(4,224)</u>	<u>(3,457)</u>
Overprovision of Malaysian income tax in prior years	1	(1)	8	(389)
	<u>(1,177)</u>	<u>(817)</u>	<u>(4,216)</u>	<u>(3,846)</u>

15 Quoted Securities

There were no investments in quoted securities during the quarter under review and financial year-to-date.

16 Sale of Unquoted Investments and/or Properties

There were no sale of unquoted investments and/or properties outside the ordinary course of the Group's business during the quarter ended 31 March 2010.

17 Corporate Proposals

There were no corporate proposals announced from the date of the last quarterly report to the date of this report.

18 Borrowings - Secured

	As at 31/3/2010 RM' 000	As at 31/3/2009 RM' 000
<u>Short Term Borrowings</u>		
- Hire Purchase	#REF!	179
- Bank Overdraft	#REF!	-
- Term Loan	#REF!	2,517
- Revolving Loan	#REF!	-
	<u>#REF!</u>	<u>2,696</u>
<u>Long Term Borrowings</u>		
- Hire Purchase	#REF!	561
- Term Loan	#REF!	37,261
- Bridging Loan	#REF!	-
	<u>#REF!</u>	<u>37,822</u>

19 Off Balance Sheet Financial Instruments

There were no off balance sheet arrangements entered into nor were there any off balance sheet financial instruments issued as at the date of this report.

20 Changes in Material Litigation

There were no changes in material litigation from the date of the last quarterly report to the date of this report.

21 Dividends Payable

For the Financial year ended 31 March 2010, the Board of Directors propose a final gross dividend of 3.0 % per share, less income tax of 25% amounting to RM2.025 million, subject to the approval of shareholders at the forthcoming Annual General Meeting.

22 Earnings Per Share

Basic earnings per share is calculated by dividing profit for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares in issue during the period.

		12 months ended 31/3/2010	12 months ended 31/3/2009
(a) Basic earnings per share			
Profit for the period	(RM' 000)	#REF!	8,736
Weighted average number of ordinary shares in issue	(' 000)	90,000	90,000
Basic earnings per share	(sen)	#REF!	9.71
(b) Diluted earnings per share	(sen)	N/A	N/A

23 Review of Group Performance

For the fourth quarter ended 31 March 2010, the Group achieved a revenue of RM27.213 million and profit before tax of RM4.379 million. Net profit for the fourth quarter under review was RM3.202 million, showing an increase of RM0.637 million (25%) in net profit as compared to the preceding year corresponding period.

The Group's revenue for the year ended 31 March 2010 recorded at RM103.542 million showing an increase of RM3.499 million (4%) as compared to revenue of RM100.043 million of the preceding corresponding year. Net Profit for the year ended 31 March 2010 was recorded at RM11.477 million showing an increase of 32% as compared to the preceding corresponding year .

Better financial performance for the current period as compared to the preceding year corresponding period was due to better sales achieved for the current period and better Gross Profit Margin of certain development projects.

The Group's earnings per share for the period ended 31 March 2010 was 12.86 sen.

The Group's Net Assets per share stood at RM2.19 as at 31 March 2010 compared to RM2.07 as at 31 March 2009.

24 Material Changes in the Quarterly Results compared to the Results of the Immediate Preceding Quarter

The Group's profit before tax for the quarter under review of RM4.379 million increased by RM0.637 million compared to the immediate preceding quarter ended 31 December 2009 of RM3.742 million.

25 Current Year Prospects

The Group will continue to focus on building affordable and quality homes for the public and shall further strengthen its presence in the market. The Group remains positive on the outlook for the affordable and mass housing market segment in which it operate. We believe this segment of housing market will remain reasonably strong as it is mainly driven by owner-occupiers.

The Board of Directors is confident of maintaining the profitability of the Group.

26 Explanatory Notes for Variance of Actual Profit from Forecast Profit / Profit Guarantee

Not applicable

27 Authorisation For Issue

HUA YANG BERHAD (Co. No. 44094-M)

(Incorporated in Malaysia)

Interim Financial Statements for the financial period ended 31 March 2010

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors passed at the Board of Directors' meeting held on 21 May 2010.